



CBSA BERHAD (537337M)

(formerly known as CBS Technology Berhad)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD		CUMULATIVE	
	Quarter ended 31.3.2011 RM	Quarter ended 31.3.2010 RM	Year to date 31.3.2011 RM	Year to date 31.3.2010 RM
Revenue	10,156,240	11,673,947	10,156,240	11,673,947
Operating expenses	(7,546,611)	(9,932,810)	(7,546,611)	(9,932,810)
Other income	206,357	1,998,569	206,357	1,998,569
Profit from Operations	2,815,986	3,739,706	2,815,987	3,739,706
Finance Cost	(14,497)	(12,646)	(14,497)	(12,646)
Profit before taxation	2,801,489	3,727,060	2,801,489	3,727,060
Taxation	(182,000)	(219,346)	(182,000)	(219,346)
Profit for the period	2,619,489	3,507,714	2,619,489	3,507,714
Other comprehensive income	-	-	-	-
Total comprehensive income	2,619,489	3,507,714	2,619,489	3,507,714
Attributable to:-				
Owners of the parent	2,572,406	3,221,441	2,572,406	3,221,441
Non-controlling interest	47,083	286,273	47,083	286,273
	2,619,489	3,507,714	2,619,489	3,507,714
Weighted average number of shares	238,981,085	235,948,195	238,981,085	235,948,195
Earnings per share (sen)				
-Basic	1.08	1.37	1.08	1.37
-Diluted	1.08	1.36	1.08	1.36

Note :

The calculations of the basic and diluted earnings per share are shown in Note B14.

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)



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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited as at 31.3.2011	Audited as at 31.12.2010
	RM	RM
SHARE CAPITAL	23,898,109	23,898,109
SHARE PREMIUM	316,407	316,407
UNAPPROPRIATED PROFIT	32,796,301	30,223,895
	<u>57,010,817</u>	<u>54,438,411</u>
NON-CONTROLLING INTEREST	228,941	181,858
Total Equity	<u>57,239,758</u>	<u>54,620,269</u>
NON-CURRENT LIABILITIES		
Finance lease liabilities	538,601	608,792
Deferred taxation	52,000	52,000
	<u>57,830,359</u>	<u>55,281,061</u>
REPRESENTED BY :		
NON-CURRENT ASSETS		
Property, plant and equipment	3,001,897	3,151,025
Intangible assets	20,862,160	20,862,160
Investment in associate company	473	473
Development cost	1,383,989	1,273,761
Goodwill on consolidation	8,344,079	8,344,078
Other investment	55,000	55,000
CURRENT ASSETS		
Inventories	135,020	183,834
Trade receivables	11,978,725	15,623,746
Other receivables	3,944,176	5,693,769
Investments	14,596,040	10,678,429
Tax recoverable	-	9,219
Directories in progress	2,999,620	2,306,303
Fixed deposits with licensed banks	3,738,502	3,138,502
Cash and bank balances	6,104,782	6,489,894
	<u>43,496,865</u>	<u>44,123,696</u>
CURRENT LIABILITIES		
Trade payables	2,927,628	4,107,986
Other payables	15,695,268	17,814,793
Finance lease liabilities	210,525	191,818
Tax payable	480,683	414,535
	<u>19,314,104</u>	<u>22,529,132</u>
NET CURRENT ASSETS	<u>24,182,761</u>	<u>21,594,564</u>
	<u>57,830,359</u>	<u>55,281,061</u>
Net asset per share attributable to ordinary equity holders of the parent (sen)	23.95	22.86

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable To Equity Holders Of The Parent				Total	Non Controlling Interest	Total Equity
	Share capital	Share premium	Share option reserve	Unappropriated profit			
	RM	RM	RM	RM	RM	RM	RM
As at 1 January 2011	23,898,109	316,407	-	30,223,895	54,438,411	181,858	54,620,269
Total comprehensive income for the period	-	-	-	2,572,406	2,572,406	47,083	2,619,489
As at 31 March 2011	23,898,109	316,407	-	32,796,301	57,010,817	228,941	57,239,758

	Attributable To Equity Holders Of The Parent				Total	Non Controlling Interest	Total Equity
	Share capital	Share premium	Share option reserve	Unappropriated profit			
	RM	RM	RM	RM	RM	RM	RM
As at 1 January 2010	15,665,539	2,061,909	131,214	25,399,984	43,258,646	216,279	43,474,925
Issuance of share capital	118,000	147,160	-	-	265,160	-	265,160
Bonus issue	7,864,770	(2,172,969)	-	(5,691,801)	-	-	-
Bonus issue expenses	-	(35,000)	-	-	(35,000)	-	(35,000)
Exercise of share options	-	36,177	(36,177)	-	-	-	-
Total comprehensive income for the period	-	-	-	3,221,441	3,221,441	286,273	3,507,714
As at 31 March 2010	23,648,309	37,277	95,037	22,929,624	46,710,247	502,552	47,212,799

(The Condensed Consolidated Statements of Change in Equity should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Cumulative Quarter	
	Current year 31.3.2011 RM	Preceding year 31.3.2010 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,801,489	3,727,060
Adjustment for:		
Non-cash items	240,337	190,978
Non-operating items	68,477	(1,824,886)
Operating profit before working capital changes	3,110,303	2,093,152
Net changes in current assets	4,757,755	(488,076)
Net changes in current liabilities	(3,299,884)	141,051
Cash generated from operations	4,568,174	1,746,127
Interest income received	(68,477)	-
Interest paid	(11,100)	-
Tax refund	-	-
Income tax paid	(106,633)	(307,303)
Net cash flow from operating activities	4,381,964	1,438,824
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in trust funds	(502,685)	-
Proceeds from disposal of property, plant and equipment	-	218,000
Proceeds from disposal of prepaid land lease payment	-	8,790,467
Acquisition of property, plant and equipment	(47,272)	(183,306)
Payment for development costs	(150,710)	-
Net cash flow from investing activities	(700,667)	8,825,161
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from finance lease	-	120,000
Proceeds from issuance of shares	-	265,160
Repayment of finance lease liabilities	(51,483)	(4,002)
Bonus issue expenses paid	-	(35,000)
Net cash flow from financing activities	(51,483)	346,158
Net change in cash and cash equivalents	3,629,814	10,610,143
Effect on exchange rate differences	-	-
Cash and cash equivalents at beginning of period	20,306,825	3,996,525
Cash and cash equivalents at end of period	23,936,639	14,606,668

Note A

Notes

A. Cash and cash equivalents included in the Statements of Cash Flows comprise the following balance sheets items:

	As at 31.3.2011 RM	As at 31.3.2010 RM
Fixed deposits with licensed banks	3,738,502	4,704,830
Cash and bank balances	6,104,782	7,047,832
Bank overdraft (included within Borrowings under Current Liabilities)	-	(845,994)
Money market funds (included within Investments under Current Assets)	14,093,355	3,700,000
	<u>23,936,639</u>	<u>14,606,668</u>

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)



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NOTES

A EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of CBSA Berhad ("CBSA" or the "Company") and its subsidiary companies ("Group") for the financial year ended 31 December 2010.

The accounting policies adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2010 except for the adoption of the new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2011.

A2. Qualification of Financial Statements

The auditor's report of the preceding financial statements for the financial year ended 31 December 2010 was not subject to any audit qualification.

A3. Seasonal or Cyclical Factors

The business of the Group was not materially affected by any significant seasonal or cyclical factors during the current quarter under review.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the current quarter under review.

A5. Material Changes in Estimates

There were no changes in the estimates of amounts reported in the prior financial period, which have a material effect in the current quarter under review.



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A6. Debts and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares during the current quarter under review.

A7. Dividends Paid

There was no dividend paid during the current quarter under review.

A8. Segmental Information

The Group's segment report for the financial year ended 31 March 2011 is as follows:

	IT	Search & Advertising*	Total
	RM'000	RM'000	RM'000
Revenue	7,141	3,015	10,156
Profit before tax	2,657	144	2,801
Taxation			(182)
Profit after tax			2,619

** Renamed from Media & Content division to Search & Advertising division to better reflect the business activities.*

A9. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment during the current quarter under review.

A10. Subsequent Events

There were no material events subsequent to the end of the current quarter under review.



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A11. Changes in Composition of the Group

There were no major changes in the composition of the Group for the current quarter under review.

A12. Contingent Liabilities

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2010.



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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

For the current quarter ended 31 March 2011, the Group reported revenue of RM10.16 million as compared to RM11.67 million for the corresponding quarter ended 31 March 2010, decreased by approximately 13.0%. The decrease in revenue was mainly due to the delay in the implementation of certain projects which had resulted lower billing for IT division in the current quarter.

The Group's profit before tax ("PBT") decreased by 24.8% from RM3.73 million for the quarter ended 31 March 2010 to RM2.80 million for the quarter ended 31 March 2011. The PBT for the quarter ended 31 March 2010 was higher than the current quarter mainly due to one-off gain from the disposal of a piece of leasehold land amounted to RM1.74 million.

Corresponding with the decrease in the PBT, the Group's PAT decreased from RM3.51 million for the period ended 31 March 2010 to RM2.62 million for the current period under review.

B2. Material Changes in the Quarterly Results

	Quarter ended 31.3.2011 RM'000	Quarter ended 31.12.2010 RM'000
Revenue	10,156	13,097
Profit Before Tax	2,801	3,187

For the current quarter, the Group's revenue and PBT decreased to RM10.16 million and RM2.80 million respectively, compared to RM13.10 million and RM3.19 million respectively recorded for the quarter ended 31 December 2010 due to lower revenue contributed by Search and Advertising division.

B3. Prospects

The Group's sales activities have been steady and active since entering into the second quarter of 2011. This indicates the demand for the Group's products has picked up. With the encouraging leads, the Group expects to perform better in the second half of 2011.

Barring any unforeseen circumstances, the Board of Directors of CBSA expects the Group to achieve satisfactory performance in the financial year ending 31 December 2011.



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B4. Statement of the Board of Directors' Opinion on Profit Estimate, Forecast, Projection or Internal Targets

The Group has not provided any profit estimate, forecast, projection in any public documents.

B5. Variance on Profit Forecast

Not applicable.

B6. Taxation

	Individual quarter		Individual quarter	
	Current quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31.3.2011	31.3.2010	31.3.2011	31.12.2010
	RM	RM	RM	RM
Current year	182,000	219,346	182,000	219,346
Under/(over) provision in prior years	-	-	-	-
	182,000	219,346	182,000	219,346
Deferred taxation	-	-	-	-
	182,000	219,346	182,000	219,346

The Group's effective tax rate is lower than the statutory tax rate as there is no taxation charge on the business income derived from its wholly-owned subsidiaries, CBSA MSC Sdn Bhd (formerly known as CBS MSC Sdn Bhd) ("CBSA MSC") and CBSA Online Sdn Bhd (formerly known as Infodata Media Sdn Bhd) ("CBSA Online"). CBSA MSC was granted pioneer status on 26 September 2003 and the tax exemption period of CBSA MSC has been extended for another five (5)-year period to 25 September 2013. CBSA Online was granted pioneer status on 18 January 2006 with a tax exemption period expiring on 17 January 2011. The application for the extension of the tax exemption period for another five (5)-year period has been submitted to the relevant authority which is currently pending the approval.



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B7. Profit on Sale of Unquoted Investment and/or Properties

There was no sale of unquoted investments and / or properties by the Group during the current quarter.

B8. Quoted Securities

There were no purchases or sales of quoted securities by the Group in the current quarter.

B9. (a) Status of Corporate Proposal

Save as disclosed below, there are no other corporate proposals announced but not completed as at the date of this report.

(i) Proposed Establishment of Employees Share Option Scheme

On 3 May 2011, the Company announced that it proposes to undertake an employees' share option scheme of up to fifteen percent (15%) of the issued and paid-up share capital of the Company (excluding treasury shares) for the benefit of the eligible employees and Directors (including Non-Executive Directors) of the Company and its subsidiaries ("Proposed ESOS").

The Company submitted the additional listing application to Bursa Malaysia Securities Berhad ("Bursa Securities") on 12 May 2011 and the said application was approved by Bursa Securities on 23 May 2011. The Company will seek the approval of the Company's shareholders for the Proposed ESOS in due course.

(b) Status of utilisation of proceeds

There were no unutilized proceeds raised from any corporate proposals.



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B10. Borrowings and Debts Securities

The details of the Group's borrowings and debts securities outstanding as at 31 March 2011 are as follows:

	Current RM'000	Non-current RM'000
Secured		
Hire Purchase	210	539

All borrowings are denominated in Ringgit Malaysia.

B11. Off Balance Sheet Financial Instruments

The Group did not have any off balance sheet financial instruments as at 31 March 2011.

B12. Changes in Material Litigation

In respect of the legal suit between Bank Simpanan Nasional ("BSN") and a wholly owned subsidiary of the Company, Cyber Business Solutions Sdn Bhd ("Cyber") [Civil Suit No.D-22NCC-279-2009], the trial for this case has been concluded on 16 March 2011 and fixed for decision on 23 May 2011 but has been deferred to 14 June 2011.

In respect of the legal suit filed by Cyber against Elsag Datamat SPA ("Elsag") [Civil Suit No.S-22-588-2010 ("the Suit")] and the interim injunction applied by Cyber to restrain Elsag from proceeding with the International Chamber of Commerce's International Court of Arbitration, the High Court had allowed Cyber's application for the interim injunction and dismissed Elsag's application to set-aside / strike-out the Suit. Elsag has appealed against both the said orders of the High Court and the Court of Appeal but both applications were dismissed. Elsag's substantive appeal to the Court of Appeal is still pending hearing. In the meantime, the action in the High Court is proceeding towards a trial with the case management having been fixed on 1 June 2011.

B13. Dividend

No interim dividend has been declared during the current quarter.



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B14. Earnings Per Share

The basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the financial period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity holders of the parent and weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares from the share options granted to employees under the Company's Employees' Share Option Scheme.

Basic

		Current Quarter 31.03.11	Preceding Year Corresponding Quarter 31.03.10	Current Year To Date 31.03.11	Preceding Year Corresponding Period 31.03.10
Net profit attributable to equity holders of the parent	(RM)	2,572,406	3,221,441	2,572,406	3,221,441
Weighted average number of ordinary shares in issue and issuable	(Unit)	238,981,085	235,948,195	238,981,085	235,948,195
Basic earnings per share	(sen)	1.08	1.37	1.08	1.37

Diluted

		Current Quarter 31.03.11	Preceding Year Corresponding Quarter 31.03.10	Current Year To Date 31.03.11	Preceding Year Corresponding Period 31.03.10
Adjusted net profit attributable to equity holders of the parent	(RM)	2,572,406	3,224,860	2,572,406	3,224,860
Adjusted weighted average number of ordinary shares in issue and issuable	(Unit)	238,981,085	237,291,681	238,981,085	237,291,681
Diluted earnings per share	(sen)	1.08	1.36	1.08	1.36



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B15. Disclosure of Realised and Unrealised Profits

The breakdown of realised and unrealised profits as at 31 March 2011 and 31 December 2010 is as follows:

	Quarter ended 31.3.2011 RM	As at 31.12.2010 RM
Total unappropriated profits:-		
- Realised	34,681,966	31,976,712
- Unrealised	<u>34,261</u>	<u>185,523</u>
	34,716,227	32,162,235
Consolidated adjustments	<u>(1,919,926)</u>	<u>(1,938,340)</u>
	<u>32,796,301</u>	<u>30,223,895</u>

B16. Qualification of Financial Statements

The Company's preceding annual financial statements was not subject to any audit qualification.

