



CBSA BERHAD (537337M)

(formerly known as CBS Technology Berhad)

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL PERIOD		CUMULATIVE	
		Quarter ended 31.12.2011 RM	Quarter ended 31.12.2010 RM	Year to date 31.12.2011 RM	Year to date 31.12.2010 RM
Revenue		20,100,503	13,098,077	54,109,402	46,575,975
Cost of sales		(9,615,508)	(6,314,268)	(26,075,341)	(23,107,333)
Gross profit		10,484,995	6,783,809	28,034,061	23,468,642
Other income		992,461	447,299	1,579,270	2,950,106
Selling and distribution expenses		(124,611)	(113,332)	(582,612)	(682,670)
Administration expenses		(3,949,913)	(3,829,167)	(15,285,145)	(12,144,145)
Other expenses		(94,785)	(42,058)	(94,785)	(2,002,680)
Finance Cost		(1,167)	(44,174)	(74,413)	(165,120)
Profit before taxation	B14	7,306,980	3,202,377	13,576,376	11,424,133
Taxation		(535,001)	(265,767)	(317,707)	(795,842)
Profit for the financial year		6,771,979	2,936,610	13,258,669	10,628,291
Other comprehensive income		-	-	-	-
Total comprehensive income		6,771,979	2,936,610	13,258,669	10,628,291
Attributable to:-					
Owners of the parent		6,747,135	2,940,575	13,087,750	10,515,712
Non-controlling interest		24,844	(3,965)	170,919	112,579
		6,771,979	2,936,610	13,258,669	10,628,291
Weighted average number of shares		238,981,085	238,981,085	238,981,085	237,938,677
Earnings per share (sen)					
-Basic		2.82	1.23	5.48	4.42
-Diluted		2.82	1.23	5.48	4.42

Note :

The calculations of the basic and diluted earnings per share are shown in Note B12.

(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)



CBSA BERHAD (537337M)

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited as at 31.12.2011 RM	Audited as at 31.12.2010 RM
SHARE CAPITAL	23,898,109	23,898,109
SHARE PREMIUM	316,407	316,407
SHARE OPTION RESERVE	657,081	-
UNAPPROPRIATED PROFIT	43,311,645	30,223,895
	<u>68,183,242</u>	<u>54,438,411</u>
MINORITY INTEREST	205,787	181,858
Total Equity	<u>68,389,029</u>	<u>54,620,269</u>
NON-CURRENT LIABILITIES		
Finance lease liabilities	696,949	608,792
Deferred taxation	52,000	52,000
	<u>69,137,978</u>	<u>55,281,061</u>
REPRESENTED BY :		
NON-CURRENT ASSETS		
Property, plant and equipment	2,904,289	3,151,025
Intangible assets	21,362,160	20,862,160
Development cost	898,806	1,273,761
Goodwill on consolidation	8,344,078	8,344,078
Investment in Associate company	473	473
Other investment	55,000	55,000
	<u>33,564,806</u>	<u>33,686,497</u>
CURRENT ASSETS		
Inventories	156,898	183,834
Trade receivables	22,050,120	15,623,746
Other receivables	783,010	5,693,769
Investments	26,342,235	10,678,429
Tax recoverable	-	9,219
Directories in progress	2,302,046	2,306,303
Fixed deposits with licensed banks	4,004,493	3,138,502
Cash and bank balances	4,279,292	6,489,894
	<u>59,918,094</u>	<u>44,123,696</u>
CURRENT LIABILITIES		
Trade payables	5,543,908	4,107,986
Other payables	18,432,750	17,814,793
Finance Lease liabilities	229,643	191,818
Tax payables	138,621	414,535
	<u>24,344,922</u>	<u>22,529,132</u>
NET CURRENT ASSETS	<u>35,573,172</u>	<u>21,594,564</u>
	<u>69,137,978</u>	<u>55,281,061</u>
Net asset per share attributable to ordinary equity holders of the parent (sen)	28.62	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 RM	Non-controlling Interest RM	Total Equity RM
	Non-Distributable		Distributable				
	Share capital RM	Share premium RM	Share option reserve RM	Unappropriated profit RM			
As at 1 January 2011	23,898,109	316,407	-	30,223,895	54,438,411	181,858	54,620,269
Issuance of share capital to non-controlling interest	-	-	-	-	-	10	10
Share base payment under ESOS	-	-	657,081	-	657,081	-	657,081
Total comprehensive income for the financial year	-	-	-	13,087,750	13,087,750	170,919	13,258,669
Dividend paid to non-controlling interest	-	-	-	-	-	(147,000)	(147,000)
As at 31 December 2010	23,898,109	316,407	657,081	43,311,645	68,183,242	205,787	68,389,029

	Attributable To Equity Holders Of The Parent				Total RM	Non-controlling Interest RM	Total Equity RM
	Non-Distributable		Distributable				
	Share capital RM	Share premium RM	Share option reserve RM	Unappropriated profit 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	367,800	344,440	-	-	712,240	-	712,240
Share base payment under ESOS	-	-	(13,187)	-	(13,187)	-	(13,187)
Exercise of share options	-	118,027	(118,027)	-	-	-	-
Bonus issue	7,864,770	(2,172,969)	-	(5,691,801)	-	-	-
Bonus issue expenses	-	(35,000)	-	-	(35,000)	-	(35,000)
Total comprehensive income for the financial year	-	-	-	10,515,712	10,515,712	112,579	10,628,291
Dividend paid to non-controlling interest	-	-	-	-	-	(147,000)	(147,000)
As at 31 December 2010	23,898,109	316,407	-	30,223,895	54,438,411	181,858	54,620,269

(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)

**CBSA BERHAD**

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Cumulative Quarter	
	Current year 31.12.2011 RM	Preceding year 31.12.2010 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	13,576,376	11,424,133
Adjustment for:		
Non-cash items	1,761,150	1,865,641
Non-operating items	(865,541)	(2,049,987)
Operating profit before working capital changes	14,471,985	11,239,787
Net changes in current assets	(1,124,335)	(4,924,907)
Net changes in current liabilities	2,053,879	2,230,141
Cash generated from operations	15,401,529	8,545,021
Interest income received	951,527	390,222
Interest paid	(74,413)	(165,120)
Income tax paid	(584,402)	(857,891)
Net cash flow from operating activities	15,694,241	7,912,232
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of associate company	-	(473)
Payment for development costs	(207,798)	(577,978)
Proceeds from disposal of property, plant and equipment	299,571	219,350
Proceeds from disposal of prepaid land lease payment	-	8,790,467
Proceeds from disposal of investment securities	123,606	-
Purchase of intangible asset	(500,000)	-
Purchase of investment securities	(518,062)	-
Purchase of property, plant and equipment	(944,296)	(645,761)
Net cash flow from investing activities	(1,746,979)	7,785,605
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from finance lease	468,000	-
Proceeds from issuance of share capital	-	712,240
Proceeds from issuance of share capital to non-controlling interest	10	-
Repayment of finance lease liabilities	(342,017)	(119,380)
Bonus issue expenses paid	-	(35,000)
Dividend paid to non-controlling interest	(147,000)	-
Net cash flow from financing activities	(21,007)	557,860
Net change in cash and cash equivalents	13,926,255	16,255,697
Effect on exchange rate differences	-	54,444
Cash and cash equivalents at beginning of period	20,306,825	3,996,684
Cash and cash equivalents at end of period	34,233,080	20,306,825

Note A

Notes

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

	As at 31.12.2011 RM	As at 31.12.2010 RM
Fixed deposits with licensed banks	4,004,493	3,138,502
Cash and bank balances	4,279,292	6,489,894
Money market funds (included within Investments under Current Assets)	25,949,295	10,678,429
	<u>34,233,080</u>	<u>20,306,825</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)



CBSA BERHAD (537337M)
(Formerly known as CBS Technology Berhad)
(Incorporated in Malaysia)

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.



CBSA BERHAD (537337M)
(Formerly known as CBS Technology Berhad)
(Incorporated in Malaysia)

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 is presented based on its operating activities as follows:

Segment revenue	3 months ended		12 months ended	
	31.12.11	31.12.10	31.12.11	31.12.10
	RM'000	RM'000	RM'000	RM'000
IT	12,058	5,605	30,462	23,388
Search & Advertising	8,043	7,492	23,647	23,187
Investment holding	-	-	-	1
Consolidated revenue	20,101	13,097	54,109	46,576

Segment result	3 months ended		12 months ended	
	31.12.11	31.12.10	31.12.11	31.12.10
	RM'000	RM'000	RM'000	RM'000
IT	4,180	1,341	8,344	6,364
Search & Advertising	3,138	2,375	5,417	5,814
Investment holding	(11)	(514)	(185)	(754)
Consolidated profit before tax	7,307	3,202	13,576	11,424



CBSA BERHAD (537337M)
(Formerly known as CBS Technology Berhad)
(Incorporated in Malaysia)

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

Save as disclosed in B10, there were no material events subsequent to the end of the current quarter under review.

A11. Changes in Composition of the Group

On 15 December 2011, CBSA Pancommerce Sdn Bhd ("Pancommerce"), a subsidiary of CBSA was incorporated. The authorised share capital of Pancommerce is RM100,000 divided into 100,000 ordinary shares of RM1.00 each with a total issued and paid-up capital of RM100.00 comprising 100 ordinary shares of RM1.00 each. CBSA holds 90% of the equity interest in Pancommerce.

The principal activities of Pancommerce are development of e-commerce software, applications and websites and provision of internet and e-commerce related services.

Save as disclosed above, there were no major changes in the composition of the Group for the current quarter under review.

A12. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 December 2011 is as follows:

	RM'000
Approved and contracted for:	
Property, plant and equipment	<u>18,000</u>

A13. Contingent Liabilities

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



CBSA BERHAD (537337M)
(Formerly known as CBS Technology Berhad)
(Incorporated in Malaysia)

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

B1. Review of Performance

The Group recorded revenue of RM20.10 million for the current quarter ended 31 December 2011 as compared to RM13.10 million for the corresponding quarter ended 31 December 2010, increased by RM7.00 million or approximately 53.5%. The jump in revenue was mainly contributed from IT Division due to revenue recognition from the LMS Project (as described in B10(a)) amounted to RM7.11 million after the Company's wholly owned subsidiary, Cyber Business Solutions Sdn Bhd ("Cyber") won the legal suit against Bank Simpanan Nasional ("BSN"). The High Court allowed Cyber's counter-claim totaling RM5.43 million which include, among others, the unpaid contract sum and additional work done by Cyber. Please refer to B10(a) for more details on the legal suit.

Revenue from Search & Advertising division also improved by 7.3% in the current quarter mainly contributed from the sale of licensed content.

Corresponding with the increase in revenue, the Group's profit before tax ("PBT") improved by RM4.10 million or 128.2% from RM3.20 million for the quarter ended 31 December 2010 to RM7.31 million for the current quarter.

For the twelve (12) months ended 31 December 2011, the Group registered revenue of RM54.11 million and PBT of RM13.58 million as compared to RM46.58 million and RM11.42 million achieved in the previous year, which represent an increase of approximately 16.2% in revenue and 18.8% in PBT. The improvement in both revenue and PBT was mainly contributed from IT division due to the same reason as explained above. However, the increase in the Group's PBT was partially offset by higher operating expenses incurred due to (i) recognition of a share-based payment amounted to RM0.66 million following the grant of the employees share option scheme by the Company in the third quarter; and (ii) the write off of the capitalized content development cost amounted to RM0.71 million in Search and Advertising division.

In line with the increase in the PBT, the Group's profit after tax ("PAT") improved by RM2.63 million or approximately 24.7% from RM10.63 million in the previous year to RM13.26 million. Higher percentage of improvement in PAT was partly contributed by the write back of the prior year's tax provision in Search & Advertising division.



CBSA BERHAD (537337M)
(Formerly known as CBS Technology Berhad)
(Incorporated in Malaysia)

B2. Material Changes in the Quarterly Results

	Quarter ended 31.12.2011 RM'000	Quarter ended 30.9.2011 RM'000
Revenue	20,101	13,993
Profit Before Tax	7,307	2,089

The Group's revenue and PBT for the current quarter improved by 43.7% and 249.8% respectively as compared to the previous quarter. The substantial increase in both revenue and PBT are explained in B1 above. For the quarter ended 30 September 2011, lower PBT was recorded partly due to (i) recognition of a share-based payment amounted RM0.66 million following the grant of the employees share option scheme by the Company during the quarter; and (ii) the write off of the capitalized content development cost amounted to RM0.71 million.

B3. Prospects

Year 2012 is going to be challenging in view of the ongoing global economic slowdown which has increased the possibility of the global recession. The Malaysian economy is expected to grow at 4% in 2012, lower than the GDP growth of 5.1% achieved in 2011. The Group will continue to be prudent and vigilant in managing the Group's business activities and change its business strategies as and when needed to weather the downturn. Despite the uncertainty, the Board of Directors expects the Group will maintain satisfactory financial performance for the financial year ending 31 December 2012.

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.



CBSA BERHAD (537337M)
(Formerly known as CBS Technology Berhad)
(Incorporated in Malaysia)

B6. Taxation

	3 months ended		12 months ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Current year	535	261	821	851
Under/(over) provision in prior years	-	5	(503)	(55)
	535	266	318	796
Deferred taxation	-	-	-	-
	535	266	318	796

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 and the tax exemption period has been extended to 17 January 2016.

B7. (a) Status of Corporate Proposal

There were no other corporate proposals announced but not completed as at the date of this report.

(b) Status of utilisation of proceeds

There were no unutilized proceeds raised from any corporate proposals.

B8. Borrowings and Debts Securities

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



CBSA BERHAD (537337M)
(Formerly known as CBS Technology Berhad)
(Incorporated in Malaysia)

	Current RM'000	Non-current RM'000
Secured		
Hire Purchase	230	697

All borrowings are denominated in Ringgit Malaysia.

B9. Off Balance Sheet Financial Instruments

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

B10. Changes in Material Litigation

(a) Bank Simpanan Nasional ("BSN") v Cyber Business Solutions Sdn Bhd ("Cyber") [Civil Suit No.D-22NCC-279-2009]

BSN filed a legal suit in October 2009 against Cyber, a wholly owned subsidiary of the Company, claiming against Cyber for a sum of RM6.42 million and general damages for alleged breach of contract under which Cyber was to develop, install and integrate a new loan management system for BSN ("the LMS Project"). Cyber defended BSN's claim and counterclaimed against BSN for a sum of RM3.902 million and damages for additional work done by Cyber and not paid for, and RM0.467 million for the refund of the performance bond. On 14 June 2011, the High Court dismissed BSN's claim with costs and allowed Cyber's counter claim with costs.

BSN had appealed against the High Court's decision, which Appeal was heard on 19 October 2011. The Court of Appeal dismissed BSN's appeal with costs. BSN has not filed an application to the Federal Court for leave to appeal against the Court of Appeal's decision, and thus passed the deadline to appeal to the Federal Court, 21 November 2011. Accordingly, the Court of Appeal's decision remains the final and binding decision and finally disposes of the matter.

(b) Cyber v Elsag Datamat SpA [Civil Suit No.S-22-588-2010]

In another case arising out of the LMS Project, Cyber's sub-contractor Elsag Datamat SpA (now known as Selex Elsag SpA) ("Elsag") had commenced an arbitration proceedings against Cyber for alleged unpaid contract sum of USD761,962 and general damages ("the ICC Arbitration")

In June 2010, Cyber filed a suit in the Malayan High Court at Kuala Lumpur, Civil Suit No. S-22-588-2010 ("the Malaysian Civil Suit") seeking a declaration that, inter alia, there is no arbitration agreement between Cyber and Elsag to refer their disputes to the ICC. Cyber had also applied for and obtained an interim injunction to restrain Elsag from proceeding with the ICC Arbitration pending the determination of the Malaysian Civil Suit. The High Court had given its direction to both parties to compile the bundles of



CBSA BERHAD (537337M)
(Formerly known as CBS Technology Berhad)
(Incorporated in Malaysia)

documents for use at the trial. The next case management is fixed for 12 March 2012. Meanwhile, the ICC Arbitration was withdrawn on 29.7.2011.

In February 2012, Elsag and Cyber entered into a settlement agreement whereby Cyber paid USD300,000 to Elsag as a full and final settlement all disputes between the two parties in respect of the LMS Project. Following the settlement, Cyber has withdrawn the Malaysian Civil Suit.

B11. Dividend

No interim dividend has been declared during the current quarter.

B12. 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

		3 months ended		12 months ended	
		31.12.11	31.12.10	31.12.11	31.12.10
Net profit attributable to equity holders of the parent	(RM'000)	6,747	2,941	13,088	10,516
Weighted average number of ordinary shares in issue and issuable	(Unit'000)	238,981	238,981	238,981	237,939
Basic earnings per share	(sen)	2.82	1.23	5.48	4.42



CBSA BERHAD (537337M)
(Formerly known as CBS Technology Berhad)
(Incorporated in Malaysia)

Diluted

		3 months ended		12 months ended	
		31.12.11	31.12.10	31.12.11	31.12.10
Adjusted net profit attributable to equity holders of the parent	(RM'000)	6,747	2,941	13,088	10,516
Adjusted weighted average number of ordinary shares in issue and issuable	(Unit'000)	238,981	238,981	238,981	237,939
Diluted earnings per share	(sen)	2.82	1.23	5.48	4.42

B13. Disclosure of Realised and Unrealised Profits

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

	Period ended 31.12.2011 RM'000	As at 31.12.2010 RM'000
Total unappropriated profits:-		
- Realised	45,370	31,976
- Unrealised	(62)	186
	<u>45,308</u>	<u>32,162</u>
Consolidated adjustments	(1,996)	(1,938)
	<u>43,312</u>	<u>30,224</u>



CBSA BERHAD (537337M)
(Formerly known as CBS Technology Berhad)
(Incorporated in Malaysia)

B14. Profit / (loss) before taxation

Profit/(loss) before taxation is arrived after charging/(crediting) amongst other items the following:

	3 months ended		12 months ended	
	31.12.11	31.12.10	31.12.11	31.12.10
	RM'000	RM'000	RM'000	RM'000
Interest income	(752)	(216)	(952)	(390)
Other operating income	-	-	-	-
Interest expense	23	44	74	165
Depreciation and amortization	257	239	1,050	861
Provision for and write off of trade receivables	104	272	405	1,672
Provision for and write off of inventories	-	-	-	-
(Gain) on disposal of quoted or unquoted investments or properties	(2)	-	(2)	(1,755)
Impairment of assets	-	-	-	-
(Gain)/Loss on foreign exchange	(33)	(152)	89	(189)

B15. Qualification of Financial Statements

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