



**CBSA BERHAD (537337M)**  
(Incorporated in Malaysia)

**NOTES**

**A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 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 2012.

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 2012 except for the adoption of the new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2013.

**A2. Qualification of Financial Statements**

The auditor's report of the preceding financial statements for the financial year ended 31 December 2012 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)**  
(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 and financial period to-date, except as disclosed below:-

	<b>Quarter ended 30.09.2013</b>	<b>Year to date 30.09.2013</b>
No. of ordinary shares of RM0.10 each issued pursuant to the exercise of options granted under the Employees' Share Option Scheme ("ESOS")	-	1,121,800
	<hr/>	<hr/>
	-	1,121,800

**A7. Dividends Paid**

On 20 October 2013, the Company paid a single tier interim dividend of 2 sen per ordinary share or 20% in respect of the financial year ending 31 December 2013 totaling RM4,827,014.

**A8. Segmental Information**

The Group's segment report is presented based on its operating segments as follows:

<b>Segment revenue</b>	<b>Individual Period</b>		<b>Cumulative</b>	
	<b>Quarter ended 30.09.2013 RM'000</b>	<b>Quarter ended 30.09.2012 RM'000</b>	<b>Year to date 30.09.2013 RM'000</b>	<b>Year to date 30.09.2012 RM'000</b>
IT	1,076	4,140	2,605	14,607
Search & Advertising	9,255	10,116	19,885	19,825
Investment holding & others	330	-	948	12
Less: Inter-segment revenue	(300)	-	(900)	-
Consolidated revenue	<hr/> 10,361	<hr/> 14,256	<hr/> 22,538	<hr/> 34,444



**CBSA BERHAD (537337M)**  
(Incorporated in Malaysia)

Segment results	Individual Period		Cumulative	
	Quarter ended	Quarter ended	Year to date	Year to date
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
IT	(478)	1,249	(883)	3,540
Search & Advertising	3,643	2,494	4,291	4,518
Investment holding & others	(695)	(325)	(984)	(523)
Consolidated profit before tax	2,470	3,418	2,424	7,535

**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**

On 12 November 2013, CBSA Inotrac Sdn Bhd was incorporated with a registered capital of RM2. CBSA Inotrac Sdn Bhd is a wholly-owned subsidiary of CBSA Bhd.

Save as disclosed above, there were no other material events subsequent to the end of the current quarter.

**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. Capital Commitments**

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2013 is as follows:

	RM'000
Approved and contracted for:	
Property, plant and equipment	<u>4,500</u>

**A13. Contingent Liabilities**

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2012.



**CBSA BERHAD (537337M)**  
(Incorporated in Malaysia)

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

**B1. Review of Performance**

For the quarter ended 30 September 2013 ("3Q2013"), the Group's revenue declined 27.3% to RM10.36 million from RM14.26 million for the quarter ended 30 September 2012 ("3Q2012"). Profit before tax ("PBT") declined 27.8% to RM2.47 million from RM3.42 million for 3Q2012. The substantial drop in both revenue and PBT was due to the revenue contribution from Information Technology ("IT") business segment decreased by 74%.

Other income increased from RM0.16 million for 3Q2012 to RM0.56 million for 3Q2013 is mainly due to gain on foreign exchange as a result of strengthening of USD against Ringgit Malaysia. The administration expenses increased from RM4.27 million for 3Q2012 to RM4.93 million for 3Q2013 mainly due to allowance for doubtful debts (net of recovery) of RM0.59 million in Search & Advertising business sector and loss on sales of investment of RM0.42 million.

For the nine (9) months ended 30 September 2013, the Group's revenue declined 34.6% to RM22.54 million from RM34.44 million for the corresponding period ended 30 September 2012. Profit before tax ("PBT") declined 67.9% to RM2.42 million from RM7.54 million for the corresponding period ended 30 September 2012. The substantial drop in both revenue and PBT was due to the same reason as explained above.

The administration expenses increased from RM13.16 million to RM13.72 million mainly due to loss on sales of investment mentioned above, regional expansion and consolidation of the losses from Cam YP amounting to RM0.66 million. However it is mitigated by the decrease in administration expenses in IT business sector.



**CBSA BERHAD (537337M)**  
(Incorporated in Malaysia)

**Analysis of the performance of business segments:**

Search and Advertising (“S&A”) business segment

	<b>3Q2013</b>	<b>3Q2012</b>	<b>Year to date</b>	<b>Year to date</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>30.9.2013</b>	<b>30.9.2012</b>
			<b>RM'000</b>	<b>RM'000</b>
Revenue	9,255	10,116	19,885	19,825
Cost of sales	(2,945)	(4,694)	(6,889)	(8,295)
Gross profit	6,310	5,422	12,996	11,530
Other income	483	14	599	267
Operating expenses	(3,142)	(2,636)	(9,278)	(6,954)
Finance costs	(8)	(10)	(26)	(29)
Share of results of Associates	-	(296)	-	(296)
Profit before taxation	3,643	2,494	4,291	4,518

S&A business segment reported a slight decline in revenue from RM10.12 million for 3Q2012 to RM9.255 million for 3Q2013. However, the gross profit margin increased from 54% for 3Q2012 to 68% for 3Q2013.

Despite the revenue declined, PBT increased from RM2.49 million for 3Q2012 to RM3.64 million for 3Q2013 mainly due to increase in gross profit margin mentioned above and due to increase in other income in 3Q2013. The increase in other income is mainly due to gain on foreign exchange as a result of strengthening of USD against Ringgit Malaysia. The increase in the operating expenses was mainly due to allowance for doubtful debts (net of recovery) of RM0.59 million, regional expansion and consolidation of the operating expenses from the Group's 51% owned subsidiary, Cam YP Co., Ltd. (“Cam YP”).

Cam YP was acquired by the Group in the last quarter 2012. The company publishes its print business directory under the brand name “Cambodia Yellow Pages” once a year in October. Based on the accounting policies adopted by the Group, the sales revenue/direct costs relating to a yearly publication will not be recognized/charged out until the directory is published and distributed to users in October. However, the operating expenses of the company will be charged out as and when incurred. As a result of the accounting policies adopted, Cam YP will incur losses for the first nine months until the print directory is published and distributed in October.



**CBSA BERHAD (537337M)**  
(Incorporated in Malaysia)

For the nine (9) months ended 30 September 2013, S&A business segment recorded revenue of RM19.89 million, consistent with the revenue for corresponding period ended 30 September 2012 of RM19.83 million. However, the gross profit margin increased from 58% for nine months ended 30 September 2012 to 65% for nine months ended 30 September 2013.

The PBT declined slightly by 5% to RM4.29 million from RM4.52 million for the corresponding period ended 30 September 2012 mainly due to regional expansion and consolidation of the losses from Cam YP amounting to RM0.66 million; incentive payment to the employees and higher management fees charged by the Company to S&A during the period.

Information Technology (“IT”) business segment

	<b>3Q2013</b>	<b>3Q2012</b>	<b>Year to date</b>	<b>Year to date</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>30.9.2013</b>	<b>30.9.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	1,076	4,140	2,605	14,607
Cost of sales	(505)	(1,610)	(1,126)	(6,624)
Gross profit	571	2,530	1,479	7,983
Other income	16	149	1,105	2,143
Operating expenses	(1,058)	(1,423)	(3,446)	(6,547)
Finance costs	(7)	(7)	(21)	(39)
(Loss)/profit before taxation	(478)	1,249	(883)	3,540

For 3Q2013, IT business segment recorded loss before tax of RM0.48 million as compared to PBT of RM1.25 million for 3Q2012 due to a 74% drop in revenue from RM4.14 million for 3Q2012 to RM1.08 million for the current quarter. The profit declined mainly due to loss of revenue from software sales and maintenance contracts resulting from the termination of distributorship agreement with Allen Systems Group, Inc. in May 2012.

For the nine (9) months ended 30 September 2013, IT business segment recorded loss before tax of RM0.88 million compared with PBT of RM3.54 million for the corresponding period ended 30 September 2012 as a result of a 82.2% drop in revenue from RM14.61 million for the period ended 30 September 2012 to RM2.61 million for the current period. However, the loss was mitigated by the lower operating expenses incurred in the current period.



**CBSA BERHAD (537337M)**  
(Incorporated in Malaysia)

**B2. Material Changes in the Quarterly Results**

	<b>Quarter ended 30.09.2013 RM'000</b>	<b>Quarter ended 30.06.2013 RM'000</b>
Revenue	10,361	7,636
Profit Before Tax	2,470	1,313

The Group recorded a 35.7% increase in revenue and 88% increase in PBT as compared to the previous quarter mainly due to the revenue/direct cost recognition accounting policy. The subsidiary, CBSA Media Sdn Bhd publishes its print business directory under the brand name "Super Pages" once a year in August. Based on the accounting policies adopted by the Group, the sales revenue/direct costs relating to a yearly publication will not be recognized/charged out until the directory is published and distributed to users in August. However, the operating expenses of the company will be charged out as and when incurred. As a result of the accounting policies adopted, CBSA Media Sdn Bhd will incur losses for the first seven months until the print directory is published and distributed in August.

**B3. Prospects**

The Board and the management expects the Group will perform satisfactory in the next quarter given that S&A business segment will recognise the sales contributed from its yearly print directories i.e. year 2013/2014 for Malaysia starting from July 2013 and for Cambodia starting from October 2013.

Despite the challenges facing the Group's IT division, the Board of Directors of CBSA is optimistic about the Group to achieve satisfactory performance with its recent regional expansion in the Search and Advertising division.

**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)**  
(Incorporated in Malaysia)

**B6. Taxation**

	Individual Period		Cumulative	
	Quarter ended	Quarter ended	Year to date	Year to date
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Current year	6	18	25	376
Under/(over) provision in prior years	-	(125)	(124)	(125)
	6	(107)	(99)	251
Deferred taxation	-	-	-	-
	6	(107)	(99)	251

The Group's effective tax rate is lower than the statutory tax rate due to no taxation charge on the business income derived from its wholly-owned subsidiaries, CBSA MSC Sdn Bhd ("CBSA MSC") and CBSA Online 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 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 30 September 2013 are as follows:

	Current RM'000	Non-current RM'000
<b>Secured</b>		
Term Loan	-	8,100
Finance lease liabilities	260	715
	<u>260</u>	<u>8,815</u>

All borrowings are denominated in Ringgit Malaysia.





**CBSA BERHAD (537337M)**  
(Incorporated in Malaysia)

**B9. Changes in Material Litigation**

The Group is not engaged in any material litigation either, as plaintiff or defendant, and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

**B10. Dividend**

The Company declared a first single tier interim dividend of 2 sen per ordinary share or 20% in respect of the financial year ending 31 December 2013 (2012: 2.5 sen or 25%). The net amount payable is RM4.83 million (2012: RM6.0 million).

- (i) Amount per share : 2 sen
- (ii) Entitlement date : 30 September 2013
- (iii) Payment date : 28 October 2013

**B11. 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

		Individual Period		Cumulative	
		Quarter ended	Quarter ended	Year to date	Year to date
		30.09.13	30.09.12	30.09.13	30.09.12
Profit attributable to owners of the Company	(RM'000)	2,758	3,358	2,762	7,145
Weighted average number of ordinary shares in issue and issuable	(Unit'000)	241,351	240,229	241,055	239,839
Basic earnings per share	(sen)	1.14	1.40	1.15	2.98



**CBSA BERHAD (537337M)**  
(Incorporated in Malaysia)

Diluted

		Individual Period		Cumulative	
		Quarter ended	Quarter ended	Year to date	Year to date
		30.09.13	30.09.12	30.09.13	30.09.12
Adjusted profit attributable to owners of the Company	(RM'000)	2,772	3,371	2,801	7,185
Adjusted weighted average number of ordinary shares in issue and issuable	(Unit'000)	242,402	241,377	242,106	240,989
Diluted earnings per share	(sen)	1.14	1.40	1.16	2.98

**B12. Disclosure of Realised and Unrealised Profits**

The breakdown of realised and unrealised profits as at 30 September 2013 and 31 December 2012 is as follows:

Total unappropriated profits:-

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
- Realised	49,054	52,212
- Unrealised	523	(332)
	<u>49,577</u>	<u>51,880</u>
Consolidated adjustments	<u>(2,312)</u>	<u>(2,697)</u>
	<u>47,265</u>	<u>49,183</u>

**B13. Profit before taxation**

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

	Individual Period		Cumulative	
	Quarter ended	Quarter ended	Year to date	Year to date
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Interest income	(21)	(84)	(200)	(193)
Other Investment Income	-	-	(17)	(61)
Interest expense	18	18	57	68
Depreciation and amortization	650	231	1,333	647
Provision for and write off of trade Receivables	596	93	596	861
Loss/(Gain) on disposal of quoted or unquoted investments or properties	421	-	(288)	(4)
(Gain)/Loss on foreign exchange	(680)	215	(616)	(4)



**CBSA BERHAD (537337M)**  
(Incorporated in Malaysia)

**B14. Qualification of Financial Statements**

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