



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 current year, except as disclosed below:-

	Quarter ended 31.12.2013	Year to date 31.12.2013
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 ended 31 December 2013 totaling RM4,827,014.

A8. Segmental Information

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

Segment revenue	Individual Period		Cumulative	
	Quarter ended 31.12.2013 RM'000	Quarter ended 31.12.2012 RM'000	Year to date 31.12.2013 RM'000	Year to date 31.12.2012 RM'000
IT	506	2,127	3,111	16,734
Search & Advertising	10,925	15,483	30,811	35,308
Investment holding & others	5,300	594	6,248	606
Less: Inter-segment revenue	(5,300)	(600)	(6,200)	(600)
Consolidated revenue	<hr/> 11,431	<hr/> 17,604	<hr/> 33,970	<hr/> 52,048



CBSA BERHAD (537337M)
(Incorporated in Malaysia)

Segment results	Individual Period		Cumulative	
	Quarter ended	Quarter ended	Year to date	Year to date
	30.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
IT	(865)	(2,074)	(1,748)	1,466
Search & Advertising	3,828	6,043	8,119	10,561
Investment holding & others	(104)	216	(1,088)	(307)
Consolidated profit before tax	2,859	4,185	5,283	11,720

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.

A11. Changes in Composition of the Group

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.

There were no other 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 2013 is as follows:

	RM'000
Approved and contracted for:	
Property, plant and equipment	<u>3,600</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 31 December 2013 (“4Q2013”), the Group’s revenue declined 35.1% to RM11.43 million from RM17.60 million for the quarter ended 31 December 2012 (“4Q2012”). Profit before tax (“PBT”) declined to RM2.86 million from RM4.19 million for 4Q2012. The drop in revenue and profit before tax (“PBT”) was due to the revenue contribution from Information Technology (“IT”) business segment decreased by 76% and revenue contribution from Search & Advertising (S&A) business segment decreased by 29.6%. The administration expenses decreased from RM5.44 million for 4Q2012 to RM3.55 million for 4Q2013 mainly due to cost reduction effort in the IT business segment.

For the year ended 31 December 2013, the Group’s revenue declined 34.7% to RM33.97 million from RM52.05 million for the year ended 31 December 2012. Profit before tax (“PBT”) declined 54.9% to RM5.28 million from RM11.72 million for the year ended 31 December 2012. The substantial drop in both revenue and PBT was due to the revenue contribution from Information Technology (“IT”) business segment decreased by 81% and revenue contribution from Search & Advertising (S&A) business segment decreased by 12.7%. The administration expenses decreased from RM17.73 million to RM16.55 million mainly due to the cost reduction effort in the IT business segment. The IT business segment has consolidated post termination of distributorship agreement with Allen Systems Group, Inc. The S&A business segment has organically expanded geographically to Indonesia, Thailand and Vietnam to establish PanPages.com as a leading local business platform in Southeast Asia. The operation in the new markets are in gestation period and yet to contribute significantly to the results of the Group.



CBSA BERHAD (537337M)
(Incorporated in Malaysia)

Analysis of the performance of business segments:

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

	4Q2013	4Q2012	Year to date	Year to date
	RM'000	RM'000	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	10,925	15,483	30,811	35,308
Cost of sales	(3,580)	(5,505)	(10,469)	(13,800)
Gross profit	7,345	9,978	20,342	21,508
Other income	174	374	1,030	345
Operating expenses	(3,684)	(4,297)	(13,220)	(11,251)
Finance costs	(7)	(11)	(33)	(40)
Share of results of Associates	-	(1)	-	(1)
Profit before taxation	3,828	6,043	8,119	10,561

The S&A business segment reported a 29% decline in revenue from RM15.48 million for 4Q2012 to RM10.9 million for 4Q2013. However, the gross profit margin increased from 64% for 4Q2012 to 67% for 4Q2013 and the operating expenses decreased by 14% from RM4.3 million for 4Q2012 to RM3.7 million for 4Q2013. Therefore, PBT decreased by 36.7% from RM6.04 million for 4Q2012 to RM3.83 million for 4Q2013.

For the year ended 31 December 2013, the revenue of S&A business segment dropped from RM35.3 million for year ended 31 December 2012 to RM30.81 million for current year. However, the gross profit margin increased from 61% for year ended 31 December 2012 to 66% for year ended 31 December 2013.

The PBT declined by 23.1% to RM8.12 million for current year from RM10.56 million for the year ended 31 December 2012 mainly due to regional expansion. The S&A business segment has organically expanded geographically to Indonesia, Thailand and Vietnam to establish PanPages.com as a leading local business platform in Southeast Asia. The operation in the new markets are in gestation period and yet to contribute significantly to the results of the Group.



CBSA BERHAD (537337M)
(Incorporated in Malaysia)

Information Technology (“IT”) business segment

	4Q2013	4Q2012	Year to date	Year to date
	RM'000	RM'000	31.12.2013	31.12.2012
			RM'000	RM'000
Revenue	506	2,127	3,111	16,734
Cost of sales	(226)	(2,420)	(1,352)	(9,044)
Gross profit	280	(293)	1,759	7,690
Other income	54	271	1,159	2,414
Operating expenses	(1,197)	(2,052)	(4,643)	(8,606)
Finance costs	(2)	-	(23)	(32)
(Loss)/profit before taxation	(865)	(2,074)	(1,748)	1,466

For 4Q2013, the revenue of IT business segment dropped from RM2.13 million for 4Q2012 to RM0.51 million for 4Q 2013 due to cessation of Allen Systems Group, Inc (“ASG”) software maintenance contracts with its customers in 3Q2012. Despite the drop of revenue, the loss before tax reduced from RM2.07 million for 4Q2012 to RM0.87 million for 4Q2013 due to cost reduction effort in consolidating the business.

For the year ended 31 December 2013, IT business segment recorded loss before tax of RM1.75 million compared with PBT of RM1.47 million for the year ended 31 December 2012 as a result of a 81.4% drop in revenue from RM16.73 million for the year ended 31 December 2012 to RM3.11 million for current year. However, the loss was mitigated by the lower operating expenses incurred in current year.

B2. Material Changes in the Quarterly Results

	Quarter ended	Quarter ended
	31.12.2013	30.09.2013
	RM'000	RM'000
Revenue	11,431	10,361
Profit Before Tax	2,859	2,470

The Group recorded a 10% increase in revenue and 16% increase in PBT as compared to the previous quarter mainly due to recognition of revenue from a subsidiary Cam YP Co., Ltd. Cam YP Co., Ltd publishes its print business directory under the brand name “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



CBSA BERHAD (537337M)
(Incorporated in Malaysia)

when incurred. As a result of the accounting policies adopted, Cam YP Co., Ltd will incur losses for the first nine months until the print directory is published and distributed in October and its revenue will be recognised in the last quarter of the year.

B3. Prospects

For the financial year ended 31 December 2013, S&A divisions expanded its geographical footprint in the Southeast Asian countries and build a wide network of sales force to market its digital search offerings.

The Group will continue its plan to establish itself as a leading local business platform in Southeast Asia. The Group will be managing its resources and adopting new strategies and processes to cover bigger geographical footprint in 2014. The Group will continue to face challenges and take advantage of opportunities presented by the new market.

Barring any unforeseen circumstances, the Board of Directors of CBSA is cautiously optimistic on its performance for the financial year ending 31 December 2014.

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 Period		Cumulative	
	Quarter ended	Quarter ended	Year to date	Year to date
	31.12.2013	30.09.2012	31.12.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Current year	3	18	28	376
Under/(over) provision in prior years	5	(125)	(119)	(125)
	8	(107)	(91)	251
Deferred taxation	-	-	-	-
	8	(107)	(91)	251



CBSA BERHAD (537337M)
(Incorporated in Malaysia)

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 expired on 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 31 December 2013 are as follows:

	Current RM'000	Non-current RM'000
Secured		
Term Loan	497	8,503
Finance lease liabilities	263	648
	<u>760</u>	<u>9,151</u>

All borrowings are denominated in Ringgit 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



CBSA BERHAD (537337M)
(Incorporated in Malaysia)

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
		31.12.13	31.12.12	31.12.13	31.12.12
Profit attributable to owners of the Company	(RM'000)	1,634	4,663	4,505	11,925
Weighted average number of ordinary shares in issue and issuable	(Unit'000)	241,351	240,229	241,129	239,984
Basic earnings per share	(sen)	0.68	1.94	1.87	4.97

Diluted

		Individual Period		Cumulative	
		Quarter ended	Quarter ended	Year to date	Year to date
		31.12.13	31.12.12	31.12.13	31.12.12
Adjusted profit attributable to owners of the Company	(RM'000)	1,646	4,663	4,555	11,925
Adjusted weighted average number of ordinary shares in issue and issuable	(Unit'000)	242,276	241,209	242,054	240,964
Diluted earnings per share	(sen)	0.68	1.93	1.88	4.95



CBSA BERHAD (537337M)
(Incorporated in Malaysia)

B12. Disclosure of Realised and Unrealised Profits

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

Total unappropriated profits:-

	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000
- Realised	51,142	52,212
- Unrealised	416	(332)
	<hr/> 51,558	<hr/> 51,880
Consolidated adjustments	(2,660)	(2,697)
	<hr/> 48,898	<hr/> 49,183

B13. Profit before taxation

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

	Individual Period		Cumulative	
	Quarter ended 31.12.2013 RM'000	Quarter ended 31.12.2012 RM'000	Year to date 31.12.2013 RM'000	Year to date 31.12.2012 RM'000
Interest income	(54)	(23)	(254)	(216)
Other Investment Income	(11)	(66)	(28)	(127)
Interest expense	12	9	69	77
Depreciation and amortization	665	284	1,998	930
Provision for and write off of trade Receivables	1,154	651	1,750	1,513
Loss/(Gain) on disposal of quoted or unquoted investments or properties	(40)	27	(328)	23
(Gain)/Loss on foreign exchange	72	(243)	(544)	(246)

B14. Qualification of Financial Statements

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