



GSB GROUP BERHAD

(Company No. 287036-X)

(Incorporated in Malaysia)

Interim Financial Report 30 June 2019



GSB GROUP BERHAD
 (Company No. 287036-X)
 (Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
 For The Financial Period Ended 30 June 2019**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(3-mth) Current Year Quarter 30/06/2019 RM'000	(3-mth) Preceding Year Quarter 30/06/2018 RM'000	(3-mth) Current Year to-Date 30/06/2019 RM'000	(3-mth) Preceding Year to-Date 30/06/2018 RM'000
Revenue	11,775	11,847	11,775	11,847
Cost of sales	(10,054)	(10,036)	(10,054)	(10,036)
Gross profit	1,721	1,811	1,721	1,811
Other income	18	170	18	170
Distribution expenses	(204)	(371)	(204)	(371)
Administrative expenses	(810)	(1,511)	(810)	(1,511)
Other expenses	(106)	(184)	(106)	(184)
Results from operating activities	619	(85)	619	(85)
Finance cost, net of income	(134)	(183)	(134)	(183)
Profit/(Loss) before tax	485	(268)	485	(268)
Tax expense	(46)	(62)	(46)	(62)
Profit/(Loss) from continuing operations	439	(330)	439	(330)
Discontinued operation				
Profit/(Loss) from discontinued operation, net of tax	2	(304)	2	(304)
Profit/(Loss) and total comprehensive income/(expenses) for the period	441	(634)	441	(634)
Basic earnings/(loss) per ordinary share (sen)				
from continuing operations	0.08	(0.06)	0.08	(0.06)
from discontinued operation	*	(0.06)	*	(0.06)
	0.08	(0.12)	0.08	(0.12)
Diluted earnings/(loss) per ordinary share (sen)				
from continuing operations	0.08	(0.06)	0.08	(0.06)
from discontinued operation	*	(0.06)	*	(0.06)
	0.08	(0.12)	0.08	(0.12)

* - Amount less than 0.01 sen

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying notes attached to this interim financial report.



GSB GROUP BERHAD
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Unaudited Condensed Consolidated Statement of Financial Position As At 30 June 2019

	Unaudited As at 30/06/2019 RM'000	Audited As at 31/03/2019 RM'000
Assets		
Property, plant and equipment	14,826	14,977
Land held for property development	39,312	38,648
Total non-current assets	54,138	53,625
Inventories	77,438	80,198
Contract assets	-	5,852
Contract costs	4,156	5,574
Trade and other receivables	16,231	14,317
Current tax assets	186	1,230
Prepayments	6	50
Cash and bank balances	2,404	1,131
	100,421	108,352
Asset classified as held for sale	56,911	53,652
Total current assets	157,332	162,004
Total assets	211,470	215,629
Equity		
Share capital	56,629	56,629
Share option reserve	3	5
Accumulated losses	(555)	(996)
Total equity attributable to owners of the Company	56,077	55,638
Liabilities		
Loans and borrowings	10,991	11,164
Deferred tax liabilities	2,725	2,737
Other payables	10,774	10,774
Total non-current liabilities	24,490	24,675
Trade and other payables	54,143	60,912
Loans and borrowings	36,181	38,325
Contract liabilities	1,243	-
	91,567	99,237
Liabilities classified as held for sale	39,336	36,079
Total current liabilities	130,903	135,316
Total liabilities	155,393	159,991
Total equity and liabilities	211,470	215,629
Net assets per share attributable to owners of the Company (sen)	10.15	10.07

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying notes attached to this interim financial report.



GSB GROUP BERHAD
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**Unaudited Condensed Consolidated Statement of Changes in Equity
 For The Financial Period Ended 30 June 2019**

	<----- Non-distributable ----->					
	Share Capital	Revaluation Reserve	Share Option Reserve		Accumulated Losses	Total
			RM'000	RM'000		
At 1 April 2019	56,629	-	5	(996)	55,638	
Loss and total comprehensive expense for the period	-	-	-	441	441	
Share options lapsed	-	-	(2)	-	(2)	
At 30 June 2019	56,629	-	3	(555)	56,077	

	<----- Non-distributable ----->					
	Share Capital	Revaluation Reserve	Share Option Reserve		(Accumulated Losses)/ Retained Earnings	Total
			RM'000	RM'000		
At 1 April 2018, as previously reported	53,754	8,658	446	(9,347)	53,511	
Effect fo adoption of MFRS	-	(8,658)	-	10,565	1,907	
As at 1 April 2018, restated	53,754	-	446	1,218	55,418	
Loss and total comprehensive expense for the period	-	-	-	(634)	(634)	
Share options exercised	714	-	4	-	718	
At 30 June 2018	54,468	-	450	584	55,502	

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying notes attached to this interim financial report.



GSB GROUP BERHAD
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Unaudited Condensed Consolidated Statement of Cash Flows For The Financial Period Ended 30 June 2019

	3-month ended 30/06/2019 RM'000	3-month ended 30/06/2018 RM'000 Restated
<u>Cash Flows From Operating Activities</u>		
Profit/(Loss) before taxation from:		
- Continuing operations	485	(268)
- Discontinued operation	25	(305)
Adjustments for:-		
Depreciation of property, plant and equipment	161	184
Finance costs	146	268
Finance income	(14)	(37)
Loss on disposal of plant and equipment	-	(131)
Equity settled share-based payment transactions	(2)	-
Operating profit/(loss) before changes in working capital	<u>801</u>	<u>(289)</u>
<u>Changes in working capital</u>		
Inventories	2,400	(1,960)
Land held for property development	(1,121)	(694)
Contract cost	1,982	(22)
Contract asset	3,326	11,048
Contract liabilities	1,243	(2,006)
Trade and other payables	(3,554)	13,781
Trade and other receivables and prepayment	<u>(2,441)</u>	<u>(16,609)</u>
Cash generated from operations	2,636	3,249
Interest paid	(146)	(268)
Interest received	14	37
Income tax paid	(82)	(566)
Income tax refund	1,184	-
Net cash flow from operating activities	<u>3,606</u>	<u>2,452</u>
<u>Cash Flows From Investing Activities</u>		
Additions to:-		
- Property, plant & equipment	(1)	(4)
Proceeds from:-		
- Deposits pledged with licensed banks	-	(4)
- Disposal of assets held for sale	-	1,007
Net cash (used in)/from investing activities	(1)	999
<u>Cash Flows From Financing Activities</u>		
Proceeds from exercise of ESOS	-	718
Repayment of term loans	(3,322)	(3,344)
Repayment of finance lease liabilities	(10)	(17)
Net cash used in financing activities	(3,332)	(2,643)
Net change in cash and cash equivalents	273	808
Cash and cash equivalents at beginning of period	<u>(13,100)</u>	<u>(7,512)</u>
Cash and cash equivalents at end of period	<u>(12,827)</u>	<u>(6,704)</u>
Cash and cash equivalents comprise:		
Cash and bank balances	2,404	5,283
Less: Bank overdraft and deposits pledged	<u>(13,981)</u>	<u>(10,987)</u>
	(11,577)	(5,704)
Cash and cash equivalents under assets classified as held for sale	<u>(1,250)</u>	<u>(1,000)</u>
	<u>(12,827)</u>	<u>(6,704)</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying notes attached to this interim financial report.



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PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 FOR THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

GSB Group Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office is located at Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU1A/46, 47301 Petaling Jaya, Selangor. The principal place of business is located at No. 1, Jalan Wangsa Permai, First Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur.

A1. Basis of Preparation

This unaudited interim financial report has been prepared in accordance with the applicable disclosure provisions of Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and in compliance with Malaysian Financial Reporting Standard “MFRS 134, Interim Financial Reporting”.

This interim financial report does not include all the information required for the full annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2019.

The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the change in the financial position and performance of GSB Group Berhad (“GSB” or the “Company”) and its subsidiaries (the “Group”) since the financial year ended 31 March 2019.

A2. Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 March 2019.

Standards issued but not yet effective

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group:-

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*



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A2. Significant Accounting Policies (Cont'd)

The following are accounting standards, amendments and interpretations that have been issued by the MASB but have not been adopted by the Group (Cont'd):-

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after a date yet to be confirmed

Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group plans to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 April 2020 for the accounting standard that is effective for annual periods beginning on or after 1 January 2020.

The Group does not plan to apply MFRS 17, *Insurance Contract* that is effective for annual periods beginning on 1 April 2021 as it is not applicable to the Group.

The initial application of the applicable accounting standards, amendments or interpretations is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

A3. Auditors' Report on Preceding Annual Financial Statements

The most recent annual audited financial statements for the financial year ended 31 March 2019 of the Group were not subject to any qualification.

A4. Seasonal and Cyclical Factors

There were no material seasonal or cyclical factors affecting the performance of the Group during the interim period under review.

A5. Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items of an unusual nature, size or incidence which materially affect the assets, liabilities, equity, net income or cash flows of the Group during the interim period under review.

A6. Material Changes in Estimates

There were no material changes in the estimates of the amounts reported in previous interim periods and financial year that have a material effect on the results of the current interim period under review.



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A7. Debt and Equity Securities

There were no issuances, repurchases or repayments of debt and equity securities during the interim period under review.

A8. Dividends Paid

No dividend has been paid during the interim period under review.

A9. Segment Reporting

The Group's primary format for reporting segment information is business segments.

The Group is organised into two main business segments:

- Development of residential and commercial properties for sale and rental
- Manufacturing and replication of optical discs

The other operations of the Group comprise investment holding companies.

Segment reporting for the 3-month period ended 30 June 2019

	Property Development RM'000	Replication of Optical Discs RM'000	Discontinued operation - Property Development RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External sales	10,991	784	4,698	-	-	16,473
Inter-company sales	5,516	-	-	-	(5,516)	-
Total	16,507	784	4,698	-	(5,516)	16,473
Results						
Segment results	549	(18)	23	(231)	319	642
Finance costs	(136)	-	(10)	-	-	(146)
Finance income	2	-	12	-	-	14
Profit/(Loss) before tax	415	(18)	25	(231)	319	510
Taxation	(58)	-	(23)	12	-	(69)
Profit/(Loss) after tax	357	(18)	2	(219)	319	441



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A9. Segment Reporting (Cont'd)

Segment reporting for the 3-month period ended 30 June 2018

	Property Development RM'000	Replication of Optical Discs RM'000	Discontinued operation - Property Development RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External sales	10,583	1,264	2,161	-	-	14,008
Inter-company sales	11,441	-	-	-	(11,441)	-
Total	22,024	1,264	2,161	-	(11,441)	14,008
Results						
Segment results	138	37	(257)	(370)	110	(342)
Finance costs	(202)	-	(66)	-	-	(268)
Finance income	19	-	18	-	-	37
(Loss)/Profit before tax	(45)	37	(305)	(370)	110	(573)
Taxation	(74)	12	1	-	-	(61)
(Loss)/Profit after tax	(119)	49	(304)	(370)	110	(634)

A10. Material Events Subsequent to the End of the Interim Period

Material Event 1

On 13 March 2019, the Company has entered into a conditional share sale agreement (“the Agreement”) with Bentong Makmur Holdings Sdn. Bhd. (“BMHSB”), Gan Pik Mui and Gan Boon Kat for the proposed disposal of:-

- (a) entire equity interest in Banda Industries Sdn. Bhd. (“BISB”) for a total consideration of RM16,580,000, comprising:-
 - (i) purchase consideration of RM9,582,000; and
 - (ii) settlement of amount owing to the Company and its subsidiaries (excluding GSB Hotel Sdn. Bhd.) by BISB amounting to RM6,998,000; and
- (b) entire equity interest in GSB Hotel Sdn. Bhd. (“GSBH”) for a total consideration of RM2,196,000, comprising:-
 - (i) purchase consideration of RM3,694,000; and
 - (ii) netting off the amount owing by the Company and its subsidiaries (excluding BISB) to GSBH amounting to RM1,498,000.



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A10. Material Events Subsequent to the End of the Interim Period (Cont'd)

Material Event 1 (Cont'd)

Pursuant to the terms of the Agreement, the Company and BMHSB have mutually agreed to settled the total consideration of RM18,776,000 payable by BMHSB against the advances owing by the Company and its subsidiaries (excluding BISB and GSBH) to Gan Pik Mui and Gan Boon Kat amounting to RM24,373,000.

The transaction was completed on 24 July 2019.

Material Event 2

The Company ("GSB") had, on 9 August 2019 entered into:-

- (a) conditional share sale agreements with Datuk Tee Eng Ho ("Datuk Tee") and Tee Eng Seng ("TES") for the proposed acquisitions of:-
 - (i) the entire equity interest in Aeon Frontier Sdn. Bhd. ("AFSB") for a purchase consideration of RM33,473,902 ("Proposed AFSB Acquisition"); and
 - (ii) the entire equity interest in Kerjaya Prospek Property Sdn. Bhd. ("KPP") for a purchase consideration of RM367,590,902 ("Proposed KPP Acquisition");
 - (iii) a conditional share sale agreement with Datuk Tee, TES and Datin Toh Siew Chuon ("Datin Toh") for the proposed acquisition of the entire equity interest in Kerjaya Hotel Sdn. Bhd. ("KHSB") for a purchase consideration of RM270,978,389 ("Proposed KHSB Acquisition"); and

(The Proposed AFSB Acquisition, Proposed KPP Acquisition and Proposed KHSB Acquisition are collectively referred to as "Proposed Acquisitions")

(Datuk Tee, Datin Toh and TES are collectively referred to as the "Vendors")

- (b) a conditional share subscription agreement with Desanda Property Sdn. Bhd. ("DPSB") and Datuk Tee as well as TES (collectively, the "Existing DPSB Shareholders") for the:-
 - (i) proposed subscription by GSB of 42,489,490 new ordinary shares in DPSB ("Subscription Shares"), representing approximately 99.4% of the enlarged issued share capital of DPSB, at an issue price of RM1.00 per Subscription Share ("Proposed DPSB Subscription"); and
 - (ii) proposed subscription by the Existing DPSB Shareholders of 251,366,435 new ordinary shares in GSB ("GSB Shares") at an issue price of RM0.17 per GSB Share ("Proposed Reinvestment")

(The Proposed DPSB Subscription and Proposed Reinvestment are collectively referred to as "Proposed DPSB Transactions")



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A10. Material Events Subsequent to the End of the Interim Period (Cont'd)

Material Event 2 (Cont'd)

Concurrently with the Proposed Acquisitions and Proposed DPSB Transactions, the Company proposes to undertake the following:-

- (a) proposed exemption under Paragraph 4.08(1)(a) of the Rules of Take-Overs, Mergers and Compulsory Acquisitions to be sought by Javawana Sdn. Bhd., being a company controlled by the Vendors from the obligation to undertake a mandatory take-over offer to acquire all remaining GSB Shares not already owned by them upon the completion of the Proposed Acquisitions and Proposed DPSB Transactions (“Proposed Exemption”);
- (b) proposed amendments to the Constitution of the Company to facilitate the creation and issuance of the Consideration RCPS (as defined in the attachment) (“Proposed Amendments”);
- (c) proposed consolidation of every five (5) existing GSB Shares into one (1) GSB Share (“Consolidated Share”) held on an entitlement date to be determined later (“Proposed Share Consolidation”);
- (d) proposed private placement of up to 125 million new Consolidated Shares (where applicable) at an issue price to be determined and to placee(s) to be identified at a later stage (“Proposed Private Placement”); and
- (e) proposed mandate to seek for approval from GSB’s shareholders to carry out the recurrent related party transactions of a revenue or trading nature (“RRPT”) which are necessary for the day-to-day operations of GSB upon the completion of the Proposed Acquisitions and Proposed DPSB Transactions (“Proposed RRPT Mandate”).

(The Proposed Acquisitions, Proposed DPSB Transactions, Proposed Exemption, Proposed Amendments, Proposed Private Placement, Proposed Share Consolidation and Proposed RRPT Mandate are collectively referred to as the “Proposals”).

Save as disclosed above, there were no material events subsequent to the end of the interim period.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group including business combination, acquisition and/or disposal of subsidiary companies and long-term investments, restructuring and discontinued operations during the interim period under review other than as disclose in Note A10.



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A12. Contingent Liabilities

The contingent liabilities are as follows:

	Company	
	As At	As At
	30/6/2019	31/3/2019
	RM'000	RM'000
Corporate guarantees issued to licensed banks for credit facilities granted to subsidiaries	<u>64,402</u>	<u>66,667</u>



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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN
MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA
FOR THE INTERIM FINANCIAL REPORT
30 JUNE 2019**

B1. Review of Performance

	(3 months) Current year quarter ended 30/6/2019 (RM'000)	(3 months) Preceding year quarter ended 30/6/2018 (RM'000)
Revenue		
- Continuing operations	11,775	11,847
- Discontinued operation	4,698	2,161
	16,473	14,008
Profit before tax		
- Continuing operations	485	(268)
- Discontinued operation	25	(305)
	510	(573)

For the current quarter ended 30 June 2019, the Group recorded:

- (a) revenue of RM16.47 million, representing an increase of RM2.47 million as compared to the corresponding quarter of the preceding year. The increase was mainly due to higher revenue recognised based on percentage of completion for development projects in Bentong, Pahang.
- (b) profit before tax of RM0.51 million against a loss before tax of RM0.57 million in the corresponding quarter of the preceding year, representing an increase of RM1.08 million. This was mainly due to higher revenue recognised during the current quarter.

B2. Comparison with the Immediate Preceding Quarter's Results

	(3 months) Current Quarter ended 30/6/2019 (RM'000)	(3 months) Preceding Quarter ended 31/3/2019 (RM'000)
Revenue		
- Continued operations	11,775	860
- Discontinued operation	4,698	2,144
	16,473	3,004
Profit/(Loss) before tax		
- Continue operations	485	3,857
- Discontinued operation	25	(2,104)
	510	1,753



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B2. Comparison with the Immediate Preceding Quarter's Results (Cont'd)

For the current quarter ended 30 June 2019, the Group recorded:

- (a) revenue of RM16.47 million, representing an increase of RM13.47 million compared to the immediate preceding quarter. The increase was mainly due to higher revenue recognised based on percentage of completion for development projects in Plentong, Johor and Bentong, Pahang.
- (b) profit before tax of RM0.51 million against a profit before tax of RM1.75 million in the immediate preceding quarter, representing a decrease of RM1.24 million. The decrease was mainly due to capitalisation of agent's commission to property development costs in the immediate preceding quarter pursuant to MFRS 15, *Revenue From Contracts With Customers*.

B3. Prospects

Property development segment

Currently, The Group has an on-going mixed development known as "G-Residence" in Johor Bahru as well as an upcoming project in Shah Alam. In order to sustain as well as to enhance the Group's property development operations and its financial performance, the Group continuously endeavors to identify viable landbanks and/or projects to expand and strengthen its landbank size and projects portfolio.

The Proposed Acquisitions and Proposed DPSB Transactions as disclosed in Note A10 will enable the Group to significantly scale up its property development business. For instance, the Proposed Acquisitions will increase the Group's vacant landbank size as well as extending the Group's geographical reach to Malacca as well as other parts of Selangor such as Gombak. In addition, pursuant to the Proposed Acquisitions and Proposed DPSB Transactions, GSB will have access to on-going property development projects with total remaining GDV of RM1,743.88 million in strategic locations in Kuala Lumpur and Penang.

The Proposed Acquisitions and Proposed DPSB Transactions are in line with GSB's long term strategic plan to expand its property development business. Upon the completion of the Proposed Acquisitions and Proposed DPSB Transactions, the Group will hold a diversified mix of property assets ranging from residential and commercial development to investment properties which provide recurrent income such as hotel, mall and offices, as well as an enlarged landbank size with expanded access to Gombak, Selangor and Malacca. Accordingly, the Proposed Acquisitions and Proposed DPSB Transactions are envisaged to enhance the performance and financials of the property development business of the Group moving forward which will bode well with the Group's objective of increasing shareholders' value in the long run.

Replication of optical discs segment

The Group will continue to implement cost cutting measures to reduce its losses.

B4. Profit Forecast and Profit guarantee

The Group has not provided any profit forecast or profit guarantee in any public document in respect of the interim period under review.



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B5. Taxation

The taxation figures are as follows:-

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30/6/2019 RM'000	Preceding Year Quarter 30/6/2018 RM'000	Current Year to-Date 30/6/2019 RM'000	Preceding Year to-Date 30/6/2018 RM'000
Income tax (expense)/income on :				
- Continuing operations	(46)	(62)	(46)	(62)
- Discontinued operation	(23)	1	(23)	1
	<u>(69)</u>	<u>(61)</u>	<u>(69)</u>	<u>(61)</u>
Current tax expense	(85)	(74)	(85)	(74)
Deferred tax income	16	13	16	13
	<u>(69)</u>	<u>(61)</u>	<u>(69)</u>	<u>(61)</u>

B6. Status of Corporate Proposal

Save for the Proposals disclosed in Note A10, there is no other corporate proposal announced by the Company but not completed as at 20 August 2019 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report).

B7. Borrowings and Debt Securities

Total Group borrowings as at 30 June 2019 are as follows:-

	As at 30/6/2019 RM'000	As at 31/3/2019 RM'000
Current		
Term loans	1,582	1,582
Bridging loan	5,575	8,778
Finance lease liabilities	43	41
Bank overdrafts	13,981	12,924
Revolving credit	15,000	15,000
	<u>36,181</u>	<u>38,325</u>
Non-current		
Term loans	10,991	11,152
Finance lease liabilities	-	12
	<u>10,991</u>	<u>11,164</u>
Total	<u>47,172</u>	<u>49,489</u>

The Group borrowings were denominated in Ringgit Malaysia and secured by way of legal charges over the assets of the subsidiary companies and corporate guarantee from the Company.



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B8. Material Litigations

The Group does not have any material litigation as at date of this interim report.

B9. Earnings/(Loss) Per Share

The calculation of basic earnings/(loss) per ordinary share was based on the profit/(loss) attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/6/2019	Preceding Year Quarter 30/6/2018	Current Year to-Date 30/6/2019	Preceding Year to-Date 30/6/2018
Profit/(loss) attributable to ordinary shareholders (RM'000)				
- continuing operations	439	(330)	439	(330)
- discontinued operation	2	(304)	2	(304)
Total	441	(634)	441	(634)
Weighted average number of ordinary shares ('000)	550,981	535,280	550,981	535,280
From continuing operations (sen)	0.08	(0.06)	0.08	(0.06)
From discontinued operations (sen)	*	(0.06)	*	(0.06)
Basic earnings/(loss) per ordinary share (sen)	0.08	(0.12)	0.08	(0.12)

* - amount less than 0.01 sen



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B9. Earnings/(Loss) Per Share (Cont'd)

The calculation of diluted earnings/(loss) per ordinary share was based on the profit/(loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

Profit/(loss) attributable to ordinary shareholders (diluted) (RM'000)				
- continuing operations	439	(330)	439	(330)
- discontinued operations	2	(304)	2	(304)
Total	441	(634)	441	(634)
Weighted average number of ordinary shares (basic) ('000)	550,981	535,280	550,981	535,280
Effect of share options on issue ('000)	150	14,170	150	14,170
Weighted average number of ordinary shares (diluted) ('000)	551,131	549,450	551,131	549,450
From continuing operations (sen)	0.08	(0.06)	0.08	(0.06)
From discontinued operations (sen)	*	(0.06)	*	(0.06)
Diluted earnings/(loss) per ordinary share (sen)	0.08	(0.12)	0.08	(0.12)

* - amount less than 0.01 sen



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B10. Notes to the Statement of Profit or Loss and Other Comprehensive Income

Profit/(loss) before tax is arrived after charging/(crediting):

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/6/2019 (RM'000)	Preceding Year Quarter 30/6/2018 (RM'000)	Current Year To Date 30/6/2019 (RM'000)	Preceding Year To Date 30/6/2018 (RM'000)
Interest income	(14)	(37)	(14)	(37)
Other income including investment income	(21)	(20)	(21)	(20)
Interest expense	146	268	146	268
Depreciation and amortisation	161	184	161	184
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
(Gain) or loss on disposal of quoted or unquoted investments or properties	-	(131)	-	(131)
Impairment of assets	-	-	-	-
Foreign exchange (gain) or loss	-	-	-	-
(Gain) or loss on derivatives	-	-	-	-

B11. Derivative Financial Instruments

There were no derivative financial instruments at the date of this report.

B12. Fair Value Changes of Financial Liabilities

As at 30 June 2019, there are no financial liabilities measured at fair value through profit or loss.

B13. Authorisation for Issue

This Interim Financial Report of GSB Group Berhad for the financial quarter ended 30 June 2019 was authorised for issuance by the Board of Directors of the Company in accordance with a resolution dated 27 August 2019.