

**GSB GROUP BERHAD***(Company No. 287036-X)**(Incorporated in Malaysia)***Condensed consolidated statement of comprehensive income (unaudited)
For the period ended 31 March 2012**

	4th Quarter 3 months ended		Year To-date 12 months ended	
	31/03/2012 (RM '000)	31/03/2011 (RM '000)	31/03/2012 (RM '000)	31/03/2011 (RM '000)
Revenue	5,827	3,972	27,239	31,229
Cost of sales	(5,409)	(3,179)	(23,268)	(24,321)
Gross profit	418	793	3,971	6,908
Other operating income	72	306	5,517	1,398
Administrative expenses	(1,624)	(623)	(3,653)	(3,365)
Selling and distribution expenses	101	(262)	(939)	(1,099)
Other operating expenses	166	(436)	(186)	(436)
Profit / (Loss) from operations	(867)	(222)	4,710	3,406
Finance costs	(13)	(247)	(620)	(1,246)
Profit / (Loss) before tax	(880)	(469)	4,090	2,160
Taxation	188	163	(277)	(531)
Profit / (Loss) for the period attributable to owners of the Company	(692)	(306)	3,813	1,629
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income / (loss) for the period attributable to owners of the Company	(692)	(306)	3,813	1,629
Earnings per share (sen)				
Basic	(0.17)	(0.08)	0.95	0.41
Fully diluted	N/A	N/A	N/A	N/A

(The Condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011)



GSB GROUP BERHAD

(Company No. 287036-X)

(Incorporated in Malaysia)

Condensed consolidated statement of financial position (unaudited)

As at 31 March 2012

	As at 31/03/2012 (RM'000) (Unaudited)	As at 31/03/2011 (RM'000) (Audited)
Assets		
Property, plant and equipment	11,086	10,653
Goodwill	12	12
Investment properties	2,040	2,040
Other investments	16	16
Land held for development	23,477	10,949
Deferred tax assets	380	428
Total non-current assets	37,011	24,098
Inventories	2,917	3,895
Trade and other receivables	12,650	11,455
Property development costs	3,308	12,741
Current tax assets	526	151
Cash and bank balances	7,632	4,173
Asset held for sale	-	16,595
Total current assets	27,033	49,010
Total assets	64,044	73,108
Equity		
Share capital	40,000	40,000
Share premium	940	940
Reserve	1,312	1,312
Accumulated losses	(592)	(4,405)
Total equity attributable to owners of the Company	41,660	37,847
Liabilities		
Loans and borrowings	6,091	5,259
Deferred tax liabilities	2,389	3,356
Total non-current liabilities	8,480	8,615
Trade and others payables	12,054	18,218
Loans and borrowings	1,841	8,333
Taxation	9	95
Total current liabilities	13,904	26,646
Total liabilities	22,384	35,261
Total equity and liabilities	64,044	73,108
Net assets per share attributable to owners of the Company (sen)	10.42	9.46

(The Condensed consolidated statement of financial position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2011)



GSB GROUP BERHAD

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**Condensed consolidated statements of changes in equity (unaudited)
For the period ended 31 March 2012**

	Attributable to owners of the Company				Total
	Share Capital	Share Premium	Revaluation Reserve	Accumulated Loss	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 April 2011	40,000	940	1,312	(4,405)	37,847
Total comprehensive income for the period	-	-	-	3,813	3,813
At 31 March 2012	40,000	940	1,312	(592)	41,660

	Attributable to owners of the Company				Total
	Share Capital	Share Premium	Revaluation Reserve	Accumulated Loss	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 April 2010	40,000	940	1,330	(6,052)	36,218
Total comprehensive income for the period	-	-	-	1,629	1,629
Realisation of revaluation reserve on property, plant and equipment			(18)	18	-
At 31 March 2011	40,000	940	1,312	(4,405)	37,847

(The Condensed consolidated statements of changes in equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31st March 2011)



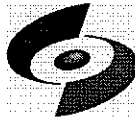
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**Condensed consolidated statement of cash flows (unaudited)
For the period ended 31 March 2012**

	12 months ended 31/03/2012 (RM'000)	12 months ended 31/03/2011 (RM'000)
<u>Cash flows from operating activities</u>		
Profit before taxation	4,090	2,160
<u>Adjustment for non-cash flows:-</u>		
Depreciation of property, plant & equipment	1,015	1,201
Depreciation of investment property	-	215
Negative goodwill recognised	-	(853)
Allowance for doubtful debts / written back	(19)	-
Gain on disposal of property, plant & equipment	(5,161)	(195)
Interest expense	620	1,246
Interest income	(134)	(77)
	<u>(3,679)</u>	<u>1,537</u>
Operating profit before changes in working capital	411	3,697
<u>Changes in working capital</u>		
Inventories	978	(2,454)
Trade and other receivables	(1,519)	1,452
Property development costs	9,434	6,561
Trade and other payables	(6,370)	2,707
	<u>2,523</u>	<u>8,266</u>
Cash generated from operations	2,934	11,963
Interest paid	(620)	(1,246)
Allowance for doubtful debts written back	19	-
Income tax paid	(1,672)	(714)
Net cash flows generated from operating activities	<u>661</u>	<u>10,003</u>
<u>Cash flows from investing activities</u>		
Acquisition of property, plant & equipment	(1,532)	(286)
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	(13,587)
Acquisition of land held for development	(8,465)	(23)
Proceeds from disposal of assets held for sale	22,384	203
Investment in development properties	(4,063)	299
Interest received	134	77
Net cash generated from/(used in) from investing activities	<u>8,458</u>	<u>(13,317)</u>
<u>Cash flows from financing activities</u>		
Drawdown of finance lease liabilities	228	(689)
Repayment of term loan borrowings	(155)	(2,903)
Repayment of finance lease liabilities	(405)	(467)
Net cash used in financing activities	<u>(332)</u>	<u>(4,059)</u>
Net change in cash and cash equivalents	8,787	(7,373)
Cash and cash equivalents at beginning of period	(2,094)	5,279
Cash and cash equivalents at end of period	<u>6,693</u>	<u>(2,094)</u>
Cash and cash equivalents comprise :		
Cash and bank balances	7,632	4,173
Less : Bank overdraft	(939)	(6,267)
	<u>6,693</u>	<u>(2,094)</u>

(The Condensed consolidated statement of cash flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2011)



GSB GROUP BERHAD
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PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134 FOR THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER ENDED 31 MARCH 2012.

A1. Basis of Preparation

These unaudited condensed interim financial statements have 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 Financial Reporting Standard “FRS 134, Interim Financial Reporting”.

This quarterly financial report do 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 year ended 31 March 2011.

A2. Significant Accounting Policies

Save as disclosed below, the significant accounting policies, method of computation and basis of consolidation adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2011.

The Group has not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14, Prepayments of a Minimum Funding Requirement

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, Related Party Disclosures (revised)
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to FRS 7, Financial Instruments: Disclosures – Transfers of Financial Assets
- Amendments to FRS 112, Income Taxes – Deferred Tax; Recovery of Underlying Assets

The Group plans to apply the abovementioned standards, amendments and interpretations from the annual period beginning on 1 April 2012 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2011 and 1 January 2012, except for IC Interpretation 19, Amendments to IC Interpretation 14 and Amendments to FRS 1 which are not applicable to the Group.



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The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impact to the current and prior periods' financial statements upon their first adoption.

The initial application of the other standards, amendments and interpretations are not expected to have any material impact on the financial statements of the Group.

A3. Auditors' Report on Preceding Annual Financial Statements

The most recent annual audited financial statements for the year ended 31 March 2011 of the Group were not subject to any qualification.

A4. 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 financial period under review.

A5. Material Changes in Estimates

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

A6. Dividends Paid

No dividend has been paid during the current quarter ended 31 March 2012.

A7. Segment Reporting

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

The Group is organized into two main business segments:

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

Other operations of the Group comprise investment holding and dormant companies, neither of which is of a sufficient size to be reported separately.



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Segment reporting for the year ended 31 March 2012

	Replication of Optical Discs RM'000	Property Development RM'000	Others RM'000	Group RM'000
Revenue				
External revenue	12,016	18,633	-	30,649
Intra-segment revenue	-	(3,410)	-	(3,410)
Total revenue	<u>12,016</u>	<u>15,223</u>	<u>-</u>	<u>27,239</u>
Results				
Segment result	367	4,759	(416)	4,710
Finance costs	(91)	(529)	-	(620)
Profit before tax	<u>276</u>	<u>4,776</u>	<u>(416)</u>	<u>4,090</u>
Taxation	41	(328)	10	(277)
Profit for the period				<u>3,813</u>
Other comprehensive income for the period, net of tax				<u>-</u>
Total comprehensive income for the period				<u>3,813</u>

A8. 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 financial period under review.

A9. Contingent Liabilities

The contingent liabilities of the Group as at 22 May 2012 amounted to RM8.5 million (31 March 2011: RM8.43 million) represent corporate guarantees given by the Company for banking facilities extended to subsidiary companies.

A10. Debt and Equity Securities

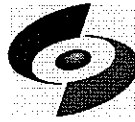
There were no issuance, cancellation, repurchase, resale and repayments of debt and equity securities by the Group during the interim financial period under review.

A11. Seasonal and Cyclical Factors

The businesses of the Group are not materially affected by any seasonal or cyclical factors.

A12. Material Events Subsequent to the End of the Reporting Period

There are no material events subsequent to the end of the interim financial period up to 22 May 2012, being a date not earlier than seven days from the date of this interim financial report.



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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 STATEMENTS FOR THE 4TH QUARTER ENDED 31 MARCH 2012

B1. Review of Performance

	Quarter Ended 31/03/2012 RM'000	Quarter Ended 31/03/2011 RM'000
Revenue	5,827	3,972
Loss before taxation	(880)	(469)

The Group recorded higher revenue for the current quarter ended 31 March 2012 of RM5.827 million as compared to RM3.972 million for the corresponding quarter last year. This is mainly due to higher progress billings from the property division which generated RM2.851 million in the current quarter as compared to RM0.951 million in the corresponding quarter last year. This is due to the billings for Phase 11 and 12 of Taman Bentong Makmur and the completion and handover of property villas for Laman Ara Project.

The replication of optical disc division recorded slightly lower revenue of RM2.976 million in the current quarter as compared to RM3.021 million in last year's quarter ended 31 March 2011. The sales of VCD and DVD during the current quarter was in line with the management's expectation in view of the lower demand for production of VCD and DVD for educational purposes.

B2. Comparison Against Preceding Quarter's Results

	Quarter Ended 31/03/2012 RM'000	Quarter Ended 31/12/2011 RM'000
Revenue	5,827	7,461
(Loss)/Profit before taxation	(880)	385

The Group recorded lower group revenue of RM5.827 million or 22% for the current quarter ended 31 March 2012 as compared to the most recent preceding quarter ended 31 December 2011.

This is consistent with the lower revenue recorded for both property development division and production of VCD and DVD. During the current quarter, there were no new property launches and the production of VCD and DVD division experienced a softer demand during the Chinese New Year festival week.



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B3. Prospects for the current financial year

On the back of the Malaysia's official GDP growth target of between 5% and 6% for 2011, the prospect for the Group business should remain sound despite the severe competition in the industry and the tough and challenging economic climate.

It is based on the acceptance by the Malaysian population for usage of CD and DVD as a medium for entertainment, data storage and education purposes coupled with the Government's continuous support of the Multimedia Super Corridor and of knowledge and technology based economy, we should see continued demand for the products manufactured by the Group.

The Group's ventured into property development business has been contributing positively to the performance of the Group and thus, will continue to scrutinizing viable opportunities to further expand and diversify the Group's revenue stream forward.

B4. Profit Forecast

The Group has not provided any profit forecast or profit guarantee in any public document in respect of the 4th quarter ended 31 March 2012.

B5. Income Tax Expense

	3 months ended		Cumulative 12 months	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Estimate tax payable				
- Malaysian tax expense	115	(866)	(1,196)	(1,550)
- Deferred taxation	73	1,029	919	1,019
	<u>188</u>	<u>163</u>	<u>(277)</u>	<u>(531)</u>

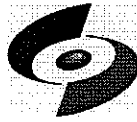
The overall effective tax rate of the Group for the 12 months ended 31 March 2012 is lower as compared to the statutory tax rate due to the gain on disposal of hotel property calculated based on real property gain tax and net-off by certain expenses which are disallowed for tax deduction.

B6. Investment in Quoted Securities

There was no purchase or disposal of any quoted securities during the interim financial period under review.

B7. Status of Corporate Proposals Announced

On 21 January 2011, through GSB Group Berhad wholly owned subsidiary, Serta Usaha Sdn Bhd, entered into a conditional Sale and Purchase Agreement with Leopad Holdings Sdn Bhd ("the Purchaser") for the disposal of a property known as Lot No. 50 Section 94, Bandar Kuala Lumpur,



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Daerah Kuala Lumpur, Wilayah Persekutuan held under Geran No. 35378 together with a hotel building erected thereon, bearing assessment address at Lorong Kapar, Off Jalan Syed Putra, 58000 Kuala Lumpur for a total cash consideration of RM22 million.

As at 22 May 2012, being a date not earlier than seven days from the date of this interim financial report, the utilization of the proceeds is as follows :-

Utilisation of Proceeds

			Utilization from the 100% sales proceed received	Unutilized
Utilization For	Estimated Timeframe	RM'000	RM'000	RM'000
Repayment of bank borrowings	Within 3 months	7,910	7,910	-
Payment of taxation arising from the clawback of previously claimed Industrial Building Allowance on the Property	Within 9 months	1,158	1,158	-
Estimated expense for the Proposed Disposal	Within 3 months	600	538	62
Working Capital (*)	Within 24 months	12,332	6,544	5,788
Total		22,000	16,150	5,850

(*) Working Capital

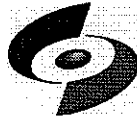
	RM'000	Utilized (RM'000)	Carried Forward
Salary	3,300	1,439	1,861
Raw materials	5,200	1,273	3,927
Payment to main contractor for construction work	3,832	3,832	-
Total	12,332	6,544	5,788

B8. Borrowings and Debt Securities

Total Group borrowings as at 31 March 2012 are as follows:-

	Short Term Borrowings RM'000	Long Term Borrowings RM'000
Secured		
- Finance lease liabilities and short term loans	902	6,091

The Group borrowings are 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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B9. Derivative Financial Instruments

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

B10. Fair Value Changes of Financial Liabilities

As at 31 March 2012, the Group does not have any financial liabilities measured at fair value through profit or loss.

B11. Material Litigations

The Group does not have any material litigation up to 22 May 2012, being a date not earlier than seven days from the date of this interim financial report.

B12. Dividends

No dividend has been proposed for the interim financial periods under review.

B13. Earnings Per Share

The basic earnings per share of the Group have been computed by dividing the net profit attributable to ordinary shareholders of the Company for the current financial quarter by the weighted average number of ordinary shares in issue of 400,000,000 ordinary shares.

	Quarter Ended	
	2012 31/03/2012 RM'000	2011 31/03/2011 RM'000
Loss for the period attributable to ordinary shareholders of parent	(692)	(306)
	<hr/>	<hr/>
	Quarter Ended	
	2012 31/03/2012	2011 31/03/2011
Earnings per share (in sen)	(0.17)	(0.08)
	<hr/>	<hr/>



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B14. Realised and Unrealised Losses Disclosures

The (accumulated losses) / retained earnings of the Company and its subsidiaries as at 31 March 2012, analysed as follows:-

	As at 31/03/2012 RM'000	As at 31/12/2011 RM'000
Total (accumulated losses) / retained earnings of the Company and its subsidiaries:		
- realized	462	353
- unrealised	10	118
	<hr/> 472	<hr/> 471
Less : Consolidation adjustments	<hr/> (1,064)	<hr/> (371)
Total retained earnings	<hr/> (592)	<hr/> 100

B15. Notes to the Statements of Comprehensive Income

	3 months ended		Cumulative 12 months	
	31/03/2012 RM'000	31/03/2011 RM'000	31/03/2012 RM'000	31/03/2011 RM'000
Interest income	(28)	8	134	27
Interest expense	13	299	620	1,299
Depreciation and amortisation	265	241	1,015	1,384
Gain on disposal of property, plant and equipment	(50)	137	5,161	152
Negative goodwill recognised	-	-	-	931
Write back of doubtful debts	-	-	19	-

B16. Authorisation for Issue

This Interim Financial Report of GSB Group Berhad for the fourth financial quarter ended 31 March 2012 was authorised for issuance by the Board of Directors of the Company in accordance with a resolution dated 28 May 2012.