ANNUAL REPORT 2013

branchingout

GSB GROUP BERHAD
287036-X

CONTENTS

"On behalf of the Board of Directors, I have the pleasure of presenting the Annual Report and Audited Financial Statements of GSB Group Berhad ("GSB Group" or "the Group") for the financial year ended 31 March 2013.

LOY KWEE KEOW
SENIOR INDEPENDENT NON-EXECUTIVE CHAIRMAN"

FINANCIAL PERFORMANCE

For the financial year under review, the continuing operations of GSB Group recorded a revenue of RM14,473,785 and a profit after tax of RM556,837, in comparison to a revenue of RM27,239,372 and a profit after tax of RM3,813,676 in the preceding financial year of which was derived mainly from the opportunity to unlock the value of our investment property.

Even though our property development segment's revenue has decreased from RM15,223,533 to RM3,417,433, there is still significant profit contribution from this segment albeit a decrease from RM4,618,591 to RM1,663,812. The revenue contribution from our replication of compact discs and digital versatile discs segment decreased from RM12,015,839 to RM11,056,352.

CORPORATE DEVELOPMENTS

Exciting Prospects of Property Segment

During the financial year under review, the contribution from property segment was not as significant as in the previous financial year because the progress at the joint venture development in the vicinity of Kelana Jaya in Petaling Jaya was affected by our change of plans to better reflect the potential of the area with the development of the nearby mega shopping mall known as Paradigm Mall.

Having said that, we are excited with the prospects of the property segment for the Group having recently entered into a Joint Venture Agreement to develop a piece of freehold land, situated within the neighbouring mature areas of Bandar Baru Permas Jaya, Taman Johor Jaya, Taman Molek and strategically located alongside the Pasir Gudang Highway, into a mixed development consisting 2 blocks of 25-storey serviced apartments with commercial lots at Levels 1 & 2, car parks at Levels 2 to 6. The land is also within 10 minutes to the Custom & Immigration Quarantine (CIQ) Complex via the nearby Eastern Dispersal Link (EDL). As this project's Development Order has already been approved, barring unforeseen circumstances, we should be able to launch this project in the near future.

Remastering Audio Compact Discs

On the manufacturing front, the Group's replication of optical disc division has commenced providing a newly created remastering service whereby the sound (audio) quality is enhanced from the standard 16-bits to 24-bits. Such remastered products are now being marketed by our clients and our logo STEIGERN Audiophile or GIPFEL Audio-Pro is highlighted on the album cover of such audio compact discs. We have submitted Trade Mark and Service Mark applications to protect our added advantage in this industry.

STEIGERN AUDIOPHILE

GIPFEL AUDIO-PRO

CORPORATE GOVERNANCE

The Board of Directors of the Group emphasises on corporate governance and at all times looking at value creation for our shareholders. Measures taken and implemented have been outlined in this Annual Report under the Statement on Corporate Governance, the Statement on Risk Management and Internal Control, and the Audit Committee Report.

CORPORATE SOCIAL RESPONSIBILITY

Our Company recognises that its businesses have direct and indirect impact on the communities in which we operate. We bear a special responsibility to use our knowledge and experience for the betterment of society and to further develop and initiate improvements for and with society. Some of our initiatives in contributing towards being a positive global citizen included initiatives that were carried out through efforts in the workplace, the marketplace and the environment, which are highlighted in the Corporate Social Responsibility Statement in this Annual Report.

During the financial year, the Group is proud to be associated with the National Stroke Association of Malaysia ("NASAM") via a sponsorship programme to replicate Digital Versatile Discs for NASAM's latest documentary "Against The Wind", which is a film documentary that has been especially produced and directed by an award-winning director from Taiwan, Mr. Wayne Peng.

LOOKING AHEAD

GSB Group has long term plans for its property development and will strive to build a strong brand name along the way. On the manufacturing front, the Group will also endeavour its best to capitalise on its reputable brand name in the storage media content industry and also the current buzz in the music industry for its STEIGERN Audiophile or GIPFEL Audio-Pro remastering services. We aspire to be a leading provider in optical storage media serving the needs of education, entertainment and software industries.

As we move into the year ahead, we are determined and equipped to ensure a continued and sustained growth by providing the highest level of quality and being effective and efficient. We trust we are enhancing our shareholders' value and will continue to do so.

APPRECIATION

On behalf of the Board of Directors, I wish to extend my heartfelt gratitude to all our shareholders for their steadfast support and confidence in the Group.

My sincere appreciation also goes to the various government authorities, business associates, clients, financiers and partners for their continuing support.

To our management and employees, thank you for the unwavering commitment and dedication to the progress of GSB Group.

BOARD OF DIRECTORS

Loy Kwee Keow
Senior Independent
Non-Executive Chairman

Gan Pik Mui
Managing Director

Liaw Boo Lai @ Leow Bong Lai
Independent
Non-Executive Director

Gan Boon Kat
Non-Independent
Non-Executive Director

AUDIT COMMITTEE

Loy Kwee Keow - Chairman
Senior Independent
Non-Executive Chairman

Liaw Boo Lai @ Leow Bong Lai
Independent
Non-Executive Director

Gan Boon Kat
Non-Independent
Non-Executive Director

NOMINATION COMMITTEE

Loy Kwee Keow - Chairman
Senior Independent
Non-Executive Chairman

Liaw Boo Lai @ Leow Bong Lai
Independent
Non-Executive Director

Gan Boon Kat
Non-Independent
Non-Executive Director

COMPANY SECRETARIES

See Siew Cheng
(MAICSA 7011225)

Leong Shiak Wan
(MAICSA 7012855)

REGISTERED OFFICE

Level 8, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel No.: (+603) 7841 8000
Fax No.: (+603) 7841 8199

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens, North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
Tel No.: (+603) 2264 3883
Fax No.: (+603) 2282 1886

CORPORATE OFFICE / PRINCIPAL PLACE OF BUSINESS

No. 9, Jalan 3/91A
Taman Shamelin Perkasa
56100 Cheras, Kuala Lumpur, Malaysia
Tel No.: (+603) 9281 1188
Fax No.: (+603) 9287 9959
Website: www.gsbsummit.com

AUDITORS

KPMG (Firm No AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

PRINCIPAL BANKERS

AmBank Group
AmInvestment Services Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Hwang Investment Management Berhad
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name: GSB
Stock Code: 7077

LEGAL STATUS

Public listed company limited by shares
Domicile and incorporated in Malaysia



GSB GROUP BERHAD
287036-X

Subsidiaries

- 100% **BANDA INDUSTRIES SDN BHD** (75604-P)
  Property Development
- 100% **GSB HOTEL SDN BHD** (829341-D)
  Property Development
- 100% **GSB MANAGEMENT SDN BHD** (196027-K)
  Property Development and Construction
- 100% **GSB PROPERTIES SDN BHD** (807671-T)
  Property Development
- 100% **GSB SUMMIT AUDIO (M) SDN BHD** (173431-U)
  Dormant
- 100% **GSB SUMMIT CD (M) SDN BHD** (226197-M)
  Manufacture of compact discs and digital versatile discs
- 100% **GSB SUMMIT DEVELOPMENT SDN BHD** (457212-A)
  Property Development
- 100% **SERTA USAHA SDN BHD** (116386-U)
  Property Development

Subsidiaries

LOY KWEE KEOW

LOY KWEE KEOW, a Malaysian, aged 54, is the Senior Independent Non-Executive Chairman of the Company and was appointed to the Board on 24 May 2005. He was appointed as Chairman of the Audit Committee and Nomination Committee on 30 December 2005 and 30 May 2013 respectively.

Mr. Loy is a member of the Chartered Institute Management Accountants and the Malaysian Institute of Accountants. He was the Accountant of Lian Seng Properties Group of Companies and IOI Properties Bhd for the period from 1983 to 1986 and 1988 to 1993, respectively. In 1986 to 1987, he was the Finance Manager in Tan Yew Lai Development Sdn. Bhd. He was the Group Financial Controller in Press Metal Industries Bhd in 1993 until 1994.

He is currently an Occupational Safety and Health Practitioner attached to HSE Management Sdn Bhd and Quality & Analytical Monitoring Sdn Bhd as a Project Director. He is also a regional director of Sustainable Certification Pte Ltd, a certifying body for ISO 9001, ISO 14001, OHSAS 18001 and ISO 22000 from Australia. He holds a Master of Science in Occupational Safety & Health from University Utara Malaysia.

He has developed and assisted numerous business organizations in achieving ISO certification from International Certifying Body. He is actively involved with Occupational Health & Safety issues in the construction industries for 10 years and later branched into other industries. He has been conducting trainings, seminars and talks for multinational companies, small and medium companies and large local corporations. He brings with him many years of experience and practical knowledge in the Occupational Health & Safety and Environmental areas. He specialized in the implementation of Safety Management System, Airborne Contaminants & Noise Exposure Monitoring, Engineering Control Equipment Monitoring and Indoor Air Quality Assessment. He is a registered Safety Health Officer, a competent person for Industrial Hygiene & Noise and IAQ Assessor registered with the Department of Occupational Safety & Health, Malaysia.

GAN PIK MUI

GAN PIK MUI, a Malaysian, aged 42, is Managing Director of the Company and was appointed to the Board on 21 December 2006.

Ms. Gan is a Chartered Accountant of the Malaysian Institute of Accountants. She holds a Bachelor of Arts (Hons) in Accounting and Financial Management from the University of Essex, England, a Master of Science in Management from City University of London and she is also a fellow member of the Association of Chartered Certified Accountants.

She was previously with KPMG Management Consulting for 3 years as a Senior Consultant involved in the area of corporate restructuring acting as a financial consultant to quoted and unquoted clients for Scheme of Arrangement pursuant to Section 176 of the Companies Act of Malaysia and informal scheme of arrangement through Corporate Debt Restructuring Committee of Malaysia before leaving for England where she was attached with a property management company in London for a year.

She is the daughter of Mr. Gan Seng Biang, a substantial shareholder of the Company, and sister of Mr. Gan Boon Kat, a director of the Company.

LIAW BOO LAI @ LEOW BONG LAI

LIAW BOO LAI @ LEOW BONG LAI, a Malaysian, aged 71, is an Independent Non-Executive Director of the Company and was appointed to the Board on 31 May 2005. He was appointed as a member of the Audit Committee and Nomination Committee on 6 September 2005 and 30 May 2013 respectively.

Mr. Liaw graduated with a degree in Mechanical Engineering. He is a member of the Professional Engineer, Malaysia. He was an engineer in Lee Wah Engine Work Pte. Ltd. from 1970 till 1974. In 1975, he held the post of a Manager in Euco Metal Sdn Bhd and was subsequently appointed as a Director of Sun Engineering and Construction Sdn Bhd, a position he held for more than 22 years until 2001.

Presently, he is the President of Malaysia Aquaculture Development Association, the Vice President of Persatuan I-Ching and also Director of KGC Eco Resort Sdn Bhd.

GAN BOON KAT

GAN BOON KAT, a Malaysian, aged 48, is a Non-Independent Non-Executive Director of the Company and was appointed to the Board on 21 December 2006. He was appointed as a member of the Audit Committee and Nomination Committee on 1 August 2011 and 30 May 2013 respectively.

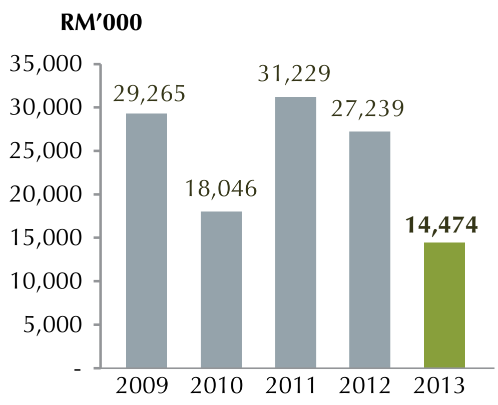
Mr. Gan has over 20 years of experience in the property industry. He was attached to Goldhill Realty from 1993 to 2000 as Real Estate Consultant.

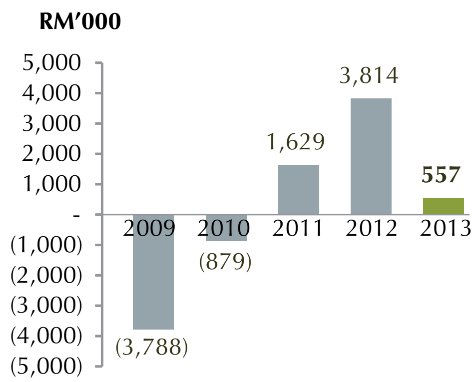
He is currently holding the post of a Director in a family-run property development and construction business. His responsibilities in the company includes overseeing the operations of the property and construction division, controlling all aspects of the development including planning, costing, feasibility, implementation, scheduling, award of tenders and due diligence. He is also responsible for sourcing and evaluating business opportunities and craft action plans necessary to achieve company's objective.

He is the brother of Ms. Gan Pik Mui, Managing Director of the Company and son of Mr. Gan Seng Biang, a substantial shareholder of the Company.

Note:

Other than as disclosed, all directors do not have any family relationships with any director and/or substantial shareholder of the Company. All directors have no personal interest in any business arrangements involving the Company. All directors have not been convicted for any offence and have attended all of the Board of Directors' meetings of the Company for the financial year ended 31 March 2013.





FINANCIAL YEAR ENDED 31 MARCH	2009	2010	2011	2012	2013
FINANCIAL PERFORMANCE (in RM'000)					
Revenue	29,265	18,046	31,229	27,239	14,474
Profit/(Loss) before taxation	639	(598)	2,282	4,091	1,182
Profit/(Loss) for the year	(3,788)	(879)	1,629	3,814	557
FINANCIAL POSITION (in RM'000)					
Total Assets	57,006	53,612	73,109	62,096	56,331
Total Liabilities	19,913	17,394	35,262	20,435	14,113
Net Current Assets	14,229	13,224	22,364	13,137	15,377
Net Assets	37,093	36,218	37,847	41,661	42,217
Total Borrowings	13,881	11,072	13,592	7,932	8,124
Equity Attributable to Owners of the Company	37,093	36,218	37,847	41,661	42,217
Issued Share Capital	40,000	40,000	40,000	40,000	40,000
KEY FIGURES					
Earnings/(Loss) Per Share (sen)	(0.95)	(0.22)	0.41	0.95	0.14
Net Assets Per Share (sen)	9.27	9.05	9.46	10.42	10.55
Net Debt to Equity Ratio	0.18	0.15	0.25	0.01	0.08

The Board of Directors ("the Board") fully appreciate the importance of adopting high standards of corporate governance within the Group to ensure that the recommendation of the Malaysian Code on Corporate Governance 2012 ("the Code") are practiced throughout the Group as a mean of managing the business and affairs of the Group with integrity and professionalism so as to enhance business prosperity and corporate accountability in order to protect the interest of shareholders, whilst ensuring at the same time the interest of other stakeholders are safeguarded.

As such, the Board strives to adopt the substance behind corporate governance prescriptions and not merely the form. The Board is thus fully committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles and recommendations set out in the Code respectively.

The Board is pleased to provide the following statements, which outline the main corporate governance principles and practices that were in place throughout the financial year, unless otherwise stated.

BOARD OF DIRECTORS

The Board is fully aware of its continuing responsibilities over the stewardship of the Group's directions and operations, and ultimately the enhancement of shareholders' value.

The Group is led and managed by an effective Board comprising members with wide range of business experiences and expertise required to successfully direct and supervise the Group's business activities, which are vital to the success of the Group.

The Board has the overall responsibility for, apart from its statutory responsibility, determining the Group's overall strategic plans including approving of major investments and financing decisions. Financial performance review and implementation of corporate governance practice in the Group are reserved for the Board, which also has responsibility for Executive Directors' Remuneration and succession planning for top management.

Board Balance

The existing Board members consist of four (4) members, a Senior Independent Non-Executive Chairman, a Managing Director with one (1) independent non-executive Director and one (1) non-independent non-executive Director. The present Board composition has been maintained in line with the needs of the Company and in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") that stipulates at least two (2) Directors or one third of the Board of the Company, whichever is higher, are independent Directors. A brief profile of each Director is presented on pages 6 to 7 in this Annual Report.

There is a clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority. The Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Managing Director is responsible for the day to day running of the business, organisational effectiveness and implementation of Board policies and decisions.

More than half of the Directors, 3 out of 4 Board members, are non-executive Directors, 2 of whom are considered by the Board to be independent. The presence of non-executive Directors provides significant contributions towards the formulation of policies and decision-making. The presence of independent non-executive Directors is essential as they provide an unbiased and independent view, advice and judgment to the decision-making of the Board and provide a capable check and balance for the Executive Director, thereby ensuring that no one individual or group dominates the Board decision-making process. The Senior Independent Non-Executive Director to whom concerns regarding the Company may be conveyed is the Chairman of the Company.

The Nomination Committee and the Board have upon their annual assessment, concluded that each of the Independent Non-Executive Directors continues to demonstrate conduct and behaviour that are essential indicators of independence as set out in the Listing Requirements.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company.

Recommendation 3.2 of the Code recommends that the tenure of an Independent Director should not exceed nine (9) years cumulatively. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director.

Board Charter and Code of Conduct

The primary objective of the Company's Charter is to set out the roles and responsibilities of the Board including their Code of Conduct. The Board is guided by the Charter and Code of Conduct which provides reference for Directors in relation to the Board's role, powers, duties, functions and ethical values. The Board will periodically review and update the Board Charter and Code of Conduct in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibility.

Substainability

The Board has taken steps to ensure that the Group's strategies continue to promote sustainability, with attention given to environmental, social and governance aspects of the Group's business. More on the Group's Corporate Social Responsibility activities are as described on pages 14 and 15 of this Annual Report.

Board Meeting

During the financial year ended 31 March 2013, the Board met a total of 4 times. Details of the Director's attendance record are presented as below:-

Directors	Numbers of Meetings Held**	Number of Meetings Attended
Loy Kwee Keow	4	4
Liaw Boo Lai @ Leow Bong Lai	4	4
Gan Pik Mui	4	4
Gan Boon Kat	4	4

**Refers to the number of meetings held during the time the director in office

Fostering Commitment of the Board

The Group recognizes that its Directors may be invited to become Directors of other companies and that exposure to other organizations can broaden the experience and knowledge of its Directors and this will benefit the Group. Therefore the Group's Directors are at liberty to accept other board appointments as long as there is no conflict with the business of the Group and do not adversely affect the Directors' performance as a Board member. The directors will notify the Chairman before accepting any new directorship and the notification should include an indication of time that will be spent on the new appointment.

Board Committees

The Board has established Board Committee delegated with specific powers and responsibilities to assist it in carrying out its duties and functions. The Board Committee that has been established is the Audit Committee and the Nomination Committee.

Audit Committee

The Audit Committee is chaired by an independent non-executive Director who reports the outcome of Audit Committee Meetings to the Board. Its prime duties include the review of financial statements, quarterly results, accounting policies, appointment of External Auditors, review of audit plan and the auditors' remuneration. Full details of the Audit Committee terms of reference and its activities during the year are stated in pages 16 to 18 of the Annual Report.

Nomination Committee

The Nomination Committee comprises the following members:

- Loy Kwee Keow
- Liaw Boo Lai @ Leow Bong Lai
- Gan Boon Kat

The Chairman of the Nomination Committee is the Senior Independent Director identified by the Board. The Nomination Committee shall meet at least once a year to carry out the duties and responsibilities as stated below. The Nomination Committee shall meet to assess the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual director.

The Nomination Committee shall be responsible for the following:

- Propose new nominees for the Board;
- Make appropriate recommendations to the Board on matters of renewal or extension of directors appointment and reappointment of retiring directors;
- Consider, in making its recommendations, candidates for directorships proposed by the Managing Director and, within bounds of practicability, by any other senior executive or any director or shareholder;
- Recommend to the Board, directors to fill the seats on Board committees;
- Assess directors on an ongoing basis;
- Review annually and assess performance of non-executive directors on annual basis based on skills, experience and core competencies which non-executive directors should bring to the Board and submit its recommendations to the Board;
- Carry out a process implemented by the Board on an annual basis for assessing the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual director.

The Nomination Committee convened meeting and tabled the annual assessment of all Directors and also concluded that each of the Independent Non-Executive Director continues to demonstrate conduct and behavior that are essential indicators of independence as set out in the Listing Requirements.

Establishment of a Remuneration Committee has not been undertaken as the Board is of the view that remuneration of Directors has been expeditiously handled by the Board as a whole. The remuneration packages of Directors is a matter for the Board as whole and individual directors are required to abstain from the discussion of their own remuneration.

In addition to the above Board Committees, the Board may, wherever required, set up other Board Committee delegated with specific power and responsibilities.

Supply of Information

The Chairman ensures that Directors have access to all information within the Group. Prior to each Board meeting, all Directors are provided with an agenda and information relevant to the business of the meeting to enable them to discuss and contribute to the meeting effectively. They were issued in sufficient time to enable the Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting.

All Directors has unhindered access to the advice and services of the Joint Company Secretaries who are responsible for ensuring that Board meeting procedure are followed and that applicable rules and regulations are complied with.

The Directors review and approve all corporate announcements, including the announcement of the quarterly financial reports, prior to releasing of the announcement to the Bursa Securities.

From time to time, the Board determines, whether as a full board or in their individual capacity, to take independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, at the Group's expense.

Board Gender Diversity

The Board subscribed to the gender diversity policy as evident from its current Board composition.

The Nomination Committee will take steps to ensure suitable women candidates are sought for consideration should there be a need to increase its current board size. Presently, with the current Directors' mix of experiences and expertise, the Board is of the view that the current size of members is sufficient in effectively addressing all issues affecting the Group.

Directors' Training

The Board as a whole recruits only individuals of sufficient caliber, knowledge and experience to discharge the duties of a Director appropriately. All the Directors have attended and completed the Mandatory Accreditation Programme as prescribed by Bursa Securities. The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the financial year.

Conferences, seminars and training programmes attended by Directors in financial year 2013 and up to the date of this report are as follows:-

Director	Name of conferences, seminars and training programmes attended
Loy Kwee Keow	• Training on Risk Management conducted by Smart Focus Group.
Liaw Boo Lai @ Leow Bong Lai	• Training on Risk Management conducted by Smart Focus Group.
Gan Pik Mui	• Training on Risk Management conducted by Smart Focus Group.
Gan Boon Kat	• Training on Risk Management conducted by Smart Focus Group.

The Directors will continue to undergo relevant training programme to further enhance their skills and knowledge wherever required, at the Group's expense.

Re-election of Directors

In accordance with the Company's Articles of Association, one-third of the Board members shall retire from office at each Annual General Meeting and they can offer themselves for re-election. Newly appointed Directors by the Board are subject to election by the shareholders at the next Annual General Meeting held following their appointments. These provide an opportunity for shareholders to renew their mandates. The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance and the shareholding in the Group of each Director standing for election are furnished in the Annual Report accompanying Notice of the Annual General Meeting.

Directors over the age of seventy (70) are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act 1965.

The Joint Company Secretaries will ensure that all appointments are properly made and that all information necessary is obtained, as well as legal and regulatory obligations are met.

DIRECTORS' REMUNERATION

The Directors' fees are approved at the Annual General Meeting by the shareholders, based on the recommendation of the Board. All Directors are provided with Directors' fees with the Executive Director being provided with remuneration package which consumerate to their duties and responsibilities. The Board, as a whole, determines the remuneration packages of the Executive Director. The Directors involved do not participate in decision regarding their own remuneration packages.

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company during the financial year are as follows:

Remuneration	Group (RM'000)	Company (RM'000)
Fees	115	19
Salaries & Other Emoluments	226	-
Total	**341**	**19**

The number of Directors of the Company whose income from the Company falling within the following bands are:-

Range of Remuneration	No of Executive Director	No of Non-Executive Directors
RM 1 to RM 50,000	-	2
RM 50,000 to RM 100,000	-	-
RM 100,000 to RM 200,000	1	1

SHAREHOLDERS AND INVESTORS

The Company recognises the importance of accountability to its shareholders through proper communication with them. The Annual General Meeting is the principal form of dialogue with the shareholders. Shareholders are notified of the meeting and provided with a copy of the Company's Annual Report before the meeting. All shareholders are encouraged to attend the Annual General Meeting and participate in its proceedings. Every opportunity is given to the shareholders to ask questions and seek clarification on the business and performance of the Group and Company.

The Code recommends that the Board should encourage poll voting for substantive resolutions and make an announcement of the detailed results showing the number of votes casted for and against each resolution. The Chairman of the meeting shall inform shareholders of their rights to demand a poll vote at the commencement of the general meeting.

The Company also ensures that its shareholders are well informed via proper procedures which have been established for the timely release of material share price-sensitive information, quarterly financial results, regulatory financial statements and other matters affecting shareholders' interests.

Shareholders and members of the public can also obtain information on the Group by accessing the Group's and also Bursa Securities' websites. There is also a continuous effort to enhance the Group's website at www.gsbsummit.com

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board acknowledges its responsibility for preparing the annual audited financial statements and ensures that the financial statements give a true and fair view of the state of affairs of the Company and Group.

The Board aims to present a balanced, clear and understandable assessment of the Company and Group's financial positions and prospects in the annual financial statements and quarterly announcement to the shareholders, investors and regulatory authorities. In this regard, the Board ensures that the Company and Group's financial statements are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

A statement by Directors of their responsibilities in preparing the financial statement is included in this Annual Report.

Internal Control

The Directors recognise the importance of monitoring sound internal control system to safeguard the shareholders' investment and the company's assets. In this regard, the Board has appointed an external professional firm to undertake the internal audit function and risk management function during the year with the aim to ensure its existing internal control system and risk management framework are effective and appropriate in mitigating against the Group's significant risks. The internal auditors report independently to the Audit Committee on a regular basis with their findings and these findings are further deliberated during the Board meeting.

Apart from the above, the Directors regularly reviewed and assessed the key risk areas and ensure that all significant risks are adequately addressed at various levels within the Group.

A statement by the Directors on the application of the principles set out in the Code is included in this Annual Report.

Relationship with the Auditors

The Board has established that the Audit Committee play the role of maintaining the appropriate relationship with the Company and Group auditors as stated on pages 16 to 18 of this Annual Report. The good relationship with the Company and Group auditors has always prevail and maintained on a transparent and professional basis.

The External Auditors are also invited to brief the Audit Committee on their audit findings and the committee also review the proposed fees for non-audit services, as required and subsequently recommend to the Board for approval.

The terms of reference of the Audit Committee is revised to incorporate the recommendations introduced in the Code involving policies and procedure to assess the suitability and independence of the External Auditors. The Board had agreed the requirement for oral/written assurance from the External Auditors confirming their independence and abided by the other recommendations on the engagement of the External Auditors for non-audit work and further reinforced the importance of assuring the independence of the External Auditors throughout the conduct of the audit engagement at all times.

This statement was made in accordance with a resolution of the Board dated 29 August 2013.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE ANNUAL AUDITED ACCOUNTS

The Directors are responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the financial year end and of the results and cashflows of the Company and of the Group for the financial year then ended.

The Directors are accountable for ensuring that the Company keeps proper accounting and other records which disclose with reasonable accuracy at any time of the financial position of the Company to enable them to ensure that the financial statements are complied with approved accounting standards and the provisions of the Companies Act, 1965.

The Directors in preparing the financial statements have used suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors consider that all applicable approved accounting standards in Malaysia have been followed and confirmed that the financial statements have been prepared on a going concern basis.

The Directors are also responsible for safeguard of the assets of the Company and of the Group and for prevention and detection of material fraud and other irregularities.

This statement was made in accordance with a resolution of the Board dated 29 August 2013.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Group acknowledges that the corporate social responsibility is an important aspect of the Group business. The Group continues to undertake responsible practices that impact the society and environment in a positive manner and to inculcate a culture of responsibility in all aspects of the Group business.

The corporate social responsibility initiatives undertaken by the Group during the financial year are summarised below:

Environment

The Group complies with all relevant environmental laws and other requirements and raises the environmental awareness among employees. During the year, the Group was not penalised for any instance of non-compliance with environment laws and regulations.

Our company's commitment in protecting and preserving the Earth's natural environment has always been our focal point. The ISO14001: 2004 certification has helped in many ways streamline our manufacturing process and producing optical discs that are clean, safe and globally acceptable.

Our compliance with RoHS (Restriction of Hazardous Substance) a directive on the restriction of the use of six hazardous substances (lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls and polybrominated diphenylether) and REACH (Registration, Evaluation, Authorization of Chemicals) a regulation to improve the protection of human health and the environment from the risks posed by the properties of chemical substances are part of our efforts in producing a safe product. Both of these directives are adopted by the European Union (EU) and has been enforced since 2003 (RoHS) and 2007 (REACH) globally.

In addition, we are also in compliance with green technology ("Greentech") an application of the environmental science to conserve the natural environment and resources. We ensure our raw materials are purchased from Green suppliers and tested to be free from harmful and banned substances. Our manufacturing process are also planned to include proper control in key areas including recycling, waste treatment and energy conservation amongst others.

These compliance has helped enhance the Group's image and reputation as a company that is focus and socially responsible in protecting man and the environment.

Market Place

The Group is committed to ensure that the interests of all the important stakeholders – shareholders, suppliers and customers are being taken care. The Group emphasize on good corporate governance practices to meet shareholder expectations. For suppliers, the Group practice transparent and fair procurement policies. As for the customers, all manufacturing facilities within the Group are compliance with ISO9001:2000 Quality Management System, ISO14001:2004 Environmental Management System. The Group is committed to supply quality products and meeting customers' satisfactions through continual improvement in technology, process and services.

Our stand against piracy is one of the Group's main thrusts throughout the length and breadth of our organisation. We are the first and only company in Malaysia to be certified under the Content Delivery and Storage Association ("CDSA") Anti-Piracy Compliance Programme since 2005. Today, we continue to be CDSA-compliant and go out all the way to ensure stringent anti-piracy measures are in place in all aspects of our business. The Group's commitment to transparency, accountability and integrity is reflected in our respect for individual's and organisation's intellectual property rights.

Workplace

The Group recognises the importance of ensuring a conductive and safe environmental for employees to work in. The Group through its Occupational, Safety and Health Committee is actively ensuring safety, health and welfare of all employees are not being compromised. Consistent education, training, counseling or industrial accident prevention programmes are held to ensure a high level of awareness of safety requirements being disseminated to all employees and at all levels.

The Group constantly upgrades the employees' skill, knowledge and experiences that would enhance the individual employee's competency. Monthly contributions are made to Human Resource Development Fund to support the Government effort to encourage corporate bodies to invest in training and skills upgrading for employees.

Community

The Group is proud to contribute to the community via sponsorship of the replication and printing of 1,500 DVD5 units and the further replication and printing of 5,000 DVD5 units at a special price for National Stroke Association of Malaysia ("NASAM"). NASAM's latest documentary "Against The Wind" is a film documentary that has been especially produced and directed by an award-winning director from Taiwan, Mr. Wayne Peng. NASAM was established in 1996 and is South East Asia's first non-profit organization to offer rehabilitation services for stroke survivors and support for their family members.

MEMBERS

The Audit Committee comprises the following directors:-

Loy Kwee Keow
Chairman (Senior Independent Non-Executive Chairman)

Liaw Boo Lai @ Leow Bong Lai
Member (Independent Non-Executive Director)

Gan Boon Kat
Member (Non-Independent Non-Executive Director)

TERMS OF REFERENCE

The Board has set up the Audit Committee in accordance with the requirements by the Bursa Malaysia Securities Berhad ("Bursa Securities").

The Audit Committee comprises of three (3) members two of whom are independent Directors. The Chairman of the committee shall be an independent non-executive Director appointed by the Board.

The committee holds at least four (4) meetings a year. The quorum shall be two (2) members, whom must be independent Directors.

OBJECTIVES

a) Provide assistance to the Board in fulfilling its statutory and fiduciary responsibilities for examination of the Group and Company and in monitoring its accounting and financial reporting practices.

b) Determine that the Group and Company have adequate administrative, operational, and internal accounting controls and that the Group and Company are operating in accordance with its prescribed procedures and codes of conduct.

c) Serve as an independent and objective party in the review of the financial information presented by management for distribution to shareholders and the general public.

d) Provide direction and controls over the internal audit function and the External Auditors. The Audit Committee has the right to meet the External and/or the Internal Auditors without the presence of the Executive Directors and the Management Team.

COMPOSITION

The committee shall be appointed by the Board and shall consist of:-

a) Not less than three (3) members of whom a majority shall be independent non-executive Directors to be appointed by the Board; and

b) At least one (1) member of the Audit Committee must fulfill the following requirements: -

    i) Must be a member of the Malaysian Institute of Accountants; or

    ii) If he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and

        - Must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1968; or

        - Must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

AUTHORITY

The Audit Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Audit Committee.

The Audit Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

FUNCTIONS AND RESPONSIBILITIES

The duties and functions of the Committee shall be:-

a) To consider and recommend the appointment of the External Auditors, audit fees, non-audit professional services and question on any resignation or dismissal of the External Auditors before making recommendation to the Board;

b) To discuss with the External Auditor before the audit commences the nature and scope of the audit and to ensure coordination where more than one audit firm is involved;

c) To review the quarterly results and year-end financial statements prior to the approval by the Board, focusing particularly on:-

    i) Changes in or implementation of major accounting policy changes;
    ii) Significant and unusual events;
    iii) Compliance with accounting standards requirements;
    iv) Compliance with stock exchange and legal requirements.

d) To discuss problems and reservations arising from the interim and final audits, the evaluation and findings of the system of internal controls and matters the External Auditors may wish to discuss (in the absence of management where necessary). To also obtain oral/written confirmation from the External Auditors on the status of their independence and whether the Management Team had given its full support and unrestricted access to information;

e) To keep under review the effectiveness of internal control systems, in particular, review the External Auditor's management letter and management's response;

f) To review any related party transaction and conflict of interest situation that may arise in the Group or Company including any transaction, procedure or course of conduct that raise questions of management integrity;

g) To review the adequacy of the scope, functions and resources of the internal audit functions and that the internal auditor has the necessary authority to carry out its work;

h) To review the internal audit programme, process, the results of the internal audit programme and process or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

i) To review the audit reports with the auditors; and

j) To consider other related matters, as defined by the Board.

SUMMARY OF ACTIVITIES DURING FINANCIAL YEAR UNDER REVIEW

During the financial year, the activities of the Audit Committee included the followings:-

a) Reviewing the annual audited accounts and unaudited quarterly financial results announcements of the Group and making recommendations to the Board.

b) Discussing and reviewing the External Auditors' scope of works and the audit planning memorandum, the results of their examination, their auditors' report and management letters in relation to the audit and accounting issues arising from the audit.

c) Considered the suitability and independence of the newly appointed Internal Auditors. Reviewed and discussed the major findings of the internal audit and risk management investigations and management's responses and ensure that appropriate actions are taken on the recommendation of the internal audit function.

d) Discussion and updating on new developments of accounting standards issued by the Malaysian Accounting Standards Board.

INTERNAL AUDIT FUNCTION

The Group's internal audit functions are outsourced to an external professional firm, which reports to the Audit Committee and assists the Board of Directors in monitoring and managing risks and internal controls. The Audit Committee approves the internal audit plan during the Audit Committee Meeting in the beginning of the financial year. The scope of internal audit covers the audits of all operations of subsidiary companies in the Group.

The approach adopted by the Group is of a risk based approach to the implementation and monitoring of controls of the subsidiary companies. The internal auditor has been assigned to review and assess the adequacy of such controls prevailing in those key operational areas selected for review.

No major weakness which resulted in material losses, contingencies or uncertainties was identified during the period.

The professional fees incurred for the internal audit functions during the current financial year amounted to RM22,000.00.

In addition, for a key operational business, annual independent audit on operational and copyright management procedures in line with the International Standard of Operation ("ISO") Certificate Programme are carried out to provide further assurance of adequacy and integrity of the internal controls applied in the Group.

AUDIT COMMITTEE ATTENDANCE RECORD

The Audit Committee met four (4) times during the financial year ended 31 March 2013 and the attendance record is as follows:-

Directors	Numbers of Meetings Held**	Number of Meetings Attended
Loy Kwee Keow	4	4
Liaw Boo Lai @ Leow Bong Lai	4	4
Gan Boon Kat	4	4

** Refers to the number of meetings held during the time the director in office

The Audit Committee Report was made in accordance with a resolution of the Audit Committee dated 29 August 2013.

Introduction

The Board of GSB Group Berhad ("the Board") acknowledges the importance of maintaining a sound system of internal control and effective risk management as part of its on-going efforts to practice good corporate governance. The Board is committed to practising good standards of corporate governance and observing best practices, and will continue to improve on current practices.

The Board is pleased to provide the following statement, which outlines the nature and scope of risk management and internal control of the Group during the financial year ended 31 March 2013.

Responsibility of the Board

The Board is ultimately responsible for the system of internal control operating throughout the Group and for reviewing its effectiveness, adequacy and integrity, including financial and operational controls, compliance with relevant laws and regulations, and risk management in order to safeguard shareholders' investments and the Group's assets.

The Board recognises that the Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and that it can only provide reasonable and not absolute assurance against misstatement, fraud or loss. The Board continuously evaluates appropriate initiatives to strengthen the transparency and efficiency of its operations, taking into account the requirements for sound and appropriate internal controls and management information systems within the Group.

Control Environment

The Board of Directors and Senior Management consistently endeavor to maintain an adequate system of internal controls designed to manage risks rather than eliminate them. The Group has an organization structure that is aligned to business requirements. The internal control mechanism is embedded in the various work processes in the Group. The Board is accountable for ensuring the existence and effectiveness of internal control and provides leadership and direction to Senior Management on the manner the Company controls its businesses, the state of internal control and its activities. The internal control processes are reviewed and updated from time to time. This is to ensure that they are relevant and effective to respond to market changes.

Assurance From The Management

The Board has also received assurance from the Managing Director ("MD") and the Chief Financial Officer ("CFO"), that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management model adopted by the company.

Internal Audit

The Company's internal audit function is outsourced to external consultant. The Internal Audit team reviews the risk identification procedures and control processes implemented by the management, conducts audits that encompass reviewing critical areas that the Company faces, and reports to the Audit Committee on a periodic basis. Any significant weaknesses identified during the reviews together with the improvement measures to strengthen the internal controls were reported to the Audit Committee. The Internal Audit fee incurred for the financial year ended 31 March 2013 was RM22,000.00.

For key operational areas, annual independent audit on operational procedures of a key subsidiary was carried out in line with the International Standard of Operation ("ISO") Certification Programme and also the Content Delivery and Storage Association ("CDSA") Anti-Piracy Compliance Programme.

Risk Management

The Group has an ongoing process for identifying, evaluating and managing the significant risks faced by the Group throughout the financial year under review. This is to ensure that all high risks are adequately addressed at various levels within the Group. The risk profile of the Group is established during risk mapping and assessment sessions facilitated by the external consultant. The risk responses and internal controls that the Management have taken and/or are taking are documented in the risk templates.

Information and Communication

While the Management has full responsibility in ensuring the effectiveness of internal control, which it establishes, the Board of Directors has the authority to assess the state of internal control as it deems necessary. In doing so, the Board has the right to enquire information and clarification from Management as well as to seek inputs from the Audit Committee, external and internal auditors, and other experts at the expense of the Company.

Conclusion

The Board is pleased to report that there were no major internal control weaknesses identified during the year, nor have any of the reported weaknesses resulted in material losses or contingencies requiring disclosure in the Group's Annual Report. The Board is of the view that the existing system of the internal control is adequate. Nevertheless, Management continues to take measures to strengthen the control environment.

This statement has been duly reviewed by the External Auditors and is made in accordance with the resolution of the Board of Directors dated 29 August 2013.

UTILIZATION OF PROCEEDS

The Company did not make any corporate proposal to raise proceeds during the financial year.

SHARE BUYBACKS

The Company did not make any share buyback during the financial year.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

No options, warrants or convertible securities were exercised by the Company in the financial year.

AMERICAN DEPOSITORY RECEIPT (“ADR”) OR GLOBAL DEPOSITORY RECEIPT (“GDR”) PROGRAMME

During the financial year, the Company did not sponsor any ADR or GDR programme.

IMPOSITION OF SANCTIONS / PENALTIES

There were no sanctions and / or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

NON-AUDIT FEES

The amount of non-audit fees paid or payable to the External Auditors by the Company for the financial year amounted to RM10,000.00.

VARIATION IN RESULTS

There were no profit estimate, forecast or projections or unaudited results released which differ by 10% or more from audited results for the financial year.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not make any release on the profit estimate, forecast or projections for the said financial year.

PROFIT GUARANTEES

There was no profit guarantee given to the Company by any shareholder during the year. Neither was there any profit guarantee given by the Company and its subsidiaries.

MATERIAL CONTRACTS

There are no material contracts entered into by the Company and its subsidiaries involving Directors’ and major shareholders’ interest, either still subsisting at the end of the financial year or entered into since the end of the previous financial year except as disclosed in the financial statements.

CONTRACTS RELATING TO LOANS

There were no contracts relating to loans by the Company in respect of the material contracts involving Directors and major shareholders.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

There were no recurrent related party transactions of a revenue or trading nature conducted during the financial year by the Company and its subsidiaries.

FINANCIAL STATEMENTS

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the year	556,837	(173,257)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDENDS

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Gan Pik Mui
Gan Boon Kat
Loy Kwee Keow
Liaw Boo Lai @ Leow Bong Lai

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.10 each			
	At 1.4.2012	Bought	Sold	At 31.3.2013
Interest in the Company:				
Gan Pik Mui	55,065,100	-	-	55,065,100
Gan Boon Kat	9,119,490	-	-	9,119,490

By virtue of their interests in the shares of the Company, the Directors are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 31 March 2013 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salaries of full time employees of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 28 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

OTHER STATUTORY INFORMATION (CONTINUED)

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 March 2013 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SUBSEQUENT EVENT

The subsequent event is disclosed in Note 29 to the financial statements.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

…………………………………………………………..
Gan Pik Mui

………………………………………………………….
Gan Boon Kat

Petaling Jaya,

Date: 30 July 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Assets					
Property, plant and equipment	3	9,991,780	11,085,884	-	-
Goodwill	4	11,828	11,828	-	-
Investment properties	5	1,255,357	2,040,122	-	-
Investments in subsidiaries	6	-	-	23,188,047	23,188,047
Other investments	7	16,000	16,000	-	-
Land held for property development	8	23,176,730	23,477,588	-	-
Deferred tax assets	9	270,000	380,200	-	-
Total non-current assets		34,721,695	37,011,622	23,188,047	23,188,047
Inventories	10	1,477,096	2,916,671	-	-
Current tax assets		536,233	526,238	13,696	4
Trade and other receivables	11	10,136,060	10,570,654	12,905,152	12,036,050
Prepayments		96,692	130,452	-	-
Property development costs	12	4,467,454	3,307,964	-	-
Cash and cash equivalents	13	4,895,530	7,632,370	226,719	1,249,404
Total current assets		21,609,065	25,084,349	13,145,567	13,285,458
Total assets		56,330,760	62,095,971	36,333,614	36,473,505
Equity					
Share capital	14	40,000,000	40,000,000	40,000,000	40,000,000
Share premium	14	939,803	939,803	939,803	939,803
Revaluation reserve	14	1,312,208	1,312,208	-	-
Accumulated losses		(34,622)	(591,459)	(9,080,648)	(8,907,391)
Total equity attributable to owners of the Company		42,217,389	41,660,552	31,859,155	32,032,412
Liabilities					
Loans and borrowings	15	5,580,095	6,099,056	-	-
Deferred tax liabilities	9	2,301,589	2,388,677	-	-
Total non-current liabilities		7,881,684	8,487,733	-	-
Loans and borrowings	15	2,543,545	1,833,372	-	-
Trade and other payables	16	3,271,944	10,104,975	4,474,459	4,441,093
Current tax liabilities		416,198	9,339	-	-
Total current liabilities		6,231,687	11,947,686	4,474,459	4,441,093
Total liabilities		14,113,371	20,435,419	4,474,459	4,441,093
Total equity and liabilities		56,330,760	62,095,971	36,333,614	36,473,505

The notes on pages 32 to 71 form an integral part of these financial statements.

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Revenue	17	14,473,785	27,239,372	-	3,000,000
Cost of sales		(10,723,211)	(23,268,274)	-	-
Gross profit		3,750,574	3,971,098	-	3,000,000
Other income		1,811,923	5,375,604	-	-
Distribution expenses		(1,157,290)	(939,178)	-	-
Administrative expenses		(2,987,845)	(3,652,417)	(192,424)	(300,491)
Other expenses		(308,961)	(186,339)	-	-
Results from operating activities		1,108,401	4,568,768	(192,424)	2,699,509
Finance income	20	157,145	141,739	5,475	-
Finance costs	21	(83,274)	(619,880)	-	-
Profit/(Loss) before tax	18	1,182,272	4,090,627	(186,949)	2,699,509
Income tax (expense)/credit	22	(625,435)	(276,951)	13,692	(500,000)
Profit/(Loss) and total comprehensive income/ (expense) for the year		556,837	3,813,676	(173,257)	2,199,509
Basic earnings per ordinary share (sen)	23	0.14	0.95		

The notes on pages 32 to 71 form an integral part of these financial statements.

Group	Share capital RM	Share premium RM	Revaluation reserve RM	Accumulated losses RM	Total equity RM
	← Non-distributable	→			
At 1 April 2011	40,000,000	939,803	1,312,208	(4,405,135)	37,846,876
Total comprehensive income for the year	-	-	-	3,813,676	3,813,676
At 31 March 2012/1 April 2012	40,000,000	939,803	1,312,208	(591,459)	41,660,552
Total comprehensive income for the year	-	-	-	556,837	556,837
At 31 March 2013	40,000,000	939,803	1,312,208	(34,622)	42,217,389
	Note 14	Note 14	Note 14		

Company	Share capital RM	Share premium RM	Accumulated losses RM	Total equity RM
	← Non-distributable	→		
At 1 April 2011	40,000,000	939,803	(11,106,900)	29,832,903
Total comprehensive income for the year	-	-	2,199,509	2,199,509
At 31 March 2012/1 April 2012	40,000,000	939,803	(8,907,391)	32,032,412
Total comprehensive expense for the year	-	-	(173,257)	(173,257)
At 31 March 2013	40,000,000	939,803	(9,080,648)	31,859,155
	Note 14	Note 14		

The notes on pages 32 to 71 form an integral part of these financial statements.

	Note	Group		Company	
		2013	2012	2013	2012
		RM	RM	RM	RM
Cash flows from operating activities					
Profit/(Loss) before tax		1,182,272	4,090,627	(186,949)	2,699,509
Adjustments for:					
Depreciation of property, plant and equipment		957,896	1,018,771	-	-
Dividend income		-	-	-	(3,000,000)
Finance costs		83,274	619,880	-	-
Finance income		(157,145)	(141,739)	(5,475)	-
Gain of disposal of property, plant and equipment		-	(189,499)	-	-
Property, plant and equipment written-off		268,152	-	-	-
Gain on disposal of assets held for sale		-	(4,971,202)	-	-
Loss on disposal of investment properties		36,943	-	-	-
Impairment loss on trade receivables		210,300	132,866	-	-
Impairment loss on investment properties		68,246	-	-	-
Reversal of impairment loss on trade receivables		(116,126)	(19,529)	-	-
Inventories written-off		32,493	-	-	-
Inventories written-back		(101,827)	-	-	-
Unrealised foreign exchange loss		23,816	-	-	-
Operating profit/(loss) before changes in working capital		2,488,294	540,175	(192,424)	(300,491)
Changes in working capital:					
Inventories		1,508,909	978,081	-	-
Land held for property development		1,086,982	(2,245,009)	-	-
Property development costs		(1,159,490)	9,433,513	-	-
Trade and other payables		(6,833,031)	(8,113,024)	33,366	2,766,809
Trade and other receivables and prepayments		374,180	640,534	(869,102)	(3,724,117)
Cash held under Housing Development Accounts		9,218	(69,416)	-	-
Cash (used in)/generated from operations		(2,524,938)	1,164,854	(1,028,160)	(1,257,799)
Interest paid		(83,274)	(619,880)	-	-
Interest received		157,145	141,739	5,475	-
Income tax paid		(267,853)	(1,695,613)	-	(500,000)
Income tax refund		62,394	37,622	-	3,264
Net cash used in operating activities		(2,656,526)	(971,278)	(1,022,685)	(1,754,535)

The notes on pages 32 to 71 form an integral part of these financial statements.

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)	(131,944)	(1,251,262)	-	-
Acquisition of land held for property development		-	(9,965,096)	-	-
Dividend received		-	-	-	3,000,000
Improvements of land held for property development		(786,124)	(318,462)	-	-
Placement of deposits pledged with licensed banks		(68,313)	(973,340)	-	-
Net cash (used in)/generated from investing activities		(986,381)	(12,508,160)	-	3,000,000
Placement of bank balances pledged with licensed banks		-	(211,110)	-	-
Proceeds from disposal of property, plant and equipment		-	189,500	-	-
Proceeds from disposal of investment properties		679,576	-	-	-
Net proceeds from disposal of assets held for sale	(iii)	-	21,566,078	-	-
Net cash (used in)/generated from investing activities		(306,805)	9,036,308	-	3,000,000
Cash flows from financing activities					
Drawdown of term loans		-	6,500,000	-	-
Repayment of term loans		(257,869)	(6,655,199)	-	-
Repayment of finance lease liabilities		(353,981)	(376,551)	-	-
Net cash used in financing activities		(611,850)	(531,750)	-	-
Net (decrease)/increase in cash and cash equivalents		(3,575,181)	7,533,280	(1,022,685)	1,245,465
Cash and cash equivalents at 1 April		4,363,750	(3,169,530)	1,249,404	3,939
Effect of exchange rate fluctuations on cash held		(23,816)	-	-	-
Cash and cash equivalents at 31 March	(i)	764,753	4,363,750	226,719	1,249,404

The notes on pages 32 to 71 form an integral part of these financial statements.

i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Cash and bank balances	13	1,518,952	4,826,580	21,244	1,229,404
Deposits placed with licensed banks	13	2,440,015	2,362,197	-	-
Highly liquid investments with financial institution	13	936,563	443,593	205,475	20,000
		4,895,530	7,632,370	226,719	1,249,404
Less: Deposits pledged		(2,117,323)	(2,049,010)	-	-
Bank overdrafts		(1,742,146)	(939,084)	-	-
Bank balances pledged		(211,110)	(211,110)	-	-
Cash held under Housing Development Accounts		(60,198)	(69,416)	-	-
		764,753	4,363,750	226,719	1,249,404

ii) Acquisition of property, plant and equipment

In previous year, the Group acquired property, plant and equipment with an aggregate cost of RM1,451,262 of which RM200,000 were acquired by means of finance leases.

iii) Net proceeds from disposal of assets held for sale

In previous year, the net proceeds from disposal of assets held for sale was determined after deducting the costs of disposal of RM543,922.

The notes on pages 32 to 71 form an integral part of these financial statements.

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 addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
9, Jalan 3/91A
Taman Shamelin Perkasa
Cheras, 56100 Kuala Lumpur

Registered office
Level 8, Symphony House
Pusat Dagangan Dana 1
Jalan PJU1A/46
47301 Petaling Jaya, Selangor

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2013 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 March 2013 do not include other entities.

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 30 July 2013.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRSs) and the Companies Act, 1965 in Malaysia.

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 and the Company:

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

- Amendments to FRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits (2011)*
- FRS 127, *Separate Financial Statements (2011)*
- FRS 128, *Investments in Associates and Joint Ventures (2011)*
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Government Loans*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*
- Amendments to FRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*
- Amendments to FRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to FRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013 (cont'd)

- Amendments to FRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to FRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to FRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to FRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to FRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to FRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to FRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to FRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- FRS 9, *Financial Instruments (2009)*
- FRS 9, *Financial Instruments (2010)*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of FRS 9 and Transition Disclosures*

The Group and the Company plans to apply those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2012 and 1 January 2013, except for FRS 11, FRS 12, FRS 128, IC Interpretation 20, Amendments to FRS 1, Amendments to FRS 11 and Amendments to FRS 12 which are not applicable to the Group and the Company from the annual period beginning on 1 April 2013.

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

The Group has subsidiaries which fall within the scope of IC Interpretation 15, Agreements for the Construction of Real Estate. The Group and these subsidiaries will be exempted from adopting Malaysian Financial Reporting Standards (MFRSs) and as such is referred to as a "Transitioning Entity". Being a Transitioning Entity, the Group is required to adopt MFRSs for annual period beginning on 1 April 2014.

The Group's and the Company's financial statements for annual period beginning on 1 April 2014 will be prepared in accordance with the MFRSs issued by MASB and International Financial Reporting Standards (IFRSs). As a result, the Group and the Company will not be adopting FRSs, Interpretations and amendments that are effective for annual periods beginning on or after 1 January 2014 and 1 January 2015.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1. BASIS OF PREPARATION (CONT'D)

(d) Use of estimates and judgements (cont'd)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 5 - valuation of investment properties
- Note 12 - revenue and cost of sales for property development projects
- Note 27 - contingencies

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by the Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Subsidiaries are consolidated using the purchase method of accounting except for certain subsidiaries, GSB Summit CD (M) Sdn. Bhd. and GSB Summit Audio (M) Sdn. Bhd., which were consolidated prior to 1 January 2002 using the merger method of accounting in accordance with Malaysian Accounting Standard 2 'Accounting for Acquisitions and Mergers', the accepted accounting principle prevailing at that time.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures the cost of goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(ii) Business combinations (cont'd)

Acquisitions on or after 1 January 2011 (cont'd)

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisitions between 1 January 2006 and 1 January 2011

For acquisitions between 1 January 2006 and 1 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2006

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets are subject to review for impairment (see Note 2(m)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

(iii) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost or valuation less any accumulated depreciation and any accumulated impairment losses.

The Group revalues its property comprising land and buildings every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

• Leasehold land	81 years
• Buildings	45 - 50 years
• Plant, machinery and audio equipment	8 - 10 years
• Office equipment	8 - 10 years
• Motor vehicles	5 - 6 years
• Furniture, fixtures and fittings	8 - 10 years
• Renovation	10 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leased assets (cont'd)

(i) Finance lease (cont'd)

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

(ii) Amortisation

Goodwill with indefinite useful lives is not amortised but is tested for impairment annually and whenever there is an indication that it may be impaired.

(g) Investment properties

(i) Investment properties carried at cost

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both. These include freehold land which in substance is a finance lease held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Freehold land is not depreciated.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Investment properties (cont'd)

(ii) Determination of fair value

An external, independent valuation firm, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every 5 years. In between the five year valuation, the Directors will estimate the fair value of the Group's investment property without involvement of independent valuers.

The fair values are based on directors valuation or market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

(h) Other investments

Investment in club membership is measured at cost less accumulated impairment losses.

(i) Land held for property development

Land held for property development consists of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the Group's normal operating cycle of 2 to 3 years. Such land is classified as non-current asset and is measured at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when active development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's operating cycle of 2 to 3 years.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(j) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs not recognised as an expense is recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as progress billings receivable under trade and other receivables while the excess billing to purchasers over revenue recognised in profit or loss is classified as progress billings under trade and other payables.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Inventories (cont'd)

The cost of completed properties includes expenditures incurred in the acquisition of land, direct cost and appropriate proportions of common cost attributable to developing the properties to completion.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts, pledged bank balances and deposits and cash held under Housing Development Accounts.

(m) Impairment

(i) Financial assets

All financial assets (except for investments in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill that has indefinite useful lives, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets (known as cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Impairment (cont'd)

(ii) Other assets (cont'd)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or the group of cash-generating units and then to reduce the carrying amount of the other assets in the cash-generating unit (or a group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(n) Employee benefits

(i) Short term employee benefits

Short term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Property development

Revenue from property development activities are recognised based on the stage of completion measured by reference to the proportion that property development costs incurred for works performed to date bear to the estimated total property development costs.

Where the financial outcome of a property development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development cost incurred that is probable will be recoverable, and property development cost on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including cost to be incurred over the defect liability period, is recognised immediately in profit or loss.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(q) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(r) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Income tax (cont'd)

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

Unutilised reinvestment allowance and investment tax allowance are treated as tax base of assets and are recognised as a reduction of tax expense as and when they are utilised.

(s) Earnings per ordinary share

The Group presents basic earnings per share data for its ordinary shares (EPS).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Long term leasehold land RM	Buildings RM	Plant, machinery and audio equipment RM	Office equipment RM	Motor vehicles RM	Furniture, fixtures and fittings RM	Renovation RM	Total RM
Cost/Valuation								
At 1 April 2011	4,829,759	3,079,445	28,880,197	321,239	1,818,486	2,431,415	-	41,360,541
Additions	-	-	1,049,154	125	300,186	85,767	16,030	1,451,262
Disposals	-	-	-	-	(519,100)	-	-	(519,100)
At 31 March 2012/1 April 2012	4,829,759	3,079,445	29,929,351	321,364	1,599,572	2,517,182	16,030	42,292,703
Additions	-	-	89,276	7,897	-	4,189	30,582	131,944
Write off	-	-	-	-	(446,919)	-	-	(446,919)
At 31 March 2013	4,829,759	3,079,445	30,018,627	329,261	1,152,653	2,521,371	46,612	41,977,728
Represented:								
At cost	-	-	30,018,627	329,261	1,152,653	2,521,371	46,612	34,068,524
At valuation - 2009	4,829,759	3,079,445	-	-	-	-	-	7,909,204
At 31 March 2013	4,829,759	3,079,445	30,018,627	329,261	1,152,653	2,521,371	46,612	41,977,728

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Long term leasehold land RM	Buildings RM	Plant, machinery and audio equipment RM	Office equipment RM	Motor vehicles RM	Furniture, fixtures and fittings RM	Renovation RM	Total RM
Depreciation								
At 1 April 2011	754,613	169,523	26,011,132	314,641	1,196,332	2,260,906	-	30,707,147
Depreciation for the year	59,627	81,801	604,752	4,583	209,753	57,038	1,217	1,018,771
Disposals	-	-	-	-	(519,099)	-	-	(519,099)
At 31 March 2012/1 April 2012	814,240	251,324	26,615,884	319,224	886,986	2,317,944	1,217	31,206,819
Depreciation for the year	59,627	81,801	634,239	1,442	123,788	53,612	3,387	957,896
Write off	-	-	-	-	(178,767)	-	-	(178,767)
At 31 March 2013	873,867	333,125	27,250,123	320,666	832,007	2,371,556	4,604	31,985,948
Carrying amounts								
At 1 April 2011	4,075,146	2,909,922	2,869,065	6,598	622,154	170,509	-	10,653,394
At 31 March 2012/1 April 2012	4,015,519	2,828,121	3,313,467	2,140	712,586	199,238	14,813	11,085,884
At 31 March 2013	3,955,892	2,746,320	2,768,504	8,595	320,646	149,815	42,008	9,991,780

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Assets under finance lease agreements

Included in property, plant and equipment of the Group are motor vehicles and machinery acquired under finance lease agreements with carrying amounts of RM291,665 (2012: RM669,303).

Property, plant and equipment under revaluation model

The Group's land and buildings were revalued on 31 March 2009 by an independent professional qualified valuer using the open market value method.

The carrying amounts of the revalued leasehold land had they been stated under the historical cost model as required by the Financial Reporting Standards (FRS) 116 on "Property, Plant and Equipment" is not disclosed due to the absence of complete historical records.

Had the buildings been carried under the historical cost model, their carrying amounts would have been RM1,372,682 (2012: RM1,411,282).

Titles

The strata titles of buildings with carrying amounts of RM366,813 (2012: RM377,872), have not been issued to the subsidiaries as the master title has not been sub-divided.

4. GOODWILL

Group	**RM**
Cost	
At 1 April 2011/31 March 2012/1 April 2012/31 March 2013	737,860
Impairment loss	
At 1 April 2011/31 March 2012/1 April 2012/31 March 2013	726,032
Carrying amounts	
At 1 April 2011/31 March 2012/1 April 2012/31 March 2013	11,828

5. INVESTMENT PROPERTIES

Group	**Freehold land RM**
At cost	
At 1 April 2011/31 March 2012/1 April 2012	2,040,122
Disposals	(716,519)
Impairment loss	(68,246)
At 31 March 2013	1,255,357
Depreciation	
At 1 April 2011/31 March 2012/1 April 2012/31 March 2013	-

5. INVESTMENT PROPERTIES (CONT'D)

Group	Freehold land RM
Carrying amounts	
At 1 April 2011	2,040,122
At 31 March 2012/1 April 2012	2,040,122
At 31 March 2013	1,255,357
Fair values	
At 1 April 2011	2,040,122
At 31 March 2012/1 April 2012	2,040,122
At 31 March 2013	1,255,357

Estimation uncertainty and key assumptions

The Directors estimated the fair values of investment properties as at 31 March 2013 based on the comparison of the Group's investment properties with similar properties that were listed for sale within the same locality or other comparable localities, and an assessment of the prevailing property market. In the opinion of the Directors, the fair values of the investment properties approximate its carrying amounts as at 31 March 2013.

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2013 RM	2012 RM
Unquoted shares, at cost	26,963,047	26,963,047
Less: Impairment losses	(3,775,000)	(3,775,000)
	23,188,047	23,188,047

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2013 %	Effective ownership interest 2012 %
Banda Industries Sdn. Bhd.	Malaysia	Property development	100	100
GSB Hotel Sdn. Bhd.	Malaysia	Property development	100	100
GSB Management Sdn. Bhd.	Malaysia	Property development and construction	100	100
GSB Properties Sdn. Bhd.	Malaysia	Property development	100	100
GSB Summit Audio* (M) Sdn. Bhd.	Malaysia	Dormant	100	100
GSB Summit CD (M) Sdn. Bhd.	Malaysia	Manufacture of compact discs	100	100
GSB Summit Development Sdn. Bhd.	Malaysia	Property development	100	100
Serta Usaha Sdn. Bhd.	Malaysia	Property development	100	100

* Ceased operations during the financial year ended 31 March 2010.

7. OTHER INVESTMENTS

	Group 2013 RM	Group 2012 RM
Investment in club membership, at cost	30,030	30,030
Less: Impairment losses	(14,030)	(14,030)
	16,000	16,000

8. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Note	Freehold land RM	Development costs RM	Total RM
Cost				
At 1 April 2011		8,477,060	2,471,961	10,949,021
Additions	8.1, 8.2	9,965,096	-	9,965,096
Improvements		-	318,462	318,462
Transfer from property development costs	12	394,240	1,850,769	2,245,009
At 31 March 2012/1 April 2012		18,836,396	4,641,192	23,477,588
Improvements		-	786,124	786,124
Transfer to property development costs	12	(104,039)	(982,943)	(1,086,982)
At 31 March 2013		18,732,357	4,444,373	23,176,730

8. LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D)

8.1 Landowner's entitlement

On 29 June 2011, the Group via its wholly-owned subsidiary, GSB Summit Development Sdn. Bhd. ("GSBSD") entered into a joint venture agreement with a third party, Projects Start Sdn. Bhd. ("PSSB") to develop a parcel of freehold land located in Mukim Damansara, District of Petaling, Selangor measuring approximately 4,253 square meters. PSSB being the landowner, agrees to contribute the land to GSBSD, who is the developer to develop the said land into parcels of property. PSSB shall be entitled to the landowner's entitlement of 23.5% of the development value to be paid by GSBSD being a sum not less than RM12,000,000. As at 31 March 2013, GSBSD has paid a sum of RM1,500,000 to PSSB being the first payment forming part of the landowner's entitlement.

8.2 Acquisition of land

On 28 July 2011, the Group via its wholly-owned subsidiary, Serta Usaha Sdn. Bhd., entered into an agreement with a third party, Apple Talk Sdn. Bhd. to acquire a parcel of freehold land located in Mukim Klang, District of Klang, Selangor for a total cash consideration of RM8,000,000. The transaction was completed in previous financial year. The freehold land was charged to a licensed bank to secure term loan facility granted to the subsidiary.

8.3 Security

The land held for property development amounting to RM13,069,470 (2012: RM12,872,956) have been pledged to licensed banks as security for credit facilities granted to certain subsidiaries (Note 15).

9. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Group	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Revaluation of property, plant and equipment	-	-	(1,147,954)	(1,166,200)	(1,147,954)	(1,166,200)
Land held for property development/Property development costs	-	-	(809,630)	(851,176)	(809,630)	(851,176)
Property, plant and equipment	-	-	(344,005)	(371,301)	(344,005)	(371,301)
Deductible temporary differences	97,000	97,000	-	-	97,000	97,000
Tax loss carry-forwards	173,000	283,200	-	-	173,000	283,200
Deferred tax assets/(liabilities)	270,000	380,200	(2,301,589)	(2,388,677)	(2,031,589)	(2,008,477)

9. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Unrecognised deferred tax assets

Deferred tax assets/(liabilities) have not been recognised in respect of the following items:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Taxable temporary differences	(20,000)	(30,000)	-	-
Unabsorbed capital allowances	40,000	40,000	-	-
Tax loss carry-forwards	584,000	473,000	225,776	225,776
	604,000	483,000	225,766	225,776
At 25%	151,000	120,750	56,444	56,444

Deferred tax assets have not been recognised in respect of the above items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits there from.

Unabsorbed capital allowances/Unutilised reinvestment allowances

The Group has unabsorbed capital allowances and unutilised reinvestment allowances carried forward from a subsidiary that has temporary ceased its business activity on manufacturing plastic fabricated parts. Subsequently, the subsidiary extended its business activity to property development and construction activities. Consequently, these unabsorbed and untilised allowances are only eligible for utilisation by the Group in future against the income generated from the same business source.

Subject to agreement by the Inland Revenue Board, the Group has unabsorbed capital allowances and unutilised reinvestment allowances not accounted for, amounting to RM6,857,500 (2012: RM6,857,500) and RM8,540,000 (2012: RM8,540,000) respectively to be set off against future taxable profits from the same business source.

Movement in temporary differences during the year

Group	**At 1.4.2011**	**Recognised in profit or loss (Note 22)**	**At 31.3.2012/ 1.4.2012**	**Recognised in profit or loss (Note 22)**	**At 31.3.2013**
	RM	**RM**	**RM**	**RM**	**RM**
Revaluation of property, plant and equipment	(1,186,312)	20,112	(1,166,200)	18,246	(1,147,954)
Land held for property development/Property development costs	(1,032,570)	181,394	(851,176)	41,546	(809,630)
Property, plant and equipment	(1,124,710)	753,409	(371,301)	27,296	(344,005)
Deductible temporary differences	97,240	(240)	97,000	-	97,000
Tax loss carry-forwards	317,651	(34,451)	283,200	(110,200)	173,000
	(2,928,701)	920,224	(2,008,477)	(23,112)	(2,031,589)

10. INVENTORIES

	Group 2013 RM	Group 2012 RM
At cost:		
Raw materials and consumables	687,443	623,303
Work-in-progress	91,057	61,704
Finished goods	82,118	6,816
Completed properties	616,478	2,224,848
	1,477,096	2,916,671
Recognised in profit or loss:		
Inventories recognised as cost of sales	5,272,252	5,982,579

Security

The completed properties amounting to RM362,503 (2012: RM78,681) have been pledged to a licensed bank as security for bank overdraft facilities granted to a subsidiary (Note 15).

11. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2013	2012	2013	2012
	Note	RM	RM	RM	RM
Trade					
Trade receivables		7,107,398	8,205,438	-	-
Less: Allowance for impairment losses		(1,112,335)	(1,018,161)	-	-
		5,995,063	7,187,277	-	-
Non-trade					
Other receivables		1,001,167	89,507	-	-
Deposits	11.1	3,139,830	3,293,870	-	-
Amount due from subsidiaries	11.2	-	-	13,227,148	12,358,046
Less: Allowance for impairment losses		-	-	(321,996)	(321,996)
		-	-	12,905,152	12,036,050
		4,140,997	3,383,377	12,905,152	12,036,050
		10,136,060	10,570,654	12,905,152	12,036,050

11.1 Deposits

Included in deposits of the Group is RM3,000,000 (2012: RM3,000,000) being deposit paid to a joint venture partner to develop a residential development.

11.2 Amount due from subsidiaries

The amount due from subsidiaries is unsecured, interest free and repayable on demand.

12. PROPERTY DEVELOPMENT COSTS

	Note	Group 2013 RM	2012 RM
At 1 April			
Land		2,160,883	12,336,428
Development costs		2,665,737	45,990,690
Accumulated costs charged to profit or loss		(1,518,656)	(45,585,641)
		3,307,964	12,741,477
Reversal of completed projects			
Land		-	(10,175,545)
Development costs		-	(43,542,428)
Accumulated costs charged to profit or loss		-	53,717,973
		-	-
Development costs incurred during the year		304,588	3,074,312
Transfer from land held for property development	8	1,086,982	-
Transfer from inventories		560,942	-
		5,260,476	15,815,789
Costs charged to profit or loss		(509,200)	(9,650,988)
Costs transferred to land held for property development	8	-	(2,245,009)
Costs transferred to inventories		(283,822)	(611,828)
		4,467,454	3,307,964
At 31 March			
Land		2,264,922	2,160,883
Development costs		4,230,388	2,665,737
Accumulated costs charged to profit or loss		(2,027,856)	(1,518,656)
		4,467,454	3,307,964

12.1 Estimation uncertainty and critical judgements

The Group estimates revenue and budgeted costs for property development projects based on the following key assumptions:

- Revenue on development projects have been projected based on the estimated market selling price of the units;
- The property development costs have been projected based on prevailing cost of construction and such costs are reviewed on an on-going basis.

Any revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

12.2 Security

Included in the property development costs is an amount of RM1,364,897 (2012: RM622,037) being land costs pledged to a licensed bank as security for bank overdraft facilities granted to a subsidiary (Note 15).

13. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2013 RM	2012 RM	2013 RM	2012 RM
Cash and bank balances	13.1	1,518,952	4,826,580	21,244	1,229,404
Deposits placed with licensed banks	13.2	2,440,015	2,362,197	-	-
Highly liquid investments with financial institution	13.3	936,563	443,593	205,475	20,000
		4,895,530	7,632,370	226,719	1,249,404

13.1 Cash and bank balances

Included in the Group's cash and bank balances is RM211,110 (2012: RM211,110) pledged for bank guarantee facilities granted to a subsidiary.

Included in the Group's cash and bank balances is RM60,198 (2012: RM69,416) maintained pursuant to the Housing Development (Housing Development Account) Regulations 1991.

13.2 Deposits placed with licensed banks

Included in the deposits placed with licensed banks is RM2,117,323 (2012: RM2,049,010) pledged for credit facilities granted to certain subsidiaries (Note 15).

Included in the deposits placed with licensed bank is RM322,692 (2012: RM313,188) pledged for a bank guarantee facilities of which a RM200,000 bank guarantee is issued in favour of Pengawal Perumahan, in accordance with the requirement of Section 6(1)(a) of the Housing Development (Control & Licensing) Act 1966.

13.3 Highly liquid investments with financial institution

The Directors regard the highly liquid investments as cash and cash equivalents in view of its high liquidity and insignificant changes in value.

14. CAPITAL AND RESERVES

Share capital

	Group and Company			
	Amount 2013 RM	Number of shares 2013	Amount 2012 RM	Number of shares 2012
Ordinary shares of RM0.10 each:				
Authorised	50,000,000	500,000,000	50,000,000	500,000,000
Issued and fully paid-up	40,000,000	400,000,000	40,000,000	400,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14. CAPITAL AND RESERVES (CONT'D)

Share premium

The share premium of the Group and of the Company represents premium arising from the issuance of ordinary shares of the Company at an issue price above par value.

Share premium may be applied only for the purpose as specified in the Companies Act, 1965.

Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment.

15. LOANS AND BORROWINGS

	Group	
	2013	**2012**
	RM	**RM**
Non-current		
Finance lease liabilities	123,551	384,644
Secured term loans	5,456,544	5,714,412
	5,580,095	6,099,056
Current		
Finance lease liabilities	95,943	188,831
Secured bank overdrafts	1,742,146	939,084
Secured term loans	705,456	705,457
	2,543,545	1,833,372
	8,123,640	7,932,428

Security

The term loans and bank overdrafts are charged against the land held for property development (Note 8), inventories (Note 10), property development costs (Note 12) and deposits placed with licensed banks (Note 13) of certain subsidiaries, and are supported by the corporate guarantee from the Company.

Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Future minimum lease payments 2013 RM	Interest 2013 RM	Present value of minimum lease payments 2013 RM	Future minimum lease payments 2012 RM	Interest 2012 RM	Present value of minimum lease payments 2012 RM
Less than one year	106,356	(10,413)	95,943	218,364	(29,533)	188,831
Between one and five years	129,403	(5,852)	123,551	408,044	(23,400)	384,644
	235,759	(16,265)	219,494	626,408	(52,933)	573,475

16. TRADE AND OTHER PAYABLES

		Group		Company	
		2013	2012	2013	2012
	Note	RM	RM	RM	RM
Trade					
Trade payables		2,457,824	3,232,021	-	-
Progress billings		-	710,747	-	-
		2,457,824	3,942,768	-	-
Non-trade					
Amount due to subsidiaries	16.1	-	-	4,350,173	4,350,173
Other payables and accruals	16.2	814,120	6,162,207	124,286	90,920
		814,120	6,162,207	4,474,459	4,441,093
		3,271,944	10,104,975	4,474,459	4,441,093

16.1 Amount due to subsidiaries

The amount due to subsidiaries is unsecured, interest free and repayable on demand.

16.2 Other payables and accruals

Included in other payables and accruals of the Group is an amount of Nil (2012: RM4,050,528) due to a company controlled by certain Directors of the Company, Pembinaan Sima Sdn. Bhd.

17. REVENUE

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Sale of goods	11,056,353	12,015,839	-	-
Property development	3,417,432	15,223,533	-	-
Dividend income	-	-	-	3,000,000
	14,473,785	27,239,372	-	3,000,000

18. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Profit/(Loss) before tax is arrived at after charging:				
Auditors' remuneration				
- Audit fees	100,000	100,000	32,000	32,000
- Non-audit fees	10,000	10,000	10,000	10,000
Depreciation of property, plant and equipment	957,896	1,018,771	-	-
Impairment loss on trade receivables	210,300	132,866	-	-
Impairment loss on investment properties	68,246	-	-	-
Loss on disposal of investment properties	36,943	-	-	-
Loss on foreign exchange:				
- Realised	11,801	2,828	-	-
- Unrealised	23,816	-	-	-
Inventories written-off	32,493	-	-	-
Personnel expenses (including key management personnel):				
- Contributions to state plans	341,904	340,432	-	-
- Wages, salaries and others	3,225,507	3,302,051	-	-
Property, plant and equipment written-off	268,152	-	-	-
and after crediting:				
Dividend income from subsidiaries	-	-	-	3,000,000
Reversal of impairment loss on trade receivables	116,126	19,529	-	-
Gain on disposal of property, plant and equipment	-	189,499	-	-
Gain on disposal of assets held for sale	-	4,971,202	-	-
Inventories written-back	101,827	-	-	-

19. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Company's Directors:				
- Fees	115,000	90,000	19,000	24,000
- Remuneration	225,810	167,535	-	-
	340,810	257,535	19,000	24,000

20. FINANCE INCOME

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Interest income of financial assets that are not at fair value through profit or loss:				
- fixed deposits	82,714	102,400	-	-
- housing development accounts	6,240	31,703	-	-
- highly liquid investments	42,010	-	-	-
- others	26,181	7,636	5,475	-
	157,145	141,739	5,475	-

21. FINANCE COSTS

	Group	
	2013	2012
	RM	RM
Interest expense of financial liabilities that are not at fair value through profit or loss:		
- finance lease liabilities	16,422	53,948
- bank overdrafts	63,001	298,054
- term loans	447,588	416,011
- others	3,851	6,887
	530,862	774,900
Recognised in profit or loss	83,274	619,880
Capitalised in land held for property development	447,588	155,020
	530,862	774,900

22. INCOME TAX EXPENSE/(CREDIT)

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Current tax expense				
- current year	588,241	1,221,245	-	500,000
- prior year	14,082	(24,070)	(13,692)	-
Total current tax expense/(credit)	602,323	1,197,175	(13,692)	500,000
Deferred tax expense				
- origination and reversal of temporary differences	(28,470)	(1,243,233)	-	-
- under provision in prior year	51,582	323,009	-	-
Total deferred tax expense/(credit)	23,112	(920,224)	-	-
Total income tax expense/(credit)	625,435	276,951	(13,692)	500,000

22. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

Reconciliation of tax expense

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Profit/(Loss) before tax	1,182,272	4,090,627	(186,949)	2,699,509
Income tax calculated using Malaysian tax rate at 25%	295,568	1,022,657	(46,737)	674,877
Non-deductible expenses	239,740	246,121	46,737	75,123
Non-taxable income	(5,787)	(1,310,266)	-	(250,000)
Effect of deferred tax assets not recognised	30,250	19,500	-	-
Under/(Over) provision in prior year	65,664	298,939	(13,692)	-
	625,435	276,951	(13,692)	500,000

23. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2013 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2013	**2012**
	RM	**RM**
Profit for the year attributable to ordinary shareholders	556,837	3,813,676

Weighted average number of ordinary shares

	Group	
	2013	**2012**
Weighted average number of ordinary shares at 31 March	400,000,000	400,000,000

Basic earnings per ordinary share

	Group	
	2013	**2012**
	Sen	**Sen**
Basic earnings per ordinary share	0.14	0.95

Diluted earnings per ordinary share

Diluted earnings per ordinary share is not disclosed as there are no potential dilutive ordinary shares.

24. OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Managing Director (the chief operating decision maker) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Segment 1. Includes manufacturing and replication of optical discs.
- Segment 2. Includes property development of residential and commercial properties and property rental purchasing.

Other non-reportable segments comprise operations related investment holding company.

The accounting policies of the reportable segments are the same as described in Note 2(t).

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group's Managing Director (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Managing Director. Hence no disclosure is made on segment liability.

	Replication of compact discs 2013 RM	Property development 2013 RM	Total 2013 RM
Group			
Segment profit/(loss)	(139,041)	1,663,812	1,524,771
Included in the measure of segment profit are:			
Revenue from external customers	11,056,352	3,417,433	14,473,785
Not included in the measure of segment profit but provided to Managing Director:			
Depreciation	(816,965)	(66,525)	(883,490)
Finance costs	(21,503)	(61,771)	(83,274)
Finance income	-	151,670	151,670
Segment assets	13,533,541	37,779,861	51,313,402
Included in the measure of segment assets are:			
Additions to non-current assets other than financial instruments and deferred tax assets	124,047	7,897	131,944

24. OPERATING SEGMENTS (CONT'D)

Group	Replication of compact discs 2012 RM	Property development 2012 RM	Total 2012 RM
Segment profit	288,604	4,618,591	4,907,195
Included in the measure of segment profit are:			
Revenue from external customers	12,015,839	15,223,533	27,239,372
Not included in the measure of segment profit but provided to Managing Director:			
Depreciation	(863,620)	(155,151)	(1,018,771)
Finance costs	(90,719)	(529,161)	(619,880)
Finance income	-	141,739	141,739
Segment assets	17,052,016	41,673,300	58,725,316
Included in the measure of segment assets are:			
Additions to non-current assets other than financial instruments and deferred tax assets	1,447,238	9,969,120	11,416,358

Reconciliations of reportable segment revenues, profit or loss, assets and other material items

	2013 RM	2012 RM
Profit or loss		
Total profit for reportable segments	1,524,771	4,907,195
Other non-reportable segments	(416,370)	(338,427)
Finance income	157,145	141,739
Finance costs	(83,274)	(619,880)
Consolidated profit before tax	1,182,272	4,090,627

2013	External revenue RM	Depreciation RM	Finance costs RM	Finance income RM	Segment assets RM	Additions to non-current assets RM
Total reportable segments	14,473,785	(883,490)	(83,274)	151,670	51,313,402	131,944
Other non-reportable segments	-	(74,406)	-	5,475	5,017,358	-
Consolidated total	14,473,785	(957,896)	(83,274)	157,145	56,330,760	131,944
2012						
Total reportable segments	27,239,372	(1,018,771)	(619,880)	141,739	58,725,316	11,416,358
Other non-reportable segments	-	-	-	-	3,370,655	-
Consolidated total	27,239,372	(1,018,771)	(619,880)	141,739	62,095,971	11,416,358

25. FINANCIAL INSTRUMENTS

25.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables (L&R); and
(b) Other financial liabilities measured at amortised cost (OL).

2013	Carrying amount RM	L&R RM	OL RM
Financial assets			
Group			
Trade and other receivables	10,136,060	10,136,060	-
Cash and cash equivalents	4,895,530	4,895,530	-
	15,031,590	15,031,590	-
Company			
Trade and other receivables	12,905,152	12,905,152	-
Cash and cash equivalents	226,719	226,719	-
	13,131,871	13,131,871	-
Financial liabilities			
Group			
Loans and borrowings	8,123,640	-	8,123,640
Trade and other payables	3,271,944	-	3,271,944
	11,395,584	-	11,395,584
Company			
Other payables	4,474,459	-	4,474,459
2012			
Financial assets			
Group			
Trade and other receivables	10,570,654	10,570,654	-
Cash and cash equivalents	7,632,370	7,632,370	-
	18,203,024	18,203,024	-
Company			
Trade and other receivables	12,036,050	12,036,050	-
Cash and cash equivalents	1,249,404	1,249,404	-
	13,285,454	13,285,454	-
Financial liabilities			
Group			
Loans and borrowings	7,932,428	-	7,932,428
Trade and other payables	10,104,975	-	10,104,975
	18,037,403	-	18,037,403
Company			
Other payables	4,441,093	-	4,441,093

25. FINANCIAL INSTRUMENTS (CONT'D)

25.2 Net gains and losses arising from financial instruments

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Net gains/(losses) on:				
Loans and receivables	27,354	25,574	5,475	-
Financial liabilities measured at amortised cost	(83,274)	(619,880)	-	-
	(55,920)	(594,306)	5,475	-

25.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

25.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables, which are deemed to have higher credit risk, are monitored individually.

25. FINANCIAL INSTRUMENTS (CONT'D)

25.4 Credit risk (cont'd)

Receivables (cont'd)

Impairment losses

The ageing of trade receivables as at the end of the reporting period was:

Group	Gross	Individual impairment	Net
	RM	RM	RM
2013			
Not past due	4,300,413	-	4,300,413
Past due 1 - 30 days	602,129	-	602,129
Past due 31 - 60 days	264,734	-	264,734
Past due 61 - 90 days	424,230	-	424,230
Past due more than 90 days	1,515,892	(1,112,335)	403,557
	7,107,398	(1,112,335)	5,995,063
2012			
Not past due	5,169,309	-	5,169,309
Past due 1 - 30 days	617,659	-	617,659
Past due 31 - 60 days	418,795	-	418,795
Past due 61 - 90 days	374,337	-	374,337
Past due more than 90 days	1,625,338	(1,018,161)	607,177
	8,205,438	(1,018,161)	7,187,277

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	Group	
	2013	2012
	RM	RM
At 1 April	(1,018,161)	(1,100,429)
Impairment loss recognised	(210,300)	(132,866)
Impairment loss reversed	116,126	19,529
Impairment loss written off	-	195,605
At 31 March	(1,112,335)	(1,018,161)

The remaining past due balances are not impaired mainly due to management's assessment that these trade receivables are recoverable based on their past payment trend and history of debt. Hence, the management is confident that no impairment is required.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

25. FINANCIAL INSTRUMENTS (CONT'D)

25.4 Credit risk (cont'd)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides financial guarantees to banks in respect of credit facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM6,162,000 (2012: RM6,419,869) representing the outstanding credit facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment. Accordingly, the financial guarantees have not been recognised.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the current advances to the subsidiaries.

Highly liquid investments with financial institution

Risk management objectives, policies and processes for managing the risk

Investments of the Group and of the Company are restricted to highly liquid investments with an insignificant risk of changes in value.

Exposure to credit risk, credit quality and collaterals

As at the end of the reporting period, the Group and the Company have only placed highly liquid investments domestically. The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

In view that investments are only restricted to highly liquid investments with an insignificant risk of changes in value placed with counterparty with sound credit rating, management does not expect the counterparty to fail to meet its obligation.

The highly liquid investments with financial institution of the Group and of the Company are not pledged as security.

As at the end of the reporting period, there is no indication that the highly liquid investments with financial institution are not recoverable.

25. FINANCIAL INSTRUMENTS (CONT'D)

25.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM	Contractual interest rate per annum	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2013							
Non-derivative financial liabilities							
Finance lease liabilities	219,494	3.00% - 3.50%	235,759	106,356	84,846	44,557	-
Secured term loans	6,162,000	7.10%	9,699,993	705,454	705,454	2,116,362	6,172,723
Secured bank overdrafts	1,742,146	7.79%	1,742,146	1,742,146	-	-	-
Trade and other payables	3,271,944	-	3,271,944	3,271,944	-	-	-
	11,395,584		14,949,842	5,825,900	790,300	2,160,919	6,172,723

Group	Carrying amount RM	Contractual interest rate per annum	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2012							
Non-derivative financial liabilities							
Finance lease liabilities	573,475	3.00% - 3.50%	626,408	218,364	218,364	189,680	-
Secured term loans	6,419,869	7.10%	10,346,688	705,457	705,457	2,116,371	6,819,403
Secured bank overdrafts	939,084	7.79%	939,084	939,084	-	-	-
Trade and other payables	10,104,975	-	10,104,975	10,104,975	-	-	-
	18,037,403		22,017,155	11,967,880	923,821	2,306,051	6,819,403

As at the end of the reporting period, the Company's financial liabilities consist of other payables of RM4,474,459 (2012: RM4,441,093). The other payables of the Company do not bear any contractual interest and are expected to be settled within 1 year.

25. FINANCIAL INSTRUMENTS (CONT'D)

25.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

25.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and foreign bank balances that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar (USD) and Singapore Dollar (SGD).

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in			
Group	**USD 2013 RM**	**SGD 2013 RM**	**USD 2012 RM**	**SGD 2012 RM**
Trade receivables	591,452	36,939	147,631	98,238
Cash and cash equivalents	460,896	-	226,466	-
Trade payables	(428,667)	(30,527)	-	(53,337)
Net exposure	623,681	6,412	374,097	44,901

Currency risk sensitivity analysis

A 10% strengthening of the Ringgit Malaysia ("RM") against the following currency at the end of the reporting period would have decreased post-tax profit by the amount shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Post-tax profit	
	2013 RM	**2012 RM**
USD	46,776	28,057
SGD	481	3,368

A 10% weakening of Ringgit Malaysia ("RM") against the above currency at the end of the reporting period would have had equal but opposite effect on the above currency to the amount shown above, on the basis that all other variables remained constant.

25.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

25. FINANCIAL INSTRUMENTS (CONT'D)

25.6 Market risk (cont'd)

25.6.2 Interest rate risk (cont'd)

Risk management objectives, policies and processes for managing the risk

The Group adopts a practice to continuously seek alternative banking facilities which provide competitive interest rates to finance and/or refinance its working capital requirements.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Fixed rate instruments				
Financial assets	2,440,015	2,362,197	-	-
Financial liabilities	(219,494)	(573,475)	-	-
Floating rate instruments				
Financial assets	936,563	443,593	205,475	20,000
Financial liabilities	(7,904,146)	(7,358,953)	-	-

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or Loss			
Group	100 bp increase 2013 RM	100 bp decrease 2013 RM	100 bp increase 2012 RM	100 bp decrease 2012 RM
Floating rate instruments	(52,256)	52,256	(51,865)	51,865

The exposure to interest rate risk of the Company is not material and hence, sensitivity analysis is not performed.

25.7 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

25. FINANCIAL INSTRUMENTS (CONT'D)

25.7 Fair value of financial instruments (cont'd)

The fair values of other financial liabilities, together with the carrying amounts shown in the statement of financial position, are as follows.

	2013		2012	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Fixed rate instruments				
Finance lease liabilities	219,494	213,601	573,475	554,489
Floating rate instruments				
Secured term loans	6,162,000	6,162,000	6,419,869	6,419,869

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Interest rates used to determine fair value

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	2013	2012
Finance leases	3.00%	3.50%

26. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The debt-to-equity ratios at 31 March 2013 and at 31 March 2012 were as follows:

	Group	
	2013 RM	2012 RM
Total borrowings (Note 15)	8,123,640	7,932,428
Less: Cash and cash equivalents (Note 13)	(4,895,530)	(7,632,370)
Net debt	3,228,110	300,058
Total equity	42,217,389	41,660,552
Debt-to-equity ratios	0.08	0.01

There were no changes in the Group's approach to capital management during the financial year.

26. CAPITAL MANAGEMENT (CONT'D)

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

27. CONTINGENT LIABILITIES - SECURED

The Directors are of the opinion that a provision is not required in respect of the matter below as it is not probable that a future sacrifice of economic benefits will be required.

	Company	
	2013	**2012**
	RM	**RM**
Corporate guarantees issued to licensed banks for credit facilities granted to subsidiaries	6,162,000	6,419,869

28. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The significant related party transactions of the Group and of the Company, other than key management personnel compensation (see Note 19), are as follows:

Group

Significant transactions with companies controlled by certain Directors of the Company

	2013	**2012**
	RM	**RM**
Transaction value for the financial year ended 31 March		
Pembinaan Sima Sdn. Bhd.		
Construction contracts	131,639	2,797,299
Net balance outstanding as at 31 March		
Due to Sun Acres Development Sdn. Bhd.		
Construction contracts	147,750	147,750
Due (from)/to Pembinaan Sima Sdn. Bhd.	(24,000)	4,050,528

28. RELATED PARTIES (CONT'D)

Identity of related parties (cont'd)

	2013 RM	2012 RM
Company		
Subsidiaries		
Dividend income		
- Banda Industries Sdn. Bhd.	-	1,000,000
- GSB Summit CD (M) Sdn. Bhd.	-	2,000,000

The above transactions have been entered into in the normal course of business and have been established under negotiated terms.

The outstanding amounts due from/(to) subsidiaries as at 31 March are disclosed in Note 11 and Note 16 respectively.

29. SUBSEQUENT EVENT

On 12 July 2013, GSB Properties Sdn. Bhd. ("GSBP"), a wholly-owned subsidiary, entered into a joint venture agreement with third party, Beethoven Trading Sdn. Bhd. ("BTSB") to develop a piece of freehold land located in Mukim Plentong, Daerah Johor Bharu, Negeri Johor Darul Takzim measuring approximately 11,007 square meters. BTSB being the landowner, agrees to contribute the land to GSBP, who is the developer to develop the said land into a mixed development properties. BTSB shall be entitled to the landowner's entitlement of 18% of the net gross development value. Upon execution of this joint venture agreement, GSBP shall pay to BTSB a sum of RM900,000 in cash which together with an earlier payment by GSBP of RM100,000 to BTSB on 7 June 2013 being the initial payment forming part of landowner's entitlement.

30. SUPPLEMENTARY FINANCIAL INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the accumulated losses of the Group and of the Company as at 31 March, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Total accumulated losses of the Company and its subsidiaries:				
- realised	(4,845,736)	(482,821)	9,080,648	8,907,391
- unrealised	(73,966)	10,200	-	-
	(4,919,702)	(472,621)	9,080,648	8,907,391
Less: Consolidation adjustments	4,954,324	1,064,080	-	-
Total accumulated losses	34,622	591,459	9,080,648	8,907,391

The determination of realised and unrealised profits is based on the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

In the opinion of the Directors, the financial statements set out on pages 26 to 70 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2013 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 30 on page 71 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

…………………………………………………………..
Gan Pik Mui

…………………………………………………………
Gan Boon Kat

Petaling Jaya,
Date: 30 July 2013

STATUTORY DECLARATION

pursuant to Section 169(16) of the Companies Act, 1965

I, Gan Pik Mui, the Director primarily responsible for the financial management of GSB Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 26 to 71 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Petaling Jaya on 30 July 2013.

………………………………..
Gan Pik Mui

Before me:

S. Arokiadass (No. B390)
Commissioner for Oaths
Petaling Jaya

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of GSB Group Berhad, which comprise the statements of financial position as at 31 March 2013 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 26 to 70.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 30 on page 71 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Financial Reporting Standards in Malaysia. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Hasman Yusri Yusoff
Approval Number: 2583/08/14(J)
Chartered Accountant

Petaling Jaya, Selangor

Date: 30 July 2013

Registered Owner/ Location	Description	Date of Acquisition/ Revaluation	Tenure/ Age (years)	Total Land Area/ Built-up Area (sq metres)	Net Book Value as at 31 March 2013 (RM)
GSB Summit CD (M) Sdn Bhd					
Property, plant and equipment					
Parcel No. 1307 Storey No. 3, Building 1 Taman Shamelin Perkasa PT1604 Mukim of Kuala Lumpur, District of Kuala Lumpur.	Three (3) bedroom apartment for management	31.03.2009	Leasehold 99 years expiring on 11.09.2082 (age is approx 19 years)	95.00	134,320
PN 31020, Lot 54600 Mukim of Kuala Lumpur, District of Kuala Lumpur.	Adjoining unit of semi-detached single storey factory with three storey office	31.03.2009	Leasehold 81 years expiring on 11.09.2082 (age is approx 15 years)	1,253.39	1,203,663
PN 31020, Lot 54600 Mukim of Kuala Lumpur, District of Kuala Lumpur.	Industrial Land	31.03.2009	Leasehold 81 years expiring on 11.09.2082 (age is approx 15 years)	1,037.00	1,981,726
GSB Summit Audio (M) Sdn Bhd					
Property, plant and equipment					
Parcel No. D-113 1st Floor, Block D Pandan Height, PT 34798 Mukim of Ampang, District of Ulu Langat, State of Selangor.	Three (3) bedroom apartment for management	31.03.2009	Freehold (age is approx 15 years)	79.25	99,543
Parcel No. 1313 Storey No.3, Building 1 Taman Shamelin Perkasa PT1604 Mukim of Kuala Lumpur, District of Kuala Lumpur.	Three (3) bedroom apartment for management	31.03.2009	Leasehold 99 years expiring on 11.09.2082 (age is approx 19 years)	95.00	132,725
PN 31021, Lot 54601 Mukim of Kuala Lumpur, District of Kuala Lumpur.	Adjoining unit of semi-detached single storey factory with three storey office	31.03.2009	Leasehold 81 years expiring on 11.09.2082 (age is approx 15 years)	1,253.39	1,176,069

Registered Owner/ Location	Description	Date of Acquisition/ Revaluation	Tenure/ Age (years)	Total Land Area/ Built-up Area (sq metres)	Net Book Value as at 31 March 2013 (RM)
GSB Summit Audio (M) Sdn Bhd (cont'd)					
Property, plant and equipment (cont'd)					
PN 31021, Lot 54601 Mukim of Kuala Lumpur, District of Kuala Lumpur.	Industrial Land	31.03.2009	Leasehold 81 years expiring on 11.09.2082 (age is approx 15 years)	1,041.00	1,974,166
Investment property					
H.S.(D) 69156,No PT632 Selambau Industrial Estate Pekan Bukit Selambau, Daerah Kuala Muda, Negeri Kedah Darul Aman	Vacant industrial land held	04.04.2008	Freehold	23,181.00	848,361
H.S.(D) 69219,No PT637 Selambau Industrial Estate Pekan Bukit Selambau, Daerah Kuala Muda, Negeri Kedah Darul Aman	Vacant industrial land held	04.04.2008	Freehold	11,121.00	406,997
Serta Usaha Sdn Bhd					
Land held for development					
G.M. 5148, Lot 791 Mukim of Klang Tempat Telok Gadong Road District of Klang State of Selangor	Vacant Land	28.07.2011	Freehold	24,534.00	8,916,784
GSB Hotel Sdn Bhd					
Land held for development					
GM 309 Lot 432 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	16.12.2008	Freehold	9,434.23	1,166,771

Registered Owner/ Location	Description	Date of Acquisition/ Revaluation	Tenure/ Age (years)	Total Land Area/ Built-up Area (sq metres)	Net Book Value as at 31 March 2013 (RM)
Banda Industries Sdn Bhd					
Land held for development					
H.S.(D) 12718 PT No. 15685 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	11.01.2011	Freehold	1,999.15	2,123,487
GM 2311 Lot 1668 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	18.07.2000	Freehold	29,618.00	629,258
GM 948 Lot 1609 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	15.05.2006	Freehold	16,610.00	841,776
GM 669 Lot 1547 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	06.08.2008	Freehold	14,940.00	712,915
GM 670 Lot 979 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	06.08.2008	Freehold	11,090.00	529,206
GM 3191 Lot 1610 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	05.06.2006	Freehold	19,475.00	1,207,702
GM 3190 Lot 1543 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	05.06.2006	Freehold	12,646.00	783,261
GM 3316 Lot 1544 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	09.09.2005	Freehold	8,600.00	365,352

Registered Owner/ Location	Description	Date of Acquisition/ Revaluation	Tenure/ Age (years)	Total Land Area/ Built-up Area (sq metres)	Net Book Value as at 31 March 2013 (RM)
Banda Industries Sdn Bhd					
Land held for development					
GM 1441 Lot 3728 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	06.07.2007	Freehold	38,445.00	296,614
Future Development of	Vacant land	10.09.2003	Freehold		
Phase 11 (9 units)				153	
H.S.(D) 14656, P.T. No. 18564				153	
H.S.(D) 14657, P.T. No. 18565				153	
H.S.(D) 14658, P.T. No. 18566				364	
H.S.(D) 14659, P.T. No. 18567				364	928,951
H.S.(D) 14660, P.T. No. 18568				153	
H.S.(D) 14661, P.T. No. 18569				153	
H.S.(D) 14662, P.T. No. 18570				153	
H.S.(D) 14663, P.T. No. 18571				153	
H.S.(D) 14665, P.T. No. 18573					
Mukim Bentong, Daerah Bentong, Pahang					

Financial Year End	:	31 March 2013
Class of Shares	:	Ordinary Share of RM0.10 each
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS/DEPOSITORS AS AT 31 JULY 2013

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	175	7.716	7,182	0.001
100 - 1,000	335	14.770	152,011	0.038
1,001 - 10,000	368	16.225	2,681,447	0.670
10,001 - 100,000	1,119	49.338	42,587,010	10.646
100,001 - 19,999,999(*)	268	11.816	194,581,740	48.645
20,000,000 AND ABOVE (**)	3	0.132	159,990,610	39.997
TOTAL :	2,268	100.000	400,000,000	100.000

Remarks : * - less than 5% of issued shares
** - 5% and above of issued shares

LIST OF THIRTY LARGEST SECURITIES ACCOUNT HOLDERS/DEPOSITORS AS AT 31 JULY 2013

NO.	NAME	NO. OF SHARES HELD	%
1	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR SURIA BITARA SDN.BHD.	80,480,000	20.120
2	GAN PIK MUI	54,750,100	13.687
3	GAN SENG BIANG	24,760,510	6.190
4	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR SUN ACRES DEVELOPMENT SDN.BHD.	19,800,000	4.950
5	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR ID D’ART SDN BHD	18,600,510	4.650
6	GUN SEONG THEAN	9,500,030	2.375
7	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GAN BOON KAT	9,119,490	2.279
8	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN PUAI LING	5,000,000	1.250
9	TAPAK BUMIMAJU SDN BHD	4,403,400	1.100
10	LEE KIM LAN	3,900,000	0.975
11	WONG KONG MENG	3,840,000	0.960
12	MOHD JAMEL BIN ABDUL MUNIN	3,772,700	0.943
13	TEE SOON LOONG	3,000,000	0.750
14	MOHD JAMEL BIN ABDUL MUNIN	2,781,870	0.695
15	FADHIL BIN ABD HAMID	2,730,000	0.682
16	LIM YEN CHEING	2,600,000	0.650
17	MOHD ZUKI BIN DESA	2,580,000	0.645

LIST OF THIRTY LARGEST SECURITIES ACCOUNT HOLDERS/DEPOSITORS AS AT 31 JULY 2013 (CONT'D)

NO.	NAME	NO. OF SHARES HELD	%
18	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM POH CHOO	2,439,500	0.609
19	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR POH SENG HEE (8073193)	2,300,000	0.575
20	LIM KIAH HONG	2,200,000	0.550
21	LEE BOON CHUAN	2,150,000	0.537
22	ECML NOMINEES (TEMPATAN) SDN. BHD PLEDGED SECURITIES ACCOUNT FOR GOH YUN WAH (013)	2,125,400	0.531
23	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD UOB-KAY HIAN PTE LTD FOR DING CHIN LOOK	1,729,000	0.432
24	ECML NOMINEES (TEMPATAN) SDN. BHD PLEDGED SECURITIES ACCOUNT FOR HO CHEE YAN (030)	1,500,000	0.375
25	HEE POOI LEE	1,407,000	0.351
26	SI HOONG YEW	1,315,000	0.328
27	CHEAH YUET CHING	1,300,000	0.325
28	LEW YICK KOON	1,300,000	0.325
29	TAN HWA IMM	1,275,000	0.318
30	GIAM SWEE CHIN	1,250,000	0.312
		273,909,510	68.477

DIRECTORS' SHAREHOLDINGS
(As per the Register of Directors' Shareholdings as at 31 July 2013)

NO.	NAME	DIRECT NO. OF SHARES	%
1	GAN PIK MUI	55,065,100	13.766
2	GAN BOON KAT	9,119,490	2.279
3	LOY KWEE KEOW	0	0.000
4	LIAW BOO LAI @ LEOW BONG LAI	0	0.000
		64,184,590	16.045

SUBSTANTIAL SHAREHOLDERS
(As per the Register of Substantial Shareholders as at 31 July 2013)

NO.	NAME	DIRECT NO. OF SHARES	%	INDIRECT NO OF SHARES	%
1	SURIA BITARA SDN. BHD.	80,480,000	20.120	0	0.000
2	GAN PIK MUI	55,065,100	13.766	0	0.000
3	GAN SENG BIANG	24,760,510	6.190	38,400,510*	9.600
4	LIM YAP HAP	210,000	0.053	38,400,510*	9.600
		160,515,610	40.129	76,801,020	19.200

Note * Deemed interest by virtue of shares held in Sun Acres Development Sdn Bhd and ID D'Art Sdn Bhd.

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Company will be convened and held at No. 9 Jalan 3/91A Taman Shamelin Perkasa Cheras 56100 Kuala Lumpur on Friday, 27 September 2013 at 10.00 a.m. to transact the following items of business:

A G E N D A

As Ordinary Business

1. To receive the Statutory Financial Statements for the year ended 31 March 2013 together with the Directors' and Auditors' Reports thereon. ***Resolution 1***

2. To approve the payment of Directors' Fees amounting to RM19,000.00 for the year ended 31 March 2013. ***Resolution 2***

3. To re-elect Ms Gan Pik Mui who retires in accordance with Article 82 of the Company's Articles of Association. ***Resolution 3***

4. To consider and if thought fit, to pass the following Ordinary Resolution in accordance with Section 129 of the Companies Act, 1965:-

   "THAT Mr Liaw Boo Lai @ Leow Bong Lai, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." ***Resolution 4***

5. To re-appoint Messrs KPMG as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. ***Resolution 5***

As Special Business

To consider and if thought fit, pass the following ordinary resolution:

6. **Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965** ***Resolution 6***

   "THAT subject always to the Companies Act, 1965 and the approvals of the relevant Governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time upon such terms and conditions, and for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being, and that the Directors be and are empowered to obtain the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

7. To consider any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

SEE SIEW CHENG
LEONG SHIAK WAN
Company Secretaries

Petaling Jaya
5 September 2013

NOTES:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. If the proxy is not a member of the Company, he shall be any person and there shall be no restriction as to the qualification of the proxy.

2. A member may appoint two (2) or more proxies to attend at the same meeting. Where a member appoints two (2) or more proxies, the proxies shall not be valid unless the member specifies the proportion of his shareholdings to be represented by each proxy.

3. Where a Member of the Company is an authorised nominee as defined under Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDS") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

6. The instrument appointing a proxy or proxies shall be in writing (in the common or usual form) under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, the instrument appointing a proxy or proxies must be either under seal or under the hand of an officer or attorney duly authorised.

7. The instrument appointing a proxy must be deposited at Ground Floor Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan at least forty-eight (48) hours before the time approved for holding the meeting or any adjournment thereof (or in the case of a poll not less than twenty-four (24) hours before the time appointed for taking of the poll).

8. Only members whose names appear in the Record of Depositors on 19 September 2013 shall be entitled to attend, speak and vote at the Annual General Meeting.

9. **EXPLANATORY NOTE ON THE SPECIAL BUSINESS**

   The proposed Resolution 6, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at general meeting, will expire at the next Annual General Meeting. The directors did not allot nor issue any shares under the same mandate granted last year. Nevertheless a renewal for the said mandate is sought to avoid any delay and cost involved such as convening general meeting. Should the mandate be exercised, the directors would utilize the proceeds raised from this mandate for working capital or such other application they may in their absolute discretion deem fit.

GSB GROUP BERHAD
287036-X

CDS account no. of authorised nominee

PROXY FORM

I/We* ______________________________ (name of shareholder as per NRIC, in capital letters)

NRIC No./ID No./Company No. ______________________ (new) ______________ (old)

of ____ (full address)

being a member(s) of the abovenamed Company, hereby appoint ______________________________

(name of proxy as per NRIC, in capital letters) NRIC No. ________________ (new) __________ (old)

or failing him/her* ______________________________ (name of proxy per NRIC, in capital letters)

NRIC No. ________________ (new) ______________ (old) or failing him/her* the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Twentieth Annual General Meeting of the Company to be held at No 9, Jalan 3/91A, Taman Shamelin Perkasa, Cheras 56100 Kuala Lumpur on Friday, the 27th day of September 2013 at 10.00 am and at each and every adjournment thereof.

My/our* proxy is to vote as indicated below:

RESOLUTIONS		FOR	AGAINST
Resolution 1	Receive of Statutory Financial Statements and Reports		
Resolution 2	Approval of Directors' Fees of RM19,000.00		
Resolution 3	Re-election of Ms Gan Pik Mui as Director		
Resolution 4	Re-appointment of Mr Liaw Boo Lai @ Leow Bong Lai as Director		
Resolution 5	Appointment of Messrs KPMG as Auditors		
Resolution 6	Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		

(Please indicate with an "X" in the spaces provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

____
Signature/Common Seal

Number of shares held: ______________

Date: ______________________

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

Notes:

1. *A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. If the proxy is not a member of the Company, he shall be any person and there shall be no restriction as to the qualification of the proxy.*
2. *A member may appoint two (2) or more proxies to attend at the same meeting. Where a member appoints two (2) or more proxies, the proxies shall not be valid unless the member specifies the proportion of his shareholdings to be represented by each proxy.*
3. *Where a Member of the Company is an authorised nominee as defined under Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDS") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*
6. *The instrument appointing a proxy or proxies shall be in writing (in the common or usual form) under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, the instrument appointing a proxy or proxies must be either under seal or under the hand of an officer or attorney duly authorised.*
7. *The instrument appointing a proxy must be deposited at Ground Floor Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan at least forty-eight (48) hours before the time approved for holding the meeting or any adjournment thereof (or in the case of a poll not less than twenty-four (24) hours before the time appointed for taking of the poll).*
8. *Only members whose names appear in the Record of Depositors on 19 September 2013 shall be entitled to attend, speak and vote at the Annual General Meeting.*

** Strike out whichever is invalid*

Fold this flap for sealing

Then fold here

STAMP

The Company Secretary

GSB GROUP BERHAD (287036-X)

Ground Floor Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

1st fold here

REGISTERED OFFICE

GSB GROUP BERHAD **(287036-X)**
Level 8, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya, Selangor.
Tel: 03-7841 8000
Fax: 03-7841 8199