



**GSB GROUP BERHAD**

(Company No. 287036-X)

(Incorporated in Malaysia)

**PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134 FOR THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER ENDED 31 DECEMBER 2014**

**A1. Basis of Preparation**

These unaudited condensed interim financial statements have been prepared in accordance with the applicable disclosure provisions of Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and in compliance with Financial Reporting Standard “FRS 134, Interim Financial Reporting”.

This quarterly financial report does not include all the information required for the full annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 March 2014.

**A2. Significant Accounting Policies**

The financial statements of the Group have been prepared in accordance with Financial Reporting Standards (FRS) 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:

*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*
- Amendments to FRS 136, *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*



**GSB GROUP BERHAD**

(Company No. 287036-X)

(Incorporated in Malaysia)

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

- Amendments to FRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to FRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to FRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to FRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

***FRSs, Interpretations and amendments effective for a date yet to be confirmed***

- FRS 9, *Financial Instruments (2009)*
- FRS 9, *Financial Instruments (2010)*
- FRS 9, *Financial Instruments – Hedge Accounting and Amendments to FRS 9, FRS 7 and FRS 139*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of FRS 9 and Transition Disclosures*

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below:

- FRS 9 replaces the guidance in FRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting. The Group is currently assessing the financial impact that may arise from the adoption of FRS 9.
- The Company falls within the scope of IC Interpretation 15, *Agreements for the Construction of Real Estate*. Therefore, the Company is currently exempted from adopting the Malaysian Financial Reporting Standards (“MFRS”) and is referred to as a “Transitioning Entity”. Being a Transitioning Entity, the Company will adopt the MFRS and present its first set of MFRS financial statements when adoption of the MFRS is mandated by the MASB.



**GSB GROUP BERHAD**

(Company No. 287036-X)

(Incorporated in Malaysia)

**A3. Auditors' Report on Preceding Annual Financial Statements**

The most recent annual audited financial statements for the year ended 31 March 2014 of the Group were not subject to any qualification.

**A4. Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

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

**A5. Material Changes in Estimates**

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

**A6. Dividends Paid**

No dividend has been paid during the current quarter ended 31 December 2014.

**A7. Segment Reporting**

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

The Group is organized into two main business segments:

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

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



**GSB GROUP BERHAD**

(Company No. 287036-X)

(Incorporated in Malaysia)

**Segment reporting for the 9 months ended 31 December 2014**

	<b>Replication of Optical Discs RM'000</b>	<b>Property Development RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>				
Segment revenue	5,514	1235	-	5,666
Adjustments on consolidation	-	(1,083)	-	(1,083)
Total revenue	<u>5,514</u>	<u>152</u>	<u>-</u>	<u>5,666</u>
<b>Results</b>				
Segment results	(564)	(784)	(317)	(1,666)
Net Finance income/(costs)	(2)	(450)	-	(452)
Loss before tax	<u>(566)</u>	<u>(1,234)</u>	<u>(317)</u>	<u>(2,118)</u>
Adjustments on consolidation				441
Taxation				<u>(3)</u>
Loss for the period				(1,680)
Other comprehensive income for the period, net of tax				-
Total comprehensive loss for the period				<u>(1,680)</u>

**A8. Changes in the Composition of the Group**

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

**A9. Contingent Liabilities**

The contingent liabilities of the Group as at 9 February 2015 amounted to RM33.59 million (31 March 2014: RM5.88 million) representing corporate guarantees given by the Company for banking facilities extended to subsidiary companies.



**GSB GROUP BERHAD**

(Company No. 287036-X)

(Incorporated in Malaysia)

**A10. Debt and Equity Securities**

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

**A11. Seasonal and Cyclical Factors**

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

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

There are no material events subsequent to the end of the interim financial period up to 9 February 2015, being a date not earlier than seven days from the date of this interim financial report.

(The rest of the page is left blank intentionally)



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

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN  
MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA  
FOR THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER ENDED  
31 DECEMBER 2014**

**B1. Review of Performance**

	<b>Quarter Ended 31/12/2014 RM'000</b>	<b>Quarter Ended 31/12/2013 RM'000</b>
Revenue	1,527	3,168
Profit before taxation	32	30

The Group recorded lower revenue for the current quarter under review of RM1.527 million as compared to RM3.168 million for the corresponding quarter last year.

The manufacturing and replication of optical disc division recorded lower revenue of RM1.527 million in the current quarter under review as compared to RM1.753 million for the corresponding quarter last year. There were no contributions to turnover from the property division in the current quarter under review pending new launches and construction of projects, whilst in the corresponding quarter last year there were contributions to turnover from the property division of RM1.415 million mainly from sales of inventory properties.

The Group recorded a profit before tax for the current quarter under review of RM32,000 as compared to similar profit before tax of RM30,000 for the corresponding quarter last year despite significantly lower turnover, mainly due to overprovision of cost to completion upon finalisation of certain contract.

(The rest of the page is left blank intentionally)



**GSB GROUP BERHAD**

(Company No. 287036-X)

(Incorporated in Malaysia)

**B2. Comparison Against Preceding Quarter's Results**

	<b>Quarter Ended 31/12/2014 RM'000</b>	<b>Quarter Ended 30/09/2014 RM'000</b>
Revenue	1,527	1,851
Profit/(Loss) before taxation	32	(890)

The Group recorded lower revenue of RM1.527 million or 18% lower for the current quarter under review as compared to the preceding quarter's RM1.851 million.

The manufacturing and replication of optical discs division recorded lower revenue of RM1.527 million for the current quarter under review compared to RM1.851 million in the preceding quarter. Turnover contribution from property division is pending new launches and construction of projects.

The Group recorded a profit before tax for the current quarter under review of RM32,000 as compared to a loss before tax of RM0.89 million for the preceding quarter due overprovision of cost to completion upon finalisation of certain contract in property division.

(The rest of the page is left blank intentionally)



**GSB GROUP BERHAD**

(Company No. 287036-X)

(Incorporated in Malaysia)

**B3. Prospects for the current financial year**

For the remaining of the current financial year, the Group has launched its property projects in Bentong, Pahang. Construction of the said development is also under way. Similarly, the project in Johor Bahru known as g'Residence is also progressing well. Therefore the Group expects its property development segment to contribute positively in the final quarter of the current financial year.

The Group is also continually looking to grow our property development segment via joint venture developments or acquisition of strategic land bank.

**B4. Profit Forecast**

The Group has not provided any profit forecast or profit guarantee in any public document in respect of the current quarter ended 31 December 2014.

**B5. Income Tax Expense**

	3 months ended		Cumulative 12 months	
	31/12/2014	31/12/2013	31/03/2015	31/03/2014
	RM'000	RM'000	RM'000	RM'000
Estimate tax expense/(income)				
- Current tax expense/(income)	(4)	(2)	(3)	3
- Deferred tax expense/(income)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(4)	(2)	(3)	3
	<hr/>	<hr/>	<hr/>	<hr/>





**GSB GROUP BERHAD**

(Company No. 287036-X)

(Incorporated in Malaysia)

**B6. Investment in Quoted Securities**

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

**B7. Status of Corporate Proposals Announced**

The Company has on 29 November 2013 announced its proposal to undertake a private placement of new ordinary shares of RM0.10 each representing up to 10% of the issued and paid-up share capital of the Company ("Proposed Private Placement"). On 28 January 2014, Bursa Malaysia Securities Berhad approved the listing and quotation of up to 40,000,000 new ordinary shares of RM0.10 each to be issued pursuant to the Proposed Private Placement. The Proposed Private Placement has been completed following the listing of and quotation for the 40,000,000 new ordinary shares of RM0.10 each on the Main Market of Bursa Malaysia Securities Berhad on 9 April 2014.

As at 9 February 2015, being a date not earlier than seven days from the date of this interim financial report, the utilization of the proceeds is as follows:-

*Utilisation of Proceeds*

			Utilization from the proceeds received	Unutilized
Utilization For	Estimated Timeframe	RM'000	RM'000	RM'000
Payment to contractor for earthworks for the project in Johor Bahru	Expected to be utilised by December 2015	849	-	849
Payment to contractor for piling works for the project in Johor Bahru	Expected to be utilised by December 2015	3,000	179	2,821
Estimated expenses for the Proposed Private Placement	Immediate	151	151	-
<b>Total</b>		<b>4,000</b>	<b>330</b>	<b>3,670</b>



**GSB GROUP BERHAD**

(Company No. 287036-X)

(Incorporated in Malaysia)

**B8. Borrowings and Debt Securities**

Total Group borrowings as at 31 December 2014 are as follows:-

	<b>Short Term Borrowings RM'000</b>	<b>Long Term Borrowings RM'000</b>
Secured		
- Finance lease liabilities, bank overdrafts, term loans	13,673	22,454
	<hr/>	<hr/>

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

**B9. Derivative Financial Instruments**

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

**B10. Fair Value Changes of Financial Liabilities**

As at 31 December 2014, there are no financial liabilities measured at fair value through profit or loss.

**B11. Material Litigations**

The Group does not have any material litigation up to 9 February 2015, being a date not earlier than seven days from the date of this interim financial report.

**B12. Dividends**

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



**GSB GROUP BERHAD**

(Company No. 287036-X)

(Incorporated in Malaysia)

**B13. (Loss)/Earnings Per Share**

The basic (loss)/earnings per share of the Group have been computed by dividing the net profit/(loss) attributable to ordinary shareholders of the Company for the current financial quarter by the weighted average number of ordinary shares in issue of 440,000,000 ordinary shares.

	<b>Quarter Ended</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit for the period attributable to ordinary shareholders of parent	30	20
	<hr/>	<hr/>
Weighted average number of ordinary shares	440,000,000	400,000,000
	<b>Quarter Ended</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
Profit per share (sen)	0.01	0.01
	<hr/>	<hr/>

**B14. Realised and Unrealised Losses Disclosures**

The (accumulated losses) / retained earnings of the Company and its subsidiaries as at 31 December 2014, analysed as follows:-

	<b>As at</b>	<b>As at</b>
	<b>31/12/2014</b>	<b>30/09/2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings/(accumulated losses) of the Company and its subsidiaries:		
- realised	1,218	1,621
- unrealised	40	40
	<hr/>	<hr/>
	1,258	1,661
Less : Consolidation adjustments	(4,777)	(5,209)
	<hr/>	<hr/>
Total accumulated losses	(3,520)	(3,548)
	<hr/>	<hr/>



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

**B15. Notes to the Statements of Comprehensive Income**

	<b>3 months ended</b>		<b>Cumulative 12 months</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/03/2015</b>	<b>31/03/2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	(139)	(49)	( 219)	(105)
Interest expense	331	80	671	174
Depreciation and amortization	246	223	748	641

---

---

**B16. Authorisation for Issue**

This Interim Financial Report of GSB Group Berhad for the third financial quarter ended 31 December 2014 was authorised for issuance by the Board of Directors of the Company in accordance with a resolution dated 13 February 2015.

(The rest of the page is left blank intentionally)