GSB GROUP BERHAD
287036-X

ANNUAL REPORT 2011

Contents

DEAR VALUED SHAREHOLDERS,

Despite a challenging year, GSB Group Berhad has taken great strides to re-evaluate our businesses to find a strong position in the ever evolving storage media content industry and also our venture into the property development sector. We have put in place several necessary measures that will enable us to capitalize on the new and diversified revenue streams for future growth. Our transformation measures are our continuous effort to enhance the shareholder’s value.

On behalf of the Board of Directors, I am pleased to present the Annual Report for GSB Group Berhad (“GSB Group” or “the Group”) for the financial year ended 31 March 2011.

FINANCIAL PERFORMANCE

For the year under review, the continuing operations of GSB Group recorded a revenue of RM31,229,237 and a profit before tax of RM2,282,183, in comparison to a revenue of RM18,046,002 and a loss of RM598,241 in the preceding financial year. Our property division revenue has grown 240% to RM19,055,639 as compared to the last financial year. This is due to the growing nature of this division and its continuous growing potential and business opportunities that it presents.

Performance from our replication of compact disc has also improved. Even though revenue has remained relatively stable at approximately in the region of RM12 million, but profitability has improved due to costs controlling measures implemented during the year.

Stellar Growth of Property Business

Our property holding and property development venture recorded a signifnicant return in our financial year. Our aim is to record continuous growth in its returns, be recognised as a top brand by industry benchmarks.

The development of 44 units of boutique condovilla near the vicinity of Bandar Utama Damansara received good respond from the market and is 100% sold. To further strengthen the Group's position in this segment, the acquisition of Banda Industries Sdn Bhd has been completed in April 2010. This will enable the Group to tap into more opportunities in property development in the vicinity of Bentong, Pahang. In order to unlock the value of our investment property, we have also transacted the sale of our 13 storey hotel in Klang Valley (formerly known as the Ritz Garden hotel) for a consideration of RM22 million.

STRATEGIC DEVELOPMENTS

DVD Production Capability

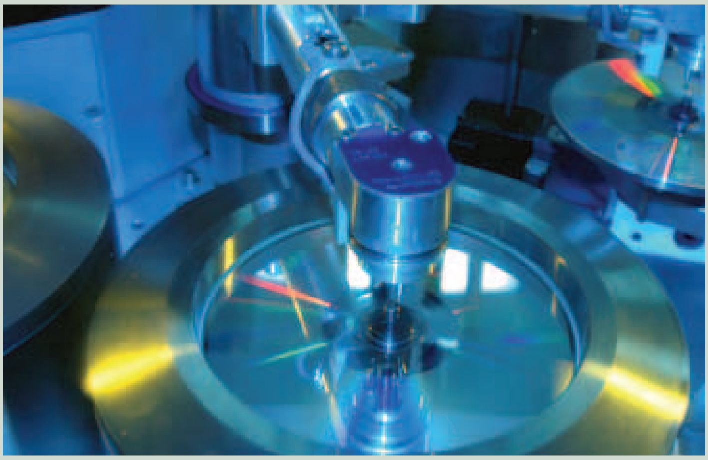
Through incorporation of a world class replication system, we are able to meet the demands and support from our existing customers in the forseeable future. Having the benefit of advanced technology and a substantive production capability that provide our customers more storage capacity, we can always meet the critical customer demands of excellent product quality and a speedy delivery system.

CORPORATE SOCIAL RESPONSIBILITY

Our Company recognizes 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.

Anti-Piracy Advocacy

Our stand against piracy is one of the Group's main thrusts throughout the length and breadth of our organization. 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 organization's intellectual property rights.



RoHS, REACH and Green Compliance

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 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.

Human Capital

The development of human capital is one of the central strategies in the formulation of workforce strengths, while surfacing opportunities and strategies to proactively manage people.

The year that passed saw our employees participate in various training courses catered to their professional development requirements. The need for improved productivity has become universally accepted and that it depends on efficient and effective training is not less apparent. Our tailored training for our staffs enables them to perform their duties and make meaningful contributions to the success of the organisational goals needed to acquire the relevant skills and knowledge.

LOOKING AHEAD

The Company has continued to make good progress on its turnaround. In each of our markets we are now fit, winning more and starting to focus on attaining or strengthening a leadership position. The year ahead looks very promising indeed with a stronger growth expected to forge its way through the year. Through our business, we are perfectly poised to be a leading provider in optical storage media serving the needs of education, entertainment and software industries as well as further developing and enhancing our property development sector as well.

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 through our effective and efficient delivery of service.

OUR UNDIVIDED GRATITUDE

Thank you for your continued commitment as GSB Group financiers, business partners and agents who have helped us achieve our long-term financial goals of earnings growth and improved margins, cash flows and returns on capital. I would also like to express our gratitude and appreciation to our valued employees, management and fellow board members, for the immense dedication of ensuring the Company stays focused on its path in the long-term view that has brought us to this stage and will continue to form the foundations of our journey. This will ensure that we build a stronger brand for our customers and a stronger corporate citizen for our economy.

Jeffery Ong
Chairman

BOARD OF DIRECTORS

Jeffrey Ong Peng Lock *(Non-Executive Chairman)*
Redesignated on 1 August 2011

Gan Pik Mui *(Managing Director)*
Redesignated on 1 August 2011

Loy Kwee Keow *(Independent Non-Executive 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
(Independent Non-Executive Director)

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

Gan Boon Kat
(Non-Independent Non-Executive Director)
Appointed on 1 August 2011

Gan Pik Mui
(Managing Director)
Resigned on 1 August 2011

COMPANY SECRETARY

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
Tel No : 03-7841 8000
Fax No : 03-7841 8199

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens, North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No : 03-2264 3883
Fax No : 03-2282 1886

CORPORATE OFFICE / PRINCIPAL PLACE OF BUSINESS

Tel No : 03-9281 1188
Fax No : 03-9287 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

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
AmBank Group
Hong Leong Bank Berhad
Maybank 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 incorporate in Malaysia

Corporate Structure

GSB GROUP BERHAD
287036-X

Subsidiaries

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

JEFFREY ONG PENG LOCK

JEFFREY ONG PENG LOCK, a Malaysian, aged 40, is the Non-Executive Chairman of the Group and was appointed to the Board on 16 February 2007.

Mr. Jeffrey is a Chartered Accountant of the Malaysian Institute of Accountants and holds a Bachelor of Science (Hons) in Computer Science from the University of Kent, Canterbury, England and he is also a Fellow Member of the Association of Chartered Certified Accountants.

He was previously employed by KPMG Kuala Lumpur as an Audit Assistant in 1995 and subsequently went on secondment to KPMG London for a period of 2 years as an Assistant Manager. On his return from KPMG London, he continued to work for KPMG Kuala Lumpur till 2005 as a Senior Manager. During his time with KPMG, he has been given various responsibilities and assignments including job planning, delegation of work to supporting staff, supervision, control and completion of specific audit assignments. His experience covered a wide range of industries including insurance, leasing, plantation, manufacturing, construction and property development and investment holding. In addition to the statutory audit, his assignments covered international reporting of various multinational clients, assisting in due diligence for the sale of line of businesses and the review of profit and cashflow forecast and projections for the submission to authorities for listing exercises. He joined the Group in 2005 as a General Manager and became an Executive Chairman in 2007 before assuming the current role as Non-Executive Chairman effective 1 August 2011.

GAN PIK MUI

GAN PIK MUI, a Malaysian, aged 40, 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 sister of Mr. Gan Boon Kat, a director of the Company and the daughter of Mr. Gan Seng Biang, a major shareholder of the Company.

LOY KWEE KEOW

LOY KWEE KEOW, a Malaysian, aged 52, is an Independent Non-Executive Director of the Company and was appointed to the Board on 24 May 2005. He was appointed as Chairman of the Audit Committee on 30 December 2005.

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.

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.

LIAW BOO LAI @ LEOW BONG LAI

LIAW BOO LAI @ LEOW BONG LAI, a Malaysian, aged 69, 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 on 6 September 2005.

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 Kg. Chennah Agro Resorts Sdn Bhd.

GAN BOON KAT

GAN BOON KAT, a Malaysian, aged 46, 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 on 1 August 2011.

Mr. Gan has over 20 years of experience in the property market as a real estate consultant. 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.

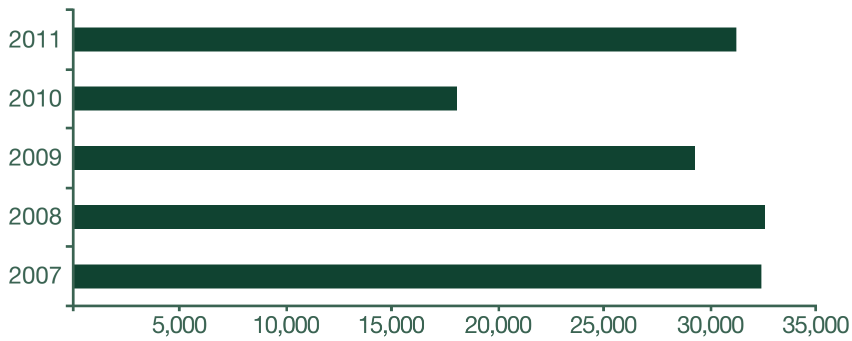
He is the brother of Ms. Gan Pik Mui, Managing Director of the Company and son of Mr. Gan Seng Biang, a major shareholder of the Company.

Note:
Other than as disclosed, all directors do not have any family relationships with any director and/or major 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 2011.

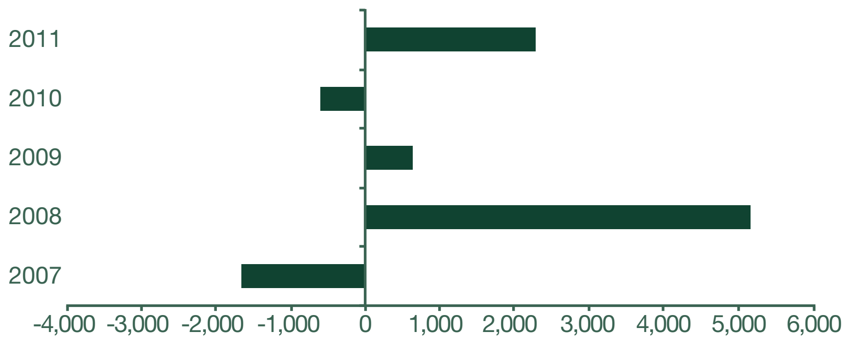
5 Year's Financial Highlights

FINANCIAL YEAR ENDED 31 MARCH	2007	2008	2009	2010	2011
FINANCIAL PERFORMANCE (in RM'000)					
Revenue	32,408	32,880	29,265	18,046	31,229
Profit/(Loss) before taxation	(1,659)	5,111	639	(598)	2,282
Profit/(Loss) for the year	(1,737)	(4,765)	(3,788)	(879)	1,629
FINANCIAL POSITION (in RM'000)					
Total Assets	69,218	63,555	57,006	53,612	73,109
Total Liabilities	23,251	23,355	19,913	17,394	35,262
Net Current Assets	15,442	12,719	14,229	13,224	22,364
Net Assets	45,967	40,200	37,093	36,218	37,847
Total Borrowings	14,462	15,112	13,881	11,072	13,592
Equity Attributable to Shareholders of the Company	44,966	40,200	37,093	36,218	37,847
Issued Share Capital	40,000	40,000	40,000	40,000	40,000
KEY FIGURES					
Earnings/(Loss) Per Share (sen)	(0.43)	(1.19)	(0.95)	(0.22)	0.41
Net Assets Per Share (sen)	11.24	10.05	9.27	9.05	9.46
Debt to Equity Ratio	0.26	0.27	0.18	0.15	0.25

REVENUE



PROFIT/(LOSS) BEFORE TAXATION



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 ("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 best practices set out in Part 1 and 2 of 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.

PRINCIPLES STATEMENT

The following statement sets out how the Company has applied the principles in Part 1 of the Code. The principles are dealt with under the following headings: Board of Directors, Directors' Remuneration, Shareholders and Investors and Accountability and Audit.

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 five (5) members, a Non-Executive Chairman, a Managing Director with two (2) independent non-executive Directors and one (1) non-independent non-executive Directors. The present Board composition complied with Paragraph 15.02 of the 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 9 to 11 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, organizational effectiveness and implementation of Board policies and decisions.

More than half of the Directors, 4 out of 5 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 Directors, thereby ensuring that no one individual or group dominates the Board decision-making process.

The Code recommends the appointment of a senior independent non-executive Director to whom concerns may be conveyed. The Board has not appointed any senior independent non-executive Director to fulfill that role as the Chairman normally encourages the participation by all Directors during meetings. However, the Board recognizes the importance of this provision and would actively look into this matter and will consider the relevant steps to comply with this practise.

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

Board Meeting

During the financial year ended 31 March 2011, 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
Jeffrey Ong Peng Lock	4	4
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

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.

The Audit Committee is chaired by an independent non-executive Director whom reports the outcomes 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. Fuller details of the Audit Committee terms of reference and its activities during the year are stated in pages 19 to 21 of the Annual Report.

In addition to the above Board Committee, 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 meet, review and approve all corporate announcements, including the announcement of the quarterly financial reports, prior to releasing of the announcement to the Bursa Malaysia Securities Berhad.

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.

Appointment to the Board

The Code endorses as good practice, a formal procedure for appointments to the Board, with a nomination committee making recommendations to the Board. Establishment of a Nomination Committee has not been carried out as the Board believes that the present number of Directors is deemed sufficient, considering the size of the Group and the nature of its operations, to undertake the said procedure for Board appointment as a whole.

In addition, the Board is on its view, with the current Directors' mix of experiences and expertise, the current size of members is sufficient and optional 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 Malaysia Securities Berhad.

During the year, none of the Directors have attended any seminars, conferences or training.

The Directors were unable to attend any training courses during the year due to travelling and other business commitments. They however, endeavour to participate in such relevant courses and seminars in the coming financial year.

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.

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	Executive Director (RM'000)	Non-Executive Director (RM'000)
Fees	5	19
Salaries & Other Emoluments	157	123
Benefits-in-Kind	8	-

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 Director
RM 1 to RM 50,000	-	3
RM 50,001 to RM 100,000	-	1
RM 150,001 to RM 200,000	1	-

SHAREHOLDERS AND INVESTORS

The Company recognizes 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 Company and the Group.

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.

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'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 recognize 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 is 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 Part 1 of the Malaysian Code of Corporate Governance 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 19 to 21 of the Annual Report. The good relationship with the Company and Group auditors has always prevail and maintained on a transparent and professional basis.

Compliance Statement

Save as disclosed below, the Group has substantially complied with the Best Practices set out in Part 2 of the Code throughout the year.

Appointment of a senior independent non-executive Director to whom concerns may be conveyed has not been made as the Chairman normally encourages participation by all Directors during meetings. Nevertheless, the Board is looking into this matter and will consider the relevant steps to comply with this practice.

Establishment of a Nominating Committee has not been carried out, as the Board believes that the present number of Directors is deemed optimal considering the size of the Group and the nature of its operations. The Board as a whole assumes the responsibilities, though not formally, of assessing the effectiveness of the Board, its committee and individual Director as well as candidates for all directorships.

There was no formal review done on the present members of the Board of Directors, as the mix of experience and expertise of the current number of Directors, in the opinion of the Board, are considered sufficient and optimum in addressing the issues affecting the Group.

Pursuant to Best Practice Provision AA XIII of the Code on training to new recruits to the Board, the Company does not have a formal training programme for its new Directors since it is the Board's policy to recruit only individual of sufficient calibre and experience to carry out the necessary duties of a Director. Nevertheless, the Board will review the necessity for a formal orientation programme for its new Directors from time to time.

The Board has not developed position description for the Board members nor any formal schedule of matters specifically reserved to it for decision. The Board is of the view that the current set up of the Board and the Board Committee that is in place are sufficient to effectively handle and facilitate the smooth functioning of the Group.

The Board does not have any agreed procedure for Directors, whether as a full Board or in their individual capacity, in furtherance of their duties to take independent professional advice at the Company's expense, if necessary. Any need for professional advice normally comes under the purview of the Board who will deliberate on a consensual basis.

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 Board, through the Executive Director and the Audit Committee, has been able to identify business risks of the Group and will ensure that implementation of appropriate measures be taken to manage these risks. Nevertheless, the Board is considering formalizing its existing risk management process to better identify, monitor and manage the business risks affecting the Group.

This statement was made in accordance with a resolution of the Board dated 22 August 2011.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE ANNUAL AUDITED ACCOUNTS

In accordance with the requirements in Paragraph 15.26(a) of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, the Board of Directors are required to issue a statement explaining their responsibility for preparing the annual audited financial statements.

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 22 August 2011.

CORPORATE SOCIAL RESPONSIBILITY

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 summarized 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 penalized 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 discs that are clean, safe and globally acceptable.

Our compliance with RoHS (Restriction of Hazardous Substance) and REACH (Registration, Evaluation, Authorization of Chemicals) are part of our efforts in producing a safe product.

In addition, we are also in compliance with green technology (Greentech) an application of the environmental science to conserve the natural environment and resources.

These compliance has helped the company to play its part to be a socially responsible company 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 facilities within the Group are compliance with ISO9001:2000 Quality Management System, ISO14001:2004 Environmental Management System and CDSA Anti-Piracy Compliance Program. The Group is committed to supply quality products and meeting customers' satisfactions through continual improvement in technology, process and services.

Workplace

The Group recognizes 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.

MEMBERS

The Audit Committee comprises the following directors:-

Loy Kwee Keow
Chairman (Independent Non-Executive Director)

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

Gan Boon Kat
Member (Non-Independent Non-Executive Director)
Appointed on 1 August 2011

Gan Pik Mui
Member (Non-Independent Non-Executive Director)
Resigned on 1 August 2011

TERMS OF REFERENCE

The Board of Directors of the Company has set up a Board of Audit Committee in accordance with the requirements by the Bursa Malaysia Securities Berhad.

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 to be 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 of Directors in fulfilling its statutory and fiduciary responsibilities for examinations of the Company and in monitoring its accounting and financial reporting practices.

b) Determine that the Company has adequate administrative, operational, and internal accounting controls and that the Company is 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.

MEMBERSHIP

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 authorized by the Board to investigate any activity within its Terms of Reference. It is authorized 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 authorized 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 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 auditors may wish to discuss (in the absence of management where necessary);

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 Company or Group 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 audit 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.

AUDIT COMMITTEE REPORT

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

a) Reviewing the audited accounts for financial year ended 31 March 2011 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) Reviewed and discussed the major findings of the internal audit investigation 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 first Audit Committee Meeting in the beginning of the financial year. The scope of internal audit covers the audits of all operations of all 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 assessed the adequacy of such controls prevailing in those key operational areas selected for reviewed.

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 amounts to RM12,000.00.

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 2011 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 Pik Mui	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 22 August 2011.

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad's ("BMSB") Main Market Listing Requirements requires directors of listed companies to include a statement in annual reports on the state of their internal controls. The Board of Directors sets out below the Internal Control Statement of the Group which has been prepared in accordance with the guidance provided under BMSB's "Statement on Internal Control: Guidance for Directors of Public Listed Companies".

The Board acknowledges its responsibility for the Group's system of internal control and the need to review its adequacy and integrity regularly. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and the system by its nature can only provide reasonable assurance but not absolute assurance against material misstatement, fraud or loss.

The system of internal control is maintained to achieve the following objectives:-

1. Safeguard the shareholders' interest and assets of the Group
2. Ensure the achievement of operation objectives
3. Ensure compliance with regulatory requirements
4. Identify and manage financial and business risks affecting the Group

For the year under review, the Group, with the assistance of the outsourced internal auditors, had in place a process for identifying, evaluating and managing the significant risks affecting the achievement of its business objectives. This process is reviewed by the Board of Directors annually.

Salient features of the framework of internal control system of the Group are as follows: -

1. The Management structure is defined, with clear line of responsibilities and delegation of authorities and segregation of duties.
2. Policies and procedures of a key subsidiary have been established and documented and communicated to all staff members.
3. Key risks areas were reviewed and assessed by the Board and the Audit Committee. The internal audit function is outsourced and performed by an external professional firm.
4. Financial results are reviewed quarterly by the Board and the Audit Committee.
5. Executive Directors and head of departments of a key subsidiary have meetings on a regular basis to discuss operational, corporate, financial and key management issues.
6. 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 Programmes.
7. A reporting system has been established to generate financial information for management and the Board of Directors' review.

Certain aspects of the controls and the recommendations highlighted by the internal auditors have been or will be addressed in due course.

There was no material losses reported during the current financial year as a result of weaknesses in internal control. The Management continues to take measures to strengthen the internal control environment of the Group.

This statement was made in accordance with a resolution of the Board dated 27 July 2011.

CONFLICT OF INTEREST

None of the Directors has any conflict of interest in the Company.

CONVICTIONS FOR OFFENCES

None of the Directors has been convicted for offences within the past ten (10) years other than traffic offences, if any.

UTILIZATION OF PROCEEDS

The Company did not make any corporate proposal to raise proceed 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 RM15,000.00.

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 GUARANTEES

There was no profit guarantee given to the Company by any shareholder during the year.

MATERIAL CONTRACTS

In 21 January 2011, through GSB Group Berhad wholly owned subsidiary, Serta Usaha Sdn Bhd, entered into a conditional Sale and Purchase Agreement with Leopard Holdings Sdn Bhd for the disposal of a property known as Lot No. 50 Section 94, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan held under Geran No. 35378 together with a hotel building erected thereon bearing assessment address Lorong Kapar, Off Jalan Syed Putra, 58000 Kuala Lumpur for a total cash consideration of RM22 million.

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.

REVALUATION OF LANDED PROPERTIES

The revaluation policy on landed properties is stated in page 39 of the Annual Report.

Financial Contents

Directors' report for the year ended 31 March 2011

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2011.

Principal activities

The Company is principally engaged in investment holding, whilst the principal activities of its 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 for the year	1,628,814	1,208,295

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 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:

Jeffrey Ong Peng Lock
Gan Pik Mui
Gan Boon Kat
Loy Kwee Keow
Liaw Boo Lai @ Leow Bong Lai

Directors' interests in shares

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

	Number of ordinary shares of RM0.10 each			
	At 1.4.2010	Bought	Sold	At 31.3.2011
Shareholdings in which Directors have direct interest				
In the Company				
Jeffrey Ong Peng Lock	4,400,100	-	-	4,400,100
Gan Pik Mui	50,965,000	-	-	50,965,000
Gan Boon Kat	9,119,490	-	-	9,119,490

By virtue of their interest 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 2011 had any interest in the ordinary shares and options over 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 company 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 26 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 statements of comprehensive income and statements of financial position 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 has been 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 the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the Group and in the Company financial statements 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.

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.

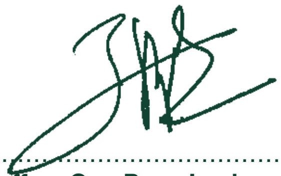
Other statutory information (Cont'd)

In the opinion of the Directors, except for the reversal of impairment loss from receivables owing by a subsidiary as disclosed in the financial statements of the Company, the financial performance of the Group and of the Company for the year ended 31 March 2011 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.

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:



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Jeffrey Ong Peng Lock

....

Gan Boon Kat

Kuala Lumpur,

Date:
27 July 2011

Statements of Financial Position

as at 31 March 2011

	Note	Group 31.3.2011 RM	31.3.2010 RM restated	1.4.2009 RM restated
Assets				
Property, plant and equipment	3	10,653,394	10,968,300	13,054,536
Goodwill	4	11,828	11,828	11,828
Investment properties	5	2,040,122	18,735,652	18,974,109
Other investments	7	16,000	16,000	16,000
Land held for development	9	10,949,021	3,115,256	3,112,756
Deferred tax assets	10	427,540	677,000	-
Total non-current assets		24,097,905	33,524,036	35,169,229
Inventories	11	3,894,752	956,185	964,042
Trade and other receivables	12	11,454,977	8,784,662	6,673,574
Property development costs	13	12,741,477	4,398,207	6,511,990
Current tax assets		151,478	268,570	374,274
Cash and cash equivalents	14	4,173,067	5,566,014	7,313,043
Assets held for sale	15	16,594,876	114,394	-
Total current assets		49,010,627	20,088,032	21,836,923
Total assets		73,108,532	53,612,068	57,006,152
Equity				
Share capital	16	40,000,000	40,000,000	40,000,000
Share premium		939,803	939,803	939,803
Reserves	16	1,312,208	1,330,455	1,425,729
Accumulated losses		(4,405,135)	(6,052,196)	(5,272,331)
Total equity attributable to owners of the Company		37,846,876	36,218,062	37,093,201
Liabilities				
Loans and borrowings	17	5,258,716	7,943,632	10,130,446
Deferred tax liabilities	10	3,356,241	2,586,631	2,175,078
Total non-current liabilities		8,614,957	10,530,263	12,305,524
Trade and other payables	18	18,217,999	3,623,209	3,754,471
Loans and borrowings	17	8,333,305	3,128,274	3,750,428
Taxation		95,395	112,260	102,528
Total current liabilities		26,646,699	6,863,743	7,607,427
Total liabilities		35,261,656	17,394,006	19,912,951
Total equity and liabilities		73,108,532	53,612,068	57,006,152

The notes on pages 14 to 74 form an integral part of these financial statements.

Statements of Financial Position (Cont'd)
as at 31 March 2011

	Note	Company 2011 RM	Company 2010 RM
Assets			
Investments in subsidiaries	6	23,188,047	17,445,870
Long term advances due from a subsidiary	8	-	573,411
Total non-current assets		23,188,047	18,019,281
Trade and other receivables	12	8,311,933	11,560,718
Current tax assets		3,268	3,268
Cash and cash equivalents	14	3,939	52,988
Total current assets		8,319,140	11,616,974
Total assets		31,507,187	29,636,255
Equity			
Share capital	16	40,000,000	40,000,000
Share premium		939,803	939,803
Accumulated losses		(11,106,900)	(12,315,195)
Total equity attributable to owners of the Company		29,832,903	28,624,608
Liabilities			
Trade and other payables	18	1,674,284	1,011,647
Total current liabilities		1,674,284	1,011,647
Total liabilities		1,674,284	1,011,647
Total equity and liabilities		31,507,187	29,636,255

The notes on pages 14 to 74 form an integral part of these financial statements.

Statements of Comprehensive Income
for the year ended 31 March 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Continuing operations					
Revenue	19	31,229,237	18,046,002	-	-
Cost of sales		(24,321,194)	(13,936,596)	-	-
Gross profit		6,908,043	4,109,406	-	-
Other income		1,319,520	140,082	1,400,004	-
Distribution expenses		(1,099,398)	(1,134,262)	-	-
Administrative expenses		(3,240,882)	(2,508,795)	(191,709)	(210,548)
Other expenses		(435,850)	(521,951)	-	-
Results from operating activities		3,451,433	84,480	1,208,295	(210,548)
Finance income		76,907	74,034	-	-
Finance costs		(1,246,157)	(756,755)	-	-
Profit/(Loss) before tax	20	2,282,183	(598,241)	1,208,295	(210,548)
Income tax expense	22	(541,182)	(169,599)	-	-
Profit/(Loss) after tax from continuing operations		1,741,001	(767,840)	1,208,295	(210,548)
Discontinued operations					
Loss from discontinued operations, net of tax	23	(112,187)	(111,499)	-	-
Profit/(Loss) for the year and total comprehensive income/ (loss) for the year		1,628,814	(879,339)	1,208,295	(210,548)
Basic earnings/(loss) per ordinary share (sen):					
from continuing operations		0.44	(0.19)		
from discontinued operations		(0.03)	(0.03)		
	24	0.41	(0.22)		

The notes on pages 14 to 74 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 March 2011

Group	Non-distributable Share capital RM	Non-distributable Share premium RM	Non-distributable Revaluation reserve RM	Accumulated losses RM	Total equity RM
At 1 April 2009	40,000,000	939,803	1,425,729	(5,272,331)	37,093,201
Total comprehensive loss for the year	-	-	-	(879,339)	(879,339)
Realisation of revaluation reserve on property, plant and equipment	-	-	(95,274)	99,474	4,200
At 31 March 2010/1 April 2010	40,000,000	939,803	1,330,455	(6,052,196)	36,218,062
Total comprehensive income for the year	-	-	-	1,628,814	1,628,814
Realisation of revaluation reserve on property, plant and equipment	-	-	(18,247)	18,247	-
At 31 March 2011	40,000,000	939,803	1,312,208	(4,405,135)	37,846,876

Statement of Changes in Equity

for the year ended 31 March 2011

Company	Non-distributable Share capital RM	Non-distributable Share premium RM	Accumulated losses RM	Total equity RM
At 1 April 2009	40,000,000	939,803	(12,104,647)	28,835,156
Total comprehensive loss for the year	-	-	(210,548)	(210,548)
At 31 March 2010/1 April 2010	40,000,000	939,803	(12,315,195)	28,624,608
Total comprehensive income for the year	-	-	1,208,295	1,208,295
At 31 March 2011	40,000,000	939,803	(11,106,900)	29,832,903

The notes on pages 14 to 74 form an integral part of these financial statements.

Statements of Cash Flows
for the year ended 31 March 2011

	Note	Group 2011 RM	Group 2010 RM restated	Company 2011 RM	Company 2010 RM
Cash flows from operating activities					
Profit/(Loss) before tax from:					
- continuing operations		2,282,183	(598,241)	1,208,295	(210,548)
- discontinued operations	23	(122,473)	(121,785)	-	-
Adjustments for:					
Allowance for impairment losses on trade receivables		-	63,146	-	-
Depreciation of property, plant and equipment		1,201,348	2,008,213	-	-
Depreciation of investment properties		215,048	286,734	-	-
Finance costs		1,246,157	756,755	-	-
Finance income		(76,907)	(74,034)	-	-
(Gain)/Loss on disposal of property, plant and equipment		(195,083)	66,023	-	-
Negative goodwill		(853,132)	-	-	-
Reversal of allowance for impairment losses		-	(5,979)	-	-
Unrealised foreign exchange loss - net		-	26,459	-	-
Operating profit/(loss) before changes in working capital		3,697,141	2,407,291	1,208,295	(210,548)
Changes in working capital:					
Trade and other receivables		1,452,417	(2,194,714)	3,248,785	465,219
Long term advances		-	-	573,411	-
Inventories		(2,453,836)	7,857	-	-
Property development costs		6,560,860	2,113,783	-	-
Payables and accruals		2,707,117	(131,262)	662,637	(205,817)
Cash generated from operations		11,963,699	2,202,955	5,693,128	48,854
Interest paid		(1,246,157)	(756,755)		
Interest received		76,907	74,034	-	-
Income tax paid		(713,800)	(305,124)	-	-
Net cash from operating activities		10,080,649	1,215,110	5,693,128	48,854

	Note	Group 2011 RM	Group 2010 RM restated	Company 2011 RM	Company 2010 RM
Cash flows from investing activities					
Acquisition of investment properties		-	(48,277)	-	-
Acquisition of property, plant and equipment	(ii)	(286,069)	(312,394)	-	-
Acquisition of subsidiary, net of cash and cash equivalents		(13,587,089)	-	-	-
Improvement/Acquisition of land held for development		(23,030)	(2,500)	-	-
Withdrawal/(Placement) of deposits pledged with licensed banks		1,612,087	(58,763)	-	-
Proceeds from disposal of property, plant and equipment		203,500	210,000	-	-
Investment in subsidiary		-	-	(5,742,177)	-
Proceeds from disposal of land held for development		298,977	-	-	-
Net cash used in investing activities		(11,781,624)	(211,934)	(5,742,177)	-
Cash flows from financing activities					
Drawdown of term loans		-	1,000,000	-	-
Drawdown of bankers' acceptances		-	2,364,718	-	-
Repayment of term loans		(2,902,501)	(2,816,929)	-	-
Repayment of finance lease liabilities		(467,335)	(369,838)	-	-
Repayment of bankers' acceptances		(689,387)	(2,775,861)	-	-
Net cash used in financing activities		(4,059,223)	(2,597,910)	-	-

	Note	Group 2011 RM	Group 2010 RM restated	Company 2011 RM	Company 2010 RM
Net (decrease)/increase in cash and cash equivalents		(5,760,198)	(1,594,734)	(49,049)	48,854
Cash and cash equivalents at 1 April		2,590,668	4,185,402	52,988	4,134
Cash and cash equivalents at 31 March	*(i)*	(3,169,530)	2,590,668	3,939	52,988

Notes to statements of cash flows

i) Cash and cash equivalents

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

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Cash and bank balances	2,796,444	2,023,079	3,939	52,988
Deposits placed with licensed banks	1,376,623	3,542,935	-	-
	4,173,067	5,566,014	3,939	52,988
Less: Deposits pledged	(1,075,670)	(2,687,757)	-	-
Bank overdrafts	(6,266,927)	(287,589)	-	-
	(3,169,530)	2,590,668	3,939	52,988

ii) Acquisition of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM886,069 (2010: RM312,394) of which RM600,000 (2010: Nil) were acquired by means of finance leases.

The notes on pages 14 to 74 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 its registered office and principal place of business are as follows:

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

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

The consolidated financial statements of the Company as at and for the year ended 31 March 2011 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 year ended 31 March 2011 do not include other entities.

The Company is principally engaged in investment holding activities, whilst the principal activities of its 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.

The financial statements were authorised for issue by the Board of Directors on 27 July 2011.

1. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standards (FRSs), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

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

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)
- FRS 3, *Business Combinations* (revised)
- FRS 127, *Consolidated and Separate Financial Statements* (revised)
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distributions of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

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

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
  - *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
  - *Additional Exemptions for First-time Adopters*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfers of Assets from Customers*
- Improvements to FRSs (2010)

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

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

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 2012
- FRS 124, *Related Party Disclosures* (revised)
- IC Interpretation 15, *Agreements for the Construction of Real Estate*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning 1 April 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, except for Amendments to FRS 2, IC Interpretation 12, IC Interpretation 16, IC Interpretation 17 and IC Interpretation 18, which are not applicable to the Group and the Company.

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

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

The impacts of initial application of a standard, an amendment or an interpretation, which will be applied retrospectively, are disclosed below:

IC Interpretation 15, *Agreements for the Construction of Real Estate*

IC Interpretation 15 replaces the existing FRS 201_{2004}, Property Development Activities and provides guidance on how to account for revenue from construction of real estate. The adoption of IC Interpretation 15 may result in a change in accounting policy which will be applied retrospectively whereby the recognition of revenue may change from the percentage of completion method to completed method subject to further clarification and guidance to be issued by Financial Reporting Standards Implementation Committee (FRSIC).

Should FRSIC determine that IC Interpretation 15 continues to apply percentage of completion method, there will be no impact to the financial statements. In the event that FRSIC is of the view that IC Interpretation 15 is to use completed method, the potential impact to the financial statements will be as follows:-

Group	**As currently stated RM**	**Adoption of IC Int. 15 RM**	**Expected restatement RM**
Statements of financial position as at 31 March 2011			
Property development costs	12,741,477	24,078,088	36,819,565
Deferred revenue	-	(27,620,092)	(27,620,092)
Deferred tax assets	427,540	885,501	1,313,041
Deferred tax liabilities	(3,356,241)	(197,554)	(3,553,795)
Accumulated losses	4,405,135	2,854,057	7,259,192
Statements of comprehensive income for the year ended 31 March 2011			
Revenue	31,229,237	(16,650,618)	14,578,619
Cost of sales	(24,321,194)	13,893,737	(10,427,457)
Income tax expense	(541,182)	491,666	(49,516)
Profit/(Loss) for the year	1,628,814	(2,265,215)	(636,401)
Earnings per share (sen)	0.41	(0.57)	(0.16)

Following the announcement by the MASB on 1 August 2008, the Group's and the Company's financial statements will be prepared in accordance with the International Financial Reporting Standards (IFRS) framework for annual periods beginning on 1 April 2012. The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Group and the Company.

1. **Basis of preparation (Cont'd)**

   (b) Basis of measurement

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

   (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 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.

   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 except for the valuation of investment properties as disclosed in Note 5.

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 other than those disclosed in the following notes:

   - Note 2(c) – Financial instruments
   - Note 2(e) – Leased assets
   - Note 2(w) – Operating segments

   (a) Basis of consolidation

   (i) Subsidiaries

   Subsidiaries are entities controlled by the Group. Control exists when the Group 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.

   Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

   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.

   Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous years. On consolidation, the differences between the carrying value of the investment over the nominal value of the shares acquired was taken to merger reserve.

   The Group adopted the exemption provided under FRS 3 "Business Combinations" to apply the Standard prospectively. Accordingly, business combinations entered into prior to 1 January 2002 have not been restated to comply with the purchase method of accounting.

   Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

2. Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(ii) Jointly-controlled operation and assets

The interest of the Company and of the Group in unincorporated joint ventures and jointly-controlled assets are brought to account by recognising in the financial statements the assets it controls and the liabilities that it incurs, and the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint venture.

(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

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 except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

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

(c) Financial instruments

Arising from the adoption of FRS 139, *Financial Instruments: Recognition and Measurement*, with effect from 1 January 2010, financial instruments are categorised and measured using accounting policies as mentioned below. Before 1 January 2010, different accounting policies were applied. Significant changes to the accounting policies are discussed in Note 31.

(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.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

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 trade and other receivables and cash and cash equivalents.

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(o)(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 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 stated at cost or valuation less 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.

2. Significant accounting policies (Cont'd)

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

(i) Recognition and measurement (Cont'd)

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

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 a willing buyer and a willing seller 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 gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing 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, and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in the 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. Freehold land is not depreciated.

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

• 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

The depreciable amount is determined after deducting the residual value.

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

2. Significant accounting policies (Cont'd)

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. On 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.

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.

(ii) Operating lease

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

In the previous years, a leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments, except for leasehold land classified as investment property.

The Group has adopted the amendment made to FRS 117, Leases in 2010 in relation to the classification of lease of land. Leasehold land which in substance is a finance lease has been reclassified and measured as such retrospectively.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. 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.

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.

For business acquisitions beginning from 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

(ii) Amortisation

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

2. Significant accounting policies (Cont'd)

(g) Investment properties

(i) Investment property carried at cost

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both. These include land (other than leasehold land) 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 stated at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(d).

Freehold land is not depreciated. Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of 45 (2010: 45) years for buildings.

(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.

The fair values are based on 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, prudently and without compulsion.

(h) Other investments

Investment in club membership is stated at cost, less impairment losses where applicable.

(i) Land held for development

Land held for development consists of land or such portion thereof on which no development activities have been carried out or where development activities are not expected to be completed within the normal operating activities. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

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. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Land held for development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(j) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the statements of comprehensive income by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

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

2. Significant accounting policies (Cont'd)

(j) Property development costs (Cont'd)

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

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

The excess of revenue recognised in the statements of comprehensive income over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the statements of comprehensive income is classified as progress billings within trade payables.

(k) Inventories

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

The cost of inventories is measured based on weighted average cost formula, 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.

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) Receivables

Prior to 1 January 2010, receivables were initially recognised at their costs and subsequently measured at cost less allowance for doubtful debts.

Following the adoption of FRS 139, trade and other receivables are categorised and measured as loans and receivables in accordance with Note 2(c).

(m) Non-current assets held for sale

Non-current assets (or disposal group comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(n) Cash and cash equivalents

Cash and cash equivalents consist of cash in 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 and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with policy Note 2(c).

2. Significant accounting policies (Cont'd)

(o) 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. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

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.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through profit or loss.

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, deferred tax asset, assets arising from employee benefits, and non-current assets classified as held for sale) 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 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 or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to 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.

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

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 units and then to reduce the carrying amount of the other assets in the unit (groups of 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 year in which the reversals are recognised.

2. Significant accounting policies (Cont'd)

(p) 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 or profit-sharing plans 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) Statutory contributions

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

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a detailed formal plan to terminate employment before the normal retirement date.

(q) 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.

(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.

(r) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, 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.

(ii) Sale of properties

Revenue from sale of development properties is recognised on the percentage of completion method in respect of all building units that have been sold. The stage of completion is determined by reference to the cost incurred to date to the total estimated costs where the outcome of the projects can be reliably estimated.

An expected loss on a contract is recognised immediately in the statements of comprehensive income.

2. **Significant accounting policies (Cont'd)**

(r) **Revenue and other income (Cont'd)**

(iii) **Rental income**

Rental income from investment property is recognised in the statements of comprehensive income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iv) **Interest income**

Interest income is recognised as it accrues using the effective interest method in the statements of comprehensive income.

(s) **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.

All borrowing costs are recognised in the profit or loss using the effective interest method in the period in which they are incurred. Those 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.

(t) **Income tax**

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

Current tax is the expected tax payable on the taxable income 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 apply 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.

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.

(u) **Discontinued operations**

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

2. **Significant accounting policies (Cont'd)**

(v) Earnings per ordinary share

The Group presents basic and diluted 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.

(w) Operating segments

In the previous years, a segment was a distinguishable component of the Group that was engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) which was subject to risks and rewards that were different from those of other segments.

Following the adoption of FRS 8, 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, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Notes to the Financial Statements (Cont'd)

3. **Property, plant and equipment**

Group	Note	Long term leasehold land RM	Buildings RM	Plant, machinery and audio equipment RM	Office equipment RM	Motor vehicles RM	Furniture, fixtures and fittings RM	Total RM
Cost/Valuation								
At 1 April 2009, restated		4,829,759	3,475,657	28,467,853	215,520	1,171,735	2,410,336	40,570,860
Additions		-	-	309,612	-	-	2,782	312,394
Disposals		-	(280,000)	-	-	-	-	(280,000)
Transfer to asset held for sale	15	-	(116,212)	-	-	-	-	(116,212)
At 31 March 2010/1 April 2010, restated		4,829,759	3,079,445	28,777,465	215,520	1,171,735	2,413,118	40,487,042
Acquisition through business combination		-	-	-	113,705	51,000	4,583	169,288
Additions		-	-	102,732	1,789	764,251	17,297	886,069
Disposals		-	-	-	-	(168,500)	-	(168,500)
Written off		-	-	-	(9,775)	-	(3,583)	(13,358)
At 31 March 2011		4,829,759	3,079,445	28,880,197	321,239	1,818,486	2,431,415	41,360,541
Represented:								
At cost		-	-	28,880,197	321,239	1,818,486	2,431,415	33,451,337
At valuation - 2009		4,829,759	3,079,445	-	-	-	-	7,909,204
At 31 March 2011		4,829,759	3,079,445	28,880,197	321,239	1,818,486	2,431,415	41,360,541

3. **Property, plant and equipment (Cont'd)**

Group	Note	Long term leasehold land RM	Buildings RM	Plant, machinery and audio equipment RM	Office equipment RM	Motor vehicles RM	Furniture, fixtures and fittings RM	Total RM
Depreciation								
At 1 April 2009, restated		635,360	-	23,750,644	210,060	788,923	2,131,337	27,516,324
Depreciation for the year		59,626	93,517	1,581,305	780	200,059	72,926	2,008,213
Disposals		-	(3,977)	-	-	-	-	(3,977)
Transfer to asset held for sale	15	-	(1,818)	-	-	-	-	(1,818)
At 31 March 2010/1 April 2010, restated		694,986	87,722	25,331,949	210,840	988,982	2,204,263	29,518,742
Acquisition through business combination		-	-	-	112,098	44,292	4,108	160,498
Depreciation for the year		59,627	81,801	679,183	1,478	323,141	56,118	1,201,348
Disposals		-	-	-	-	(160,083)	-	(160,083)
Written off		-	-	-	(9,775)	-	(3,583)	(13,358)
At 31 March 2011		754,613	169,523	26,011,132	314,641	1,196,332	2,260,906	30,707,147
Carrying amounts								
At 1 April 2009, restated		4,194,399	3,475,657	4,717,209	5,460	382,812	278,999	13,054,536
At 31 March 2010/1 April 2010, restated		4,134,773	2,991,723	3,445,516	4,680	182,753	208,855	10,968,300
At 31 March 2011		4,075,146	2,909,922	2,869,065	6,598	622,154	170,509	10,653,394

3. Property, plant and equipment (Cont'd)

Security

The buildings of subsidiaries with carrying amount of RM2,543,640 (2010: RM2,591,053) have been pledged to a licensed bank as security for term loan facilities granted to a subsidiary (Note 17).

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 amount of RM1,050,917 (2010: RM1,286,917).

Property, plant and equipment under revaluation model

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

Had the buildings been carried under the historical cost model, their carrying amounts would have been RM1,449,882 (2010: RM1,488,482).

The cost of fully depreciated assets which are still in use by the Group is RM22,659,000 (2010: RM12,102,000).

Titles

The strata titles of buildings with carrying amount of RM357,541 (2010: RM400,670), have not been issued to the subsidiaries as the master title has not been sub-divided.

Leasehold land

The leasehold land has an unexpired lease period of more than 50 years.

4. Goodwill

Group	RM
Cost	
At 1 April 2009/31 March 2010/1 April 2010/31 March 2011	737,860
Impairment loss	
At 1 April 2009/31 March 2010/1 April 2010/31 March 2011	726,032
Carrying amounts	
At 1 April 2009/31 March 2010/1 April 2010/31 March 2011	11,828

5. Investment properties

Group	Note	Freehold land RM	Buildings RM	Total RM
Cost				
At 1 April 2009		6,991,845	12,914,038	19,905,883
Additions		48,277	-	48,277
At 31 March 2010/1 April 2010		7,040,122	12,914,038	19,954,160
Transfer to asset held for sale	15	(5,000,000)	(12,914,038)	(17,914,038)
At 31 March 2011		2,040,122	-	2,040,122
Depreciation				
At 1 April 2009		-	931,774	931,778
Depreciation for the year		-	286,734	286,734
At 31 March 2010/1 April 2010		-	1,218,508	1,218,508
Depreciation for the year		-	215,048	215,048
Transfer to asset held for sale	15	-	(1,433,556)	(1,433,556)
At 31 March 2011		-	-	-
Carrying amounts				
At 1 April 2009		6,991,845	11,982,264	18,974,109
At 31 March 2010/1 April 2010		7,040,122	11,695,530	18,735,652
At 31 March 2011		2,040,122	-	2,040,122
Fair values				
At 1 April 2009		7,592,000	13,400,000	20,992,000
At 31 March 2010/1 April 2010		7,592,000	13,400,000	20,992,000
At 31 March 2011		2,040,122	-	2,040,122

The Directors estimated the fair values of investment properties based on available valuation reports dated 8 October 2007 and 31 March 2009 performed by an independent professional qualified valuer using the open market value method, and an assessment of the prevailing property market. In the opinion of the Directors, the fair values of the investment properties did not fluctuate significantly during the current year.

The following are recognised in profit or loss in respect of investment properties:

	Group 2011 RM	Group 2010 RM
Rental income	180,000	720,000
Direct operating expenses:		
- income generating investment properties	853,997	969,000

5. Investment properties (Cont'd)

Security

The freehold land and building of a subsidiary with carrying value of RM16,480,482 (2010: RM16,695,532) have been pledged to a licensed bank as security for term loan facilities granted to a subsidiary (Note 17). During the year, this asset has been presented as asset held for sale (Note 15.2)

6. Investments in subsidiaries

	Company 2011 RM	Company 2010 RM
Unquoted shares, at cost	26,963,047	21,220,870
Less: Impairment losses	(3,775,000)	(3,775,000)
	23,188,047	17,445,870

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest 2011 %	Effective ownership interest 2010 %
Banda Industries Sdn. Bhd.	Malaysia	Property development	100	-
GSB Hotel Sdn. Bhd.	Malaysia	Property development	100	100
GSB Management Sdn. Bhd.	Malaysia	Property development	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 2011 RM	Group 2010 RM
Investment in club membership, at cost	30,030	30,030
Less: Impairment losses	(14,030)	(14,030)
	16,000	16,000

8. Long term advances due from a subsidiary

	Company 2011 RM	Company 2010 RM
Amount due from a subsidiary	-	1,964,816
Less: Allowance for impairment loss	-	(1,391,405)
	-	573,411

The amount due from the subsidiary was non-trade in nature, unsecured and interest free.

9. Land held for development

Group	Freehold land RM	Development costs RM	Total RM
Cost			
At 1 April 2009	2,106,441	1,006,315	3,112,756
Improvements	-	2,500	2,500
At 31 March 2010/1 April 2010	2,106,441	1,008,815	3,115,256
Acquisition through business combination	6,660,499	1,449,213	8,109,712
Improvements	9,097	13,933	23,030
Disposal	(298,977)	-	(298,977)
At 31 March 2011	8,477,060	2,471,961	10,949,021

10. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	2011 RM	2010 RM	2011 RM	2010 RM	2011 RM	2010 RM
Revaluation of property, plant and equipment	-	-	2,218,882	1,204,559	2,218,882	1,204,559
Property, plant and equipment	(12,649)	-	1,137,359	1,382,072	1,124,710	1,382,072
Deductible temporary differences	(97,240)	(92,000)	-	-	(97,240)	(92,000)
Unutilised tax losses	(317,651)	(585,000)	-	-	(317,651)	(585,000)
Deferred tax (assets)/ liabilities	(427,540)	(677,000)	3,356,241	2,586,631	2,928,701	1,909,631

10. Deferred tax assets and liabilities (Cont'd)

Unrecognised deferred tax assets

Deferred tax assets/(liabilities) have not been recognised for the following items:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Taxable temporary differences	(99,000)	(121,000)	-	-
Unabsorbed capital allowances	7,274,000	7,263,000	-	-
Unutilised tax losses	561,000	511,000	225,776	295,103
	7,736,000	7,653,000	225,776	295,103
At 25%	1,934,000	1,913,250	56,444	73,776

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.

Movement in temporary differences during the year

Group	At 1.4.2009 RM	Recognised in profit or loss (Note 22) RM	Recognised in equity RM	At 31.3.2010 RM	Recognised in profit or loss (Note 22) RM	Acquisition of subsidiary (Note 30) RM	At 31.3.2011 RM
Revaluation of property, plant and equipment	1,227,006	(18,247)	(4,200)	1,204,559	(215,801)	1,230,124	2,218,882
Property, plant and equipment	969,300	412,772	-	1,382,072	(257,362)	-	1,124,710
Deductible temporary differences	(21,228)	(70,772)	-	(92,000)	(5,240)	-	(97,240)
Unutilised tax losses	-	(585,000)	-	(585,000)	267,349	-	(317,651)
	2,175,078	(261,247)	(4,200)	1,909,631	(211,054)	1,230,124	2,928,701

Re-investment allowance

A subsidiary qualifies for re-investment allowance of 60% on qualifying expenditure incurred, to be set off against 70% of statutory income for each year of assessment. Any unutilised re-investment allowance can be carried forward to subsequent years until fully utilised. The amount of income exempted from tax is credited to a tax-exempt account from which tax-exempt dividends can be declared.

Subject to agreement by the Inland Revenue Board, the Group has unutilised reinvestment allowances not accounted for, amounting to RM8,540,000 (2010: RM8,540,000) to be set off against future taxable profits.

11. Inventories

	Group	
	2011	2010
	RM	RM
At cost:		
Raw materials and consumables	778,388	781,380
Work-in-progress	60,631	135,974
Finished goods	3,055,733	38,831
	3,894,752	956,185

Inventories recognised as cost of sales amounted to RM4,741,000 (2010: RM4,427,800).

12. Trade and other receivables

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Trade					
Trade receivables	12.1	8,350,336	6,295,999	-	-
Less: Allowance for impairment losses		(1,100,429)	(1,100,429)	-	-
		7,249,907	5,195,570	-	-
Progress billings receivable		264,734	2,299,138	-	-
		7,514,641	7,494,708	-	-
Non-trade					
Other receivables		426,192	432,482	-	152,000
Deposits	12.2	3,406,164	641,400	-	500,000
Amounts due from subsidiaries	12.3	-	-	8,311,933	11,239,313
Less: Allowance for impairment losses		-	-	-	(330,595)
		-	-	8,311,933	10,908,718
Prepayments		107,980	216,072	-	-
		3,940,336	1,289,954	8,311,933	11,560,718
		11,454,977	8,784,662	8,311,933	11,560,718

12.1 Analysis of foreign currency exposure for significant receivables

Significant receivables outstanding at year end that are not in the functional currencies of the Group entities are as follows:

		Group	
		2011	2010
		RM	RM
Functional currency	**Foreign currency**		
RM	USD	254,631	66,087
RM	SGD	39,795	208,873

12. Trade and other receivables (Cont'd)

12.2 Deposits

Included in the deposits of the Group is RM3,000,000 (2010: Nil) being deposit paid to a joint venture partner to develop a residential development.

12.3 Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

13. Property development costs

	Group	
	2011	**2010**
	RM	**RM**
At 1 April		
Land	10,588,899	10,354,882
Development costs	13,112,051	11,284,198
Accumulated costs charged to profit or loss	(19,302,743)	(15,127,090)
	4,398,207	6,511,990
Add: Cost incurred during the year		
Development costs incurred during the year	11,432,779	2,061,870
Acquired through business combination	14,904,130	-
	30,735,116	8,573,860
Costs charged to profit or loss	(17,993,639)	(4,175,653)
	12,741,477	4,398,207
At 31 March		
Land	12,336,428	10,588,899
Development costs	45,990,690	13,112,051
Accumulated costs charged to profit or loss	(45,585,641)	(19,302,743)
	12,741,477	4,398,207

Landowner's entitlement

In 2009, a subsidiary entered into a joint venture agreement with a related party (Note 26) to develop a parcel of leasehold land. The subsidiary paid a sum of RM5.2 million, being the landowner's entitlement, to develop the said parcel of leasehold land. The leasehold land was charged to a licensed bank to secure a term loan granted to the subsidiary.

Borrowing costs

Included in additions to development costs of the Company during the year are borrowing costs amounting to RM2,809 (2010: RM34,858) capitalised at an interest rate of 8.25% (2010 : 7.30%) per annum.

14. Cash and cash equivalents

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Cash and bank balances	2,796,444	2,023,079	3,939	52,988
Deposits placed with licensed banks	1,376,623	3,542,935	-	-
	4,173,067	5,566,014	3,939	52,988

Deposits placed with licensed banks pledged for bank facilities

Deposits placed with licensed banks amounting to RM1,075,670 (2010: RM2,687,757) of the Group have been pledged for bank facilities granted to certain subsidiaries (Note 17).

15. Assets held for sale

		Group	
	Note	2011	2010
		RM	RM
Assets held for sale			
Property	15.1	114,394	114,394
Investment property	15.2	16,480,482	-
		16,594,876	114,394

15.1 Property

Property held for sale comprise the following:

		Group	
	Note	2011	2010
		RM	RM
Property:			
Cost	3	116,212	116,212
Accumulated depreciation	3	(1,818)	(1,818)
		114,394	114,394

A property held under GSB Summit CD (M) Sdn. Bhd., a wholly-owned subsidiary, is presented as an asset held for sale following the commitment of the subsidiary to sell a building to a third party. A sale and purchase agreement ("SPA") was signed on 4 November 2009 and the sale was completed in April 2011.

15.2 Investment property

		Group	
	Note	2011	2010
		RM	RM
Investment Property:			
Cost	5	17,914,038	-
Accumulated depreciation	5	(1,433,556)	-
		16,480,482	-

At 31 March 2011, a property held under Serta Usaha Sdn. Bhd., a wholly-owned subsidiary, is presented as an asset held for sale following the commitment of the subsidiary to sell a building to a third party. A sale and purchase agreement ("SPA") was signed on 21 January 2011 and the completion of the sale is pending the fulfillment of condition precedents to the SPA.

16. Share capital and reserves

Share capital

	Group and Company		
	Number of shares	Par value RM	Amount RM
Ordinary shares			
Authorised:			
Balance at 1 April 2009/31 March 2010/31 March 2011	500,000,000	0.10	50,000,000
Issued and fully paid:			
Balance at 1 April 2009/31 March 2010/31 March 2011	400,000,000	0.10	40,000,000

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.

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.

17. Loans and borrowings

This note provides information about the contractual terms of the Group's and the Company's interest-bearing borrowings. For more information about the Group's and the Company's exposure to interest rate risk, see Note 27.

	Group	
	2011 RM	2010 RM
Non-current		
Finance lease liabilities	436,523	218,938
Secured term loans	4,822,193	7,724,694
	5,258,716	7,943,632
Current		
Finance lease liabilities	313,503	398,423
Secured bankers' acceptances	-	689,387
Secured bank overdrafts	6,266,927	287,589
Secured term loans	1,752,875	1,752,875
	8,333,305	3,128,274
	13,592,021	11,071,906

17. Loans and borrowings (Cont'd)

Security

The term loans, bankers' acceptances and bank overdrafts are charged against the freehold land and building (Note 5), leasehold land (Note 3 and Note 13), buildings (Note 3) and deposits placed with licensed banks (Note 14) 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 2011 RM	Interest 2011 RM	Present value of minimum lease payments 2011 RM	Future minimum lease payments 2010 RM	Interest 2010 RM	Present value of minimum lease payments 2010 RM
Less than one year	341,868	(28,365)	313,503	431,102	(32,679)	398,423
Between one and five years	490,076	(53,553)	436,523	227,453	(8,515)	218,938
	831,944	(81,918)	750,026	658,555	(41,194)	617,361

18. Trade and other payables

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Trade					
Trade payables	18.1	9,983,536	1,858,938	-	-
Non-trade					
Amounts due to subsidiaries	18.2	-	-	1,595,114	826,415
Other payables and accruals	18.3	8,234,463	1,764,271	79,170	185,232
		8,234,463	1,764,271	1,674,284	1,011,647
		18,217,999	3,623,209	1,674,284	1,011,647

18.1 Analysis of foreign currency exposure for significant payables

Significant payables that are not in the functional currency of the Group entities are as follows:

Functional currency	Foreign currency	Group 2011 RM	Group 2010 RM
RM	SGD	71,962	110,289

Included in trade payables at 31 March 2011 is an amount of RM6,941,153 (2010: Nil) owing to a company controlled by certain Directors, for development works carried out.

18. Trade and other payables (Cont'd)

18.2 Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

18.3 Other payables and accruals

Included in other payables and accruals of the Group at 31 March 2011 is an amount of RM6,000,000 (2010: Nil) due to a company controlled by certain Directors of the Company, Pembinaan Sima Sdn. Bhd.

19. Revenue

Group	Continuing operations 2011 RM	Continuing operations 2010 RM	Discontinued operations (see Note 23) 2011 RM	Discontinued operations (see Note 23) 2010 RM	Consolidated 2011 RM	Consolidated 2010 RM
Sale of goods	12,173,598	12,435,672	-	11,267	12,173,598	12,446,939
Sale of properties	18,875,639	4,890,330	-	-	18,875,639	4,890,330
Rental income from investment properties	180,000	720,000	-	-	180,000	720,000
	31,229,237	18,046,002	-	11,267	31,229,237	18,057,269

20. Profit/(Loss) before tax

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Profit/(Loss) before tax is arrived at after charging:				
Allowance for impairment losses from receivables	-	63,146	-	-
Auditors' remuneration	110,000	80,000	22,000	20,000
Depreciation of property, plant and equipment	1,201,348	2,008,213	-	-
Depreciation of investment properties	215,048	286,734	-	-
Directors' remuneration	311,760	282,300	24,000	27,000
Interest expense paid and payable on:				
- Finance lease liabilities	37,276	51,466	-	-
- Bankers' acceptances	28,508	45,031	-	-
- Bank overdraft	605,560	45,412	-	-
- Term loans	573,413	613,036	-	-
- Other borrowings	1,400	1,810	-	-
Loss on disposal of property, plant and equipment	-	66,023	-	-
Loss on foreign exchange:				
- Realised	26,070	9,825	-	-
- Unrealised	-	26,459	-	-
Personnel expenses (including key management personnel):				
- Contributions to state plans	344,233	319,507	-	-
- Wages, salaries and others	3,317,793	3,030,174	-	-

20. Profit/(Loss) before tax (Cont'd)

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
and after crediting:				
Reversal of impairment loss from receivables	-	5,979	1,400,004	-
Interest income	76,907	74,034	-	-
Rental income from investment properties	196,200	720,000	-	-
Gain on disposal of property, plant and equipment	195,083	-	-	-
Negative goodwill	853,132	-	-	-

21. Key management personnel compensation

The key management personnel compensations are as follows:

	Group	
	2011	2010
	RM	RM
Directors		
- Fees	84,000	87,000
- Remuneration	219,960	187,500
Other short term employee benefits (including estimated monetary value of benefits-in-kind)	7,800	7,800
	311,760	282,300

22. Income tax expense

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Income tax expense on continuing operations	541,182	169,599	-	-
Income tax expense on discontinued operations	(10,286)	(10,286)	-	-
Total income tax expense	530,896	159,313	-	-

22. Income tax expense (Cont'd)

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Current tax expense				
- current year	688,778	428,219	-	-
- prior year	53,172	(7,659)	-	-
Total current tax expense	741,950	420,560	-	-
Deferred tax expense				
- effect of change in tax rate	(2,530)	-	-	-
- origination and reversal of temporary differences	(159,069)	(261,247)	-	-
- under provision in priors years	(49,455)	-	-	-
Total deferred tax expense	(211,054)	(261,247)	-	-
Total income tax expense	530,896	159,313	-	-
Reconciliation of tax expense				
Profit/(Loss) before tax				
- continuing operations	2,282,183	(598,241)	1,208,295	(210,548)
- discontinued operations	(122,473)	(121,785)	-	-
	2,159,710	(720,026)	1,208,295	(210,548)
Income tax calculated using Malaysian tax rate at 25%	539,928	(180,007)	302,074	(52,637)
Effect of changes in tax rate	(2,530)	-	-	-
Non-deductible expenses	56,039	1,100,823	38,425	52,637
Non-taxable income	(36,136)	-	(340,499)	
Effect of deferred tax assets not recognised	21,000	-	-	-
Recognition of previously unrecognised deferred tax assets	-	(710,000)	-	-
Utilisation of reinvestment allowance	(51,122)	(43,844)	-	-
Under/(Over) provision in prior year	3,717	(7,659)	-	-
	530,896	159,313	-	-

23. Discontinued operations

In December 2009, the Group discontinued the operation of its duplication of audio cassette segment. Consequently, the results of the audio cassette segment have been classified as a discontinued operation and shown separately from continuing operations in the statements of comprehensive income. The comparative results of the audio cassette segment have been classified as a discontinued operation and shown separately from continuing operations in the statements of comprehensive income.

In November 2008, the Group discontinued the operation of its plastic fabricated parts segment. Consequently, the results of the plastic fabricated parts segment have been classified as a discontinued operation and shown separately from continuing operations in the statements of comprehensive income. The comparative results of the plastic fabricated parts segment have been classified as a discontinued operation and shown separately from continuing operations in the statements of comprehensive income.

23. Discontinued operations (Cont'd)

The loss attributable to the discontinued operations are as follows:

Results of discontinued operations	Group	
	2011	2010
	RM	RM
Revenue	-	11,267
Expenses	(124,439)	(133,052)
Results from operating activities	(124,439)	(121,785)
Other income	1,966	-
Loss before tax	(122,473)	(121,785)
Income tax expense	10,286	10,286
Results from operating activities, net of tax	(112,187)	(111,499)
Included in results from operating activities are:		
Depreciation of property, plant and equipment	27,462	27,462
Depreciation of investment properties	46,944	46,944

There is no impairment on the property, plant and equipment and investment properties as these comprise land and buildings, which have market values above their net book values.

	Group	
	2011	2010
	RM	RM
Cash flows from discontinued operations		
Net cash used in operating activities	(30,968)	(26,427)
Net cash used in investing activities	-	(48,277)
Net cash used in discontinued operations	(30,968)	(74,704)

24. Earnings/(Loss) per ordinary share

Basic earnings/(loss) per ordinary share

The calculation of basic earnings/(loss) per share for the year ended 31 March 2011 was based on the profit/(loss) for the year attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

Group	Continuing operations	Discontinued operation	Total
2011	RM	RM	RM
Profit/(loss) for the year attributable to ordinary shareholders	1,741,001	(112,187)	1,628,814
2010			
Loss for the year attributable to ordinary shareholders	(767,840)	(111,499)	(879,339)

Weighted average number of ordinary shares

	Group	
	2011	2010
Weighted average number of ordinary shares at 31 March	400,000,000	400,000,000

24. Earnings/(Loss) per ordinary share (Cont'd)

Basic earnings/(loss) per ordinary share (Cont'd)

	Group	
	2011	**2010**
	Sen	**Sen**
From continuing operations	0.44	(0.19)
From discontinued operations	(0.03)	(0.03)
	0.41	(0.22)

Diluted earnings per ordinary share

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

25. Operating segments

The Group has three 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 marketing strategies and industry expertise. For each of the strategic business units, the Group's Managing Director reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Manufacturing	Replication of optical discs
Manufacturing	Duplication of audio cassette (see Note 23)
Property development and property rental	Development of residential and commercial properties.

Other operation of the Group comprise investment holding company.

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

Performance is measured based on segment profit before tax and cash flows as included in the internal management reports that are reviewed by the Group's Managing Director, who is the Group's 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 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.

25. Operating segments (Cont'd)

Segment liabilities (Cont'd)

	Replication of compact discs 2011 RM	Duplication of audio cassette (discontinued) 2011 RM	Property development 2011 RM	Total 2011 RM
Segment profit/(loss)	235,238	(122,473)	1,385,522	1,498,287
Included in the measure of segment profit are:				
Revenue from external customers	12,173,598	-	19,055,639	31,229,237
Not included in the measure of segment profit but provided to Managing Director:				
Depreciation and amortisation	(879,567)	(74,406)	(462,423)	(1,416,396)
Finance costs	(162,941)	-	(1,083,216)	(1,246,157)
Finance income	-	-	76,907	76,907
Segment assets	13,445,605	5,650,265	53,976,487	73,072,357
Included in the measure of segment assets are:				
Additions to non-current assets other than financial instruments and deferred tax assets	116,737	-	769,332	886,069

	Replication of compact discs 2010 RM	Duplication of audio cassette (discontinued) 2010 RM	Property development 2010 RM	Total 2010 RM
Segment profit/(loss)	1,538	(121,785)	(389,231)	(509,478)
Included in the measure of segment profit are:				
Revenue from external customers	12,435,672	11,267	5,610,330	18,057,269
Not included in the measure of segment profit but provided to Managing Director:				
Depreciation and amortisation	(1,838,634)	(74,406)	(381,907)	(2,294,947)
Finance costs	(141,909)	-	(614,846)	(756,755)
Finance income	-	-	74,034	74,034
Segment assets	15,265,537	5,756,119	31,864,670	52,886,326
Included in the measure of segment assets are:				
Additions to non-current assets other than financial instruments and deferred tax assets	312,190	48,277	204	360,671

25. Operating segments (Cont'd)

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

	2011 RM	2010 RM
Profit or loss		
Total profit or loss for reportable segments	1,498,287	(509,478)
Other non-reportable segments	661,423	(210,548)
Loss on discontinued operation	122,473	121,785
Consolidated profit/(loss) before tax	2,282,183	(598,241)

2011	External revenue RM	Depreciation and amortisation RM	Finance costs RM	Finance income RM	Segment assets RM	Additions to non-current assets RM
Total reportable segments	31,229,237	(1,416,396)	(1,246,157)	76,907	73,072,357	886,069
Other non-reportable segments	-	-	-	-	36,175	-
Consolidated total	31,229,237	(1,416,396)	(1,246,157)	76,907	73,108,532	886,069
2010						
Total reportable segments	18,057,269	(2,294,947)	(756,755)	74,034	52,886,326	360,671
Other non-reportable segments	-	-	-	-	725,742	-
Discontinued operation	(11,267)	-	-	-	-	-
Consolidated total	18,046,002	(2,294,947)	(756,755)	74,034	53,612,068	360,671

26. 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.

Key management personnel are 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.

26. Related parties (Cont'd)

Identity of related parties (Cont'd)

The significant related party transactions of the Group, other than key management personnel compensation, are as follows:

Group

Significant transactions with companies controlled by certain Directors of the Company

	2011 RM	2010 RM
Transaction value for the financial year ended 31 March		
Sun Acres Development Sdn. Bhd.		
Construction contracts	-	88,187
Pembinaan Sima Sdn. Bhd.		
Management fees paid	-	60,000
Construction contracts	8,423,067	-
Net balance outstanding as at 31 March		
Due to Sun Acres Development Sdn. Bhd.		
Construction contracts	(147,750)	(144,036)
Due to Pembinaan Sima Sdn. Bhd.		
Management fees	-	(60,000)
Construction contracts	(6,941,153)	-
Advances	(6,000,000)	-

Significant transactions with parties related to certain Directors of the Company

	2011 RM	2010 RM
Purchase of motor vehicles	(64,400)	-

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

There are no impairment on receivables being made in respect of the balances due from subsidiaries and companies in which certain Directors have interest.

The outstanding net amounts due from/(to) subsidiaries as at 31 March are disclosed in Note 12 and Note 18 respectively.

27. Financial instruments

Certain comparative figures have not been presented for 31 March 2010 by virtue of the exemption given in paragraph 44AA of FRS 7.

27.1 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).

2011	Carrying amount RM	L&R RM	OL RM
Financial assets			
Group			
Trade and other receivables	11,454,977	11,454,977	-
Cash and cash equivalents	4,173,067	4,173,067	-
	15,628,044	15,628,044	-
Company			
Trade and other receivables	8,311,933	8,311,933	-
Cash and cash equivalents	3,939	3,939	-
	8,315,872	8,315,872	-
Financial liabilities			
Group			
Loans and borrowings	13,592,021	-	13,592,021
Trade and other payables	18,217,999	-	18,217,999
	31,810,020	-	31,810,020
Company			
Other payables	1,674,284	-	1,674,284

27.2 Net gains and losses arising from financial instruments

	Group 2011 RM	Company 2011 RM
Net gains/(losses) arising on:		
Loans and receivables	50,837	1,400,004
Financial liabilities measured at amortised cost	(1,246,157)	-
	(1,195,320)	1,400,004

27.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

27. Financial instruments (Cont'd)

27.4 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 loans and 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. Management typically obtains financial guarantees of banks, shareholders or directors of customers, and performs credit evaluations 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 amounts in the statements 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 and 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.

The exposure of credit risk for receivables as at the end of the reporting period by geographic region was:

	Group 2011 RM
Domestic	7,514,641

Impairment losses

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

Group	Gross	Individual impairment	Collective impairment	Net
In RM				
2011				
Not past due	2,539,070	-	-	2,539,070
Past due 1-30 days	1,218,184	-	-	1,218,184
Past due 31-60 days	824,480	-	-	824,480
Past due 61-90 days	762,561	-	-	762,561
Past due more than 90 days	3,270,775	(1,100,429)	-	2,170,346
	8,615,070	(1,100,429)	-	7,514,641

27. Financial instruments (Cont'd)

27.4 Credit risk (Cont'd)

There were no movements in the allowance for impairment losses of receivables during the financial year.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides financial guarantees to banks in respect of banking 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 RM8,427,751 (2010: RM10,454,545), representing the outstanding banking 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 loans and 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 loans and advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to the subsidiaries. Nevertheless, these advances have been overdue for less than a year. Non-current loans to subsidiaries are not overdue.

27.5 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.

27. Financial instruments (Cont'd)

27.5 Liquidity risk

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/ coupon	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2011							
Non-derivative financial liabilities							
Finance lease liabilities	750,026	3.00% - 5.02%	831,944	341,868	341,868	148,208	-
Secured term loans	6,575,068	8.35%	6,928,820	1,752,875	1,622,281	3,553,664	-
Secured bank overdrafts	6,266,927	6.65% - 8.85%	6,266,927	6,266,927	-	-	-
Trade and other payables	18,217,999		18,217,999	18,217,999	-	-	-
	31,810,020		32,245,690	26,579,669	1,964,149	3,701,872	-

27.6 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.

27.6.1 Currency risk

The Group is exposed to foreign currency risk on sales and purchases 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***	***SGD***
2011	**RM**	**RM**
Trade receivables	254,631	39,795
Trade payables	-	(71,962)
Net exposure	254,631	(32,167)

Foreign currency risk arises from the aforementioned exposures is not material, hence, sensitivity analysis is not presented.

27. Financial instruments (Cont'd)

27.6 Market risk (Cont'd)

27.6.2 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.

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 profiles of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group	
	2011	**2010**
	RM	**RM**
Fixed rate instruments		
Financial assets	1,376,623	3,542,935
Financial liabilities	(750,026)	(617,361)
Floating rate instruments		
Financial liabilities	(12,841,995)	(10,454,545)

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, and the Group does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates in subsequent reporting period would not affect profit or loss.

Interest rate risk sensitivity analysis

(a) 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) equity and post-tax profit or loss by the amounts shown below.

	Profit/(Loss)	
	100 bp increase	**100 bp decrease**
Group	**RM**	**RM**
2011		
Floating rate instruments	(128,420)	128,420

27. Financial instruments (Cont'd)

27.7 Fair value of financial instruments

Fair value of recognised financial instruments

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

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

	2011		2010	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Floating rate instruments				
Finance lease liabilities	750,026	712,953	617,361	580,000
Secured term loans	6,575,068	6,575,068	9,477,569	9,477,569
	(Note 17)		(Note 17)	

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

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. The market rate of interest of finance lease and secured term loans are determined by reference to similar arrangements.

Interest rates used to determine fair value

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

	2011	2010
Secured term loan	8.35%	7.30% - 7.55%
Finance leases	3.00% - 5.02%	4.42%

28. 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	
	2011 RM	2010 RM
Corporate guarantees issued to licensed banks for credit facilities granted to subsidiaries	8,427,751	10,454,545

29. 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 2011 and at 31 March 2010 were as follows:

	Group	
	2011	**2010**
	RM	**RM**
Total borrowings (Note 17)	13,592,021	11,071,906
Less: Cash and cash equivalents (Note 14)	4,173,067	5,566,014
Net debt	9,418,954	5,505,892
Total equity	37,846,876	36,218,062
Debt-to-equity ratios	0.25	0.15

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 (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

30. Acquisition of subsidiary

Business combination

On 26 April 2010, the Company entered into a Share Sale Agreement to acquire the entire equity interest in Banda Industries Sdn. Bhd. from a company controlled by certain Directors of the Company, Pembinaan Sima Sdn. Bhd., for a cash consideration of RM5,000,000.

Banda Industries Sdn. Bhd. is principally engaged in property development.

During the period from the acquisition date to 31 March 2011, Banda Industries Sdn. Bhd. contributed a profit of RM1,071,000 to the Group.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:-

	Pre-acquisition carrying amounts RM	**Fair value adjustments RM**	**Recognised values on acquisition RM**
Property, plant and equipment	8,790	-	8,790
Land held for development	5,520,138	2,237,462	7,757,600
Joint venture development expenditure	352,112	-	352,112
Trade and other receivables and prepayments	4,122,732	-	4,122,732
Inventories	484,731	-	484,731
Property development costs	12,221,097	2,683,033	14,904,130
Cash and cash equivalents	1,370,181	-	1,370,181
Trade and other payables	(11,887,673)	-	(11,887,673)
Bank overdrafts	(9,726,203)	-	(9,726,203)
Deferred tax liabilities	-	(1,230,124)	(1,230,124)
Taxation	(72,077)	-	(72,077)
Net identifiable assets and liabilities	2,393,828	3,690,371	6,084,199
Negative goodwill			(853,132)
Consideration paid satisfied in cash			5,231,067
Net of cash and cash equivalent			8,356,022
Net cash outflow			13,587,089

31. Significant changes in accounting policies

31.1 FRS 139, *Financial Instruments: Recognition and Measurement*

The adoption of FRS 139 has resulted in several changes to accounting policies relating to recognition and measurement of financial instruments. Significant changes in accounting policies are as follows:

Derivatives

Prior to the adoption of FRS 139, derivative contracts were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative contracts are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in profit or loss.

Inter-company loans and advances

Prior to the adoption of FRS 139, inter-company loans and advances were recorded at cost. With the adoption of FRS 139, inter-company loans and advances are now recognised initially at their fair values, which are estimated by discounting the expected cash flows using the market interest rate of a loan or an advance with similar risk and tenure. Interest income and costs are recognised in profit or loss using the effective interest method.

Impairment of trade and other receivables

Prior to the adoption of FRS 139, an allowance for doubtful debts was made when a receivable is considered irrecoverable by the management. With the adoption of FRS 139, an impairment loss is recognised for trade and other receivables 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.

These changes in accounting policies have been made in accordance with the transitional provisions of FRS 139. In accordance to the transitional provisions of FRS 139 for first-time adoption, adjustments arising from remeasuring the financial instruments at the beginning of the financial year were recognised as adjustments of the opening balance of retained earnings or another appropriate reserve. Comparatives are not adjusted.

Consequently, the adoption of FRS 139 does not affect the basic and diluted earnings per ordinary share for prior periods.

31.2 FRS 8, *Operating Segments*

Beginning 1 April 2010, the Group determines and presents operating segments based on the information that internally is provided to the Managing Director, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of FRS 8. Previously operating segments were determined and presented in accordance with FRS 114_{2004}, Segment Reporting.

Comparative segment information has been re-presented. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

31.3 FRS 101, *Presentation of Financial Statements* (revised)

The Group applies FRS 101 (revised) which became effective as of 1 January 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per share.

31.4 FRS 117, *Leases*

The Group has adopted the amendment to FRS 117. The Group has reassessed and determined that all leasehold land of the Group are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment (Note 32).

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

32. Comparative figures

32.1 FRS 101, *Presentation of Financial Statements* (revised)

Arising from the adoption of FRS 101 (revised), income statements for the year ended 31 March 2010 have been re-presented as statements of comprehensive income. All non-owner changes in equity that were presented in the statements of changes in equity are now included in the statements of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statements of changes in equity.

32.2 FRS 117, *Leases*

Following the adoption of the amendment to FRS 117, certain comparatives have been re-presented as follows:

	Group			
	31.3.2010		1.4.2009	
	As restated RM	As previously stated RM	As restated RM	As previously stated RM
Cost				
Property, plant and equipment	10,968,300	6,833,527	13,054,536	8,860,137
Prepaid lease payments	-	4,134,773	-	4,194,399

33. Supplementary information on the breakdown of realised and unrealised profits or losses

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the accumulated losses of the Group and of the Company as at 31 March 2011, into realised and unrealised profits, pursuant to the directive, is as follows:

	2011	
	Group RM	Company RM
Total accumulated losses of the Company and its subsidiaries:		
- realised	3,699,250	11,106,900
- unrealised	1,896,131	-
	5,595,381	11,106,900
Less: Consolidation adjustments	(1,190,246)	-
Total accumulated losses	4,405,135	11,106,900

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.

Statement by Directors Pursuant
to Section 169(15)of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 5 to 74 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 of 31 March 2011 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 33 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:

……………………………………………………………..
Jeffrey Ong Peng Lock

……………………………………………………………..
Gan Boon Kat

Kuala Lumpur,

Date: 27 July 2011

Statutory Declaration Pursuant
to Section 169(16) of the Companies Act, 1965

I, Jeffrey Ong Peng Lock, 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 5 to 74 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 Kuala Lumpur in the Federal Territory on 27 July 2011.

....

Jeffrey Ong Peng Lock

Before me:

PESURUHJAYA SUMPAH
W 440
CHOONG SIEW KAY
MALAYSIA

Suite 2110, 21st Floor, Plaza Permata,
No. 6, Jalan Kampar,
50400 Kuala Lumpur.

Independent Auditors' Report

to the members of GSB Group Berhad (287036-X)
(Incorporated in Malaysia)

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 2011 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 5 to 74.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are 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 have been properly 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 of 31 March 2011 and of their financial performance and cash flows for the year then ended.

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 33 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements. 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

KPMG
Firm Number: AF 0758
Chartered Accountants

Foong Mun Kong
Approval Number: 2613/12/12(J)
Chartered Accountant

Petaling Jaya, Selangor

Date: 27 July 2011

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 2011 (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 17 years)	95.00	141,865
Plot No. B30 Gateway 2020 Industrial Park, Phase 5 Taman Shamelin Perkasa PT 1604 and PT 1668 Mukim of Kuala Lumpur and Ampang respectively, District of Kuala Lumpur.	Adjoining unit of semi-detached single storey factory with three storey office	31.03.2009	Leasehold 99 years expiring on 11.09.2082 (age is approx 13 years)	1,041.00	1,265,834
Plot No. B30 Gateway 2020 Industrial Park, Phase 5 Taman Shamelin Perkasa PT 1604 and PT 1668 Mukim of Kuala Lumpur and Ampang respectively, District of Kuala Lumpur.	Adjoining unit of semi-detached single storey factory with three storey office	31.03.2009	Leasehold 99 years expiring on 11.09.2082 (age is approx 13 years)	1,041.00	2,046,056
Asset held for sale					
Parcel No. D-107 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 13 years)	79.62	114,394

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 2011 (RM)
GSB Summit Audio (M) Sdn Bhd					
Property, plant and equipment					
Plot No. B29 Gateway 2020 Industrial Park, Phase 5 Taman Shamelin Perkasa PT 1604 and PT 1668 Mukim of Kuala Lumpur and Ampang respectively, District of Kuala Lumpur.	Adjoining unit of semi-detached single storey factory with three storey office	31.03.2009	Leasehold 99 years expiring on 11.09.2082 (age is approx 13 years)	1,041.00	2,029,090
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 13 years)	79.25	106,115
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 17 years)	95.00	141,175
Plot No. B29 Gateway 2020 Industrial Park, Phase 5 Taman Shamelin Perkasa PT 1604 and PT 1668 Mukim of Kuala Lumpur and Ampang respectively, District of Kuala Lumpur.	Adjoining unit of semi-detached single storey factory with three storey office	31.03.2009	Leasehold 99 years expiring on 11.09.2082 (age is approx 13 years)	1,041.00	1,254,936
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	4.04.2008	Freehold	23,181.00	894,482
H.S.(D) 69219,No PT637 Selambau Industrial Estate Pekan Bukit Selambau, Daerah Kuala Muda, Negeri Kedah Darul Aman	Vacant industrial land held	4.04.2008	Freehold	11,121.00	429,122
H.S.(D) 69222,No PT638 Selambau Industrial Estate Pekan Bukit Selambau, Daerah Kuala Muda, Negeri Kedah Darul Aman	Vacant industrial land held	4.04.2008	Freehold	18,569.00	716,518

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 2011 (RM)
Serta Usaha Sdn Bhd					
Asset Held for Sale					
Lot 50, Section 94, Jalan Kapar, Off Jalan Syed Putra Dalam, Kuala Lumpur	Thirteen storey building with a basement mechanical car park	31.07.2005	Freehold (age is approx 11 years)	895.34	16,480,482
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	1,031,747
Banda Industries Sdn Bhd					
Land held for development					
GM 2311, Lot 1668 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	18.07.2000	Freehold	29,618.00	590,054
GM 948, Lot 1609 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	15.05.2006	Freehold	16,610.00	824,590
GM 669, Lot 1547 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	6.08.2008	Freehold	14,940.00	699,123
GM 670, Lot 979 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	6.08.2008	Freehold	11,090.00	518,960
GM 3191, Lot 1610 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	5.06.2006	Freehold	19,475.00	1,188,338
GM 3190, Lot 1543 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	5.06.2006	Freehold	12,646.00	77,641

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 2011 (RM)
Banda Industries					
Land held for development (Cont'd)					
GM 3316, Lot 1544 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	9.09.2005	Freehold	8,600.00	353,762
H.S.(D) 12718 PT No. 15685 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	11.01.2011	Freehold	1,999.15	2,083,665
GM 1441, Lot 3728 Mukim Bentong Daerah Bentong Negeri Pahang	Vacant land	6.07.2007	Freehold	38,445.00	296,302
Total				220,241.25	33,978,251

Statistics of Shareholdings
as at 29 July 2011

Financial Year End	:	31 March 2011
Class of Shares	:	Ordinary Shares of RM0.10 each
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS/DEPOSITORS AS AT 29 JULY 2011

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1 – 99	130	5.036	5,627	0.001
100 – 1,000	336	13.018	154,606	0.039
1,001 – 10,000	451	17.473	3,372,010	0.843
10,001 – 100,000	1,374	53.235	52,005,677	13.001
100,001 – 48,765,747	287	11.119	188,571,570	47.143
48,765,748 and above	3	0.116	155,890,510	38.973
Total	2,581	100.000	400,000,000	100.000

LIST OF THIRTY LARGEST SECURITIES ACCOUNT HOLDERS/DEPOSITORS AS AT 29 JULY 2011

No	Name	No. of Shares Held	% of Issued Capital
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	50,650,000	12.662
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	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MERRY NOEL ROBERT	9,789,300	2.447
7	GUN SEONG THEAN	9,500,030	2.375
8	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GAN BOON KAT	9,119,490	2.279
9	JEFFREY ONG PENG LOCK	4,100,100	1.025
10	WONG KONG MENG	3,840,000	0.960
11	MOHD JAMEL BIN ABDUL MUNIN	3,772,700	0.943
12	TAPAK BUMIMAJU SDN. BHD.	2,840,400	0.710
13	MOHD JAMEL BIN ABDUL MUNIN	2,781,870	0.695
14	FADHIL BIN ABD HAMID	2,730,000	0.682
15	YAP WIN SENG	2,640,000	0.660
16	NG SEE KAM	2,200,000	0.550
17	OSK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN PUAI LING	2,200,000	0.550
18	GOH YUN WAH	2,125,400	0.531
19	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD UOB-KAY HIAN PTE LTD FOR DING CHIN LOOK	1,729,000	0.432
20	LIM HUI SHEN	1,600,000	0.400

LIST OF THIRTY LARGEST SECURITIES ACCOUNT HOLDERS/DEPOSITORS AS AT 29 JULY 2011 (CONT'D)

No	Name	No. of Shares Held	% of Issued Capital
21	HO PENG HUAT	1,500,000	0.375
22	HEE POOI LEE	1,407,000	0.351
23	LEW YICK KOON	1,400,000	0.350
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE POH HOCK (E-SS2/TDI)	1,235,000	0.308
25	LIM HAN KONG	1,214,200	0.303
26	CHOR YUN WANG	1,200,000	0.300
27	TAN GUAT KE	1,200,000	0.300
28	HDM NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR LIM CHEE SIONG (LIN ZHIXIANG)	1,120,000	0.280
29	LIM KIAH HONG	1,100,000	0.275
30	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE TSEX NEE	1,077,900	0.269
		267,713,410	**66.928**

DIRECTORS' SHAREHOLDINGS
(As per the Register of Directors' Shareholdings as at 29 July 2011)

No	Name	Direct No of Shares	%
1	GAN PIK MUI	50,965,000	12.741
2	GAN BOON KAT	9,119,490	2.279
3	JEFFREY ONG PENG LOCK	4,400,100	1.100
4	LIAW BOO LAI @ LEOW BONG LAI	0	0.000
5	LOY KWEE KEOW	0	0.000
	TOTAL	**64,484,590**	**16.121**

SUBSTANTIAL SHAREHOLDERS
(As per the Register of Substantial Shareholders as at 29 July 2011)

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	50,965,000	12.741	0	0.000
3	GAN SENG BIANG	24,760,510	6.190	38,400,510*	7.600
4	LIM YAP HAP	210,000	0.053	38,400,510*	7.600
	TOTAL	**156,415,510**	**39.104**	**76,801,020**	**15.200**

Note: * Deemed interest by virture of shares held in Sun Acres Development and ID D'art Sdn Bhd.

NOTICE IS HEREBY GIVEN THAT the Eighteenth 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 Wednesday, 28 September 2011 at 9.00 a.m. to transact the following items of business:

AGENDA

As Ordinary Business

1. To receive the statutory financial statements for the year ended 31 March 2011 together with the Directors' and Auditors' Reports thereon. ***Resolution 1***

2. To approve the payment of Directors' Fees amounting to RM24,000.00 for the year ended 31 March 2011. ***Resolution 2***

3. To re-elect Mr Loy Kwee Keow who retires in accordance with Article 82 of the Company's Articles of Association. ***Resolution 3***

4. To re-elect Mr Liaw Boo Lai @ Leow Bong Lai who retires in accordance with Article 82 of the Company's Articles of Association. ***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

6. To consider and if thought fit, pass the following ordinary resolutions:

(i) 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."

(ii) Proposed Renewal of Shareholders' Mandate for the Company's subsidiary to enter into Recurrent Related Party Transactions of a revenue or trading nature with the related party ("Proposal") ***Resolution 7***

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby be given to the Company's subsidiary namely Banda Industries Sdn Bhd to enter into, with Pembinaan Sima Sdn Bhd, the Related Party Transactions involving Recurrent Transactions of a revenue or trading nature which are necessary for its day to day operations as set out in Section 2.4 (pages 4 to 5) of the Circular to Shareholders dated 6 September 2011.

AND THAT the aforesaid recurrent transactions of a revenue or trading nature are subject to the following:-

(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public and not to the detriment of minority shareholders.

(b) disclosure of the aggregate value of recurrent transactions conducted pursuant to the Proposed Shareholders' Mandate will be disclosed in the Annual Report for the said financial year AND that such approval shall continue to be in force until :-

   (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at the meeting the authority is renewed;

   (ii) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

   (iii) revoked or varied by resolution passed by the shareholders in an AGM or an Extraordinary General Meeting.

   whichever is earlier.

(c) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

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
6 September 2011

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 and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

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. 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.

4. 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).

5. EXPLANATORY NOTE ON THE SPECIAL BUSINESS

i) 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.

ii) The proposed Resolution 7, if approved, will empower the Directors from the date of the Eighteenth Annual General Meeting, to deal with the related party transactions involving recurrent transactions of revenue or trading nature which is necessary for its day-to-day operations. These Recurrent Related Party Transactions are in the ordinary business and are on terms not more favourable to the related party than those generally available to the public. This authority, unless revoke or varies at a general meeting, will expire at the next Annual General Meeting.

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GSB GROUP BERHAD
287036-X

CDS account no. of authorised nominee

PROXY FORM

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

IC No./ID No./Company No. ____________________ (new) ____________________ (old)

of ______________________________ (full address)

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

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

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

IC 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 Eighteenth Annual General Meeting of the Company to be held at No 9, Jalan 3/91A, Taman Shamelin Perkasa, Cheras 56100 Kuala Lumpur on Wednesday, the 28th day of September 2011 at 9.00 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 RM24,000.00		
Resolution 3	Re-election of Mr Loy Kwee Keow as Director		
Resolution 4	Re-election 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		
Resolution 7	Proposed Renewal of Shareholders' Mandate for the Company's subsidiary to enter into Recurrent Related Party Transaction of a revenue or trading nature with the related party		

(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 instead. A proxy may but need not be a member of the Company and the provisions of Section 149(1) (b) of the Companies Act, 1965 shall not apply to the Company.*
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. *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.*
4. *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).*

** Strike out whichever is not valid*

Fold this flap for sealing

Then fold here

Affix
Stamp
Here

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

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GSB GROUP BERHAD
287036-X

REGISTERED OFFICE

Level 8, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
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