

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
And Its Subsidiaries

REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2023  
(In Ringgit Malaysia)

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

<b>Contents</b>	<b>Pages</b>
Corporate information	1
Directors' report	2 - 6
Statement by Directors	7
Statutory declaration	7
Independent auditors' report	8 - 12
Statements of profit or loss and other comprehensive income	13
Statements of financial position	14 - 15
Statements of changes in equity	16 - 17
Statements of cash flows	18 - 20
Notes to the financial statements	21 - 83

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
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**AND ITS SUBSIDIARIES**

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Dato' Haji Ghazali B. Mat Ariff (Chairman)  
Peter Ling Ee Kong (Managing Director)  
Andrew Ling Yew Chung (Executive Director)  
Mah Siew Seng  
Law Mong Yong  
Pang Chong Yong  
Lim Tiong Heng  
Jonathan Ross Choo Jiunjye  
Datin Rafidah Binti Abdul Jalil  
Pang Jun Jie (alternate to Pang Chong Yong)

**SECRETARY**

Leong Shiak Wan  
Practicing Certificate No. 202008002757  
(MAICSA 7012855)  
Zuriati Binti Yaacob  
Practicing Certificate No. 202008003191  
(LS0009971)

**AUDITORS**

PKF PLT  
202206000012 (LLP0030836-LCA) & AF0911  
Chartered Accountants

**REGISTERED OFFICE**

12th Floor, Menara Symphony  
No. 5 Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 03-7890 4800  
Fax: 03-7890 4650

**REGISTRAR & SHARE TRANSFER OFFICE**

Boardroom Share Registrars Sdn. Bhd.  
11th Floor, Menara Symphony  
No.5 Jalan Prof. Khoo Kay Kim  
Seksyen 13,  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel: 03-7890 4700  
Fax: 03-7890 4670

**PRINCIPAL BANKERS**

CIMB Bank Berhad  
Hong Leong Bank Berhad

**STOCK EXCHANGE LISTING**

Main Market of Bursa Malaysia Securities Berhad

**GREATER BAY HOLDINGS BERHAD**

Registration No.: 202201009799 (1455496-U)

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**AND ITS SUBSIDIARIES****DIRECTORS' REPORT**

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

**Principal activities**

The Company is principally engaged to provide management services and investment holding.

The principal activities of its subsidiaries are set out in Note 11 to the financial statements.

**Results**

	<b>Group RM</b>	<b>Company RM</b>
Loss for the financial year	<u>(1,729,130)</u>	<u>(111,022)</u>
<b>Loss for the financial year attributable to:</b>		
Owners of the parent	<u>(1,729,130)</u>	<u>(111,022)</u>

**Reserves and provisions**

There were no material transfers to or from reserves and provisions during the financial year other than those disclosed in the financial statements.

**Dividends**

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any final dividend for the financial year ended 31 December 2023.

**GREATER BAY HOLDINGS BERHAD**

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(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****Directors**

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Dato' Haji Ghazali B. Mat Ariff	- Appointed on 8 November 2023
Mah Siew Seng	- Appointed on 8 November 2023
Law Mong Yong	- Appointed on 8 November 2023
Pang Chong Yong	- Appointed on 8 November 2023
Lim Tiong Heng	- Appointed on 8 November 2023
Andrew Ling Yew Chung	- Appointed on 8 November 2023
Peter Ling Ee Kong	- Appointed on 8 November 2023
Jonathan Ross Choo Jiunye	- Appointed on 8 November 2023
Datin Rafidah Binti Abdul Jalil	- Appointed on 8 November 2023
Pang Jun Jie (Alternate to Pang Chong Yong)	- Appointed on 24 November 2023
Edward Teow Eu Wuen	- Resigned on 8 November 2023
Goh Kaa Sian	- Resigned on 8 November 2023

The name of the Director of the Company's subsidiary since the beginning of the financial year to the date of this report, excluding those who already disclosed is:

Brian Ling Yew Han

**Directors' interest in shares**

The shareholdings and deemed shareholdings in the Ordinary Shares of the Company at the end of the financial year, as recorded in Register of Director's Shareholding kept under Section 59 of the Companies Act, 2016, in Malaysia are as follows:

	<b>Number of Ordinary Shares</b>			
	<b>At 1.1.2023</b>	<b>Bought</b>	<b>Sold</b>	<b>At 31.12.2023</b>
<b>In the Company:</b>				
<b>Direct interest:</b>				
Mah Siew Seng	3,343,588	-	-	3,343,588
Law Mong Yong	1,836	-	-	1,836
Pang Chong Yong	6,373,972	-	-	6,373,972
Andrew Ling Yew Chung	240,000	60,000	-	300,000
Peter Ling Ee Kong	7,984,000	1,599,500	-	9,583,500
Lim Tiong Heng	78,400	-	-	78,400
<b>Indirect interest:</b>				
Mah Siew Seng	1,000,000	-	-	1,000,000
Pang Jun Jie	6,373,972	-	-	6,373,972
Andrew Ling Yew Chung	7,984,000	1,599,500	-	9,583,500
Peter Ling Ee Kong	407,200	140,800	-	548,000

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**Directors' interest in shares (continued)**

The other Directors holding office at 31 December 2023 had no interest in the Ordinary Shares and options over shares of the Company and of its related companies during the financial year according to the register required to be kept under Section 59 of the Companies Act, 2016 in Malaysia.

**Directors' benefits**

Since the end of the previous financial year, no Director has received nor become entitled to receive any benefit (other than a benefit included in aggregate amount of emoluments received or due and receivable by directors or the fixed salaries of full time employees of the Group and of the Company as disclosed in Note 4 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the director has a substantial financial interest other than disclosed in Note 31 to the financial statements.

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

**Director's remuneration and fee**

Director's remuneration including benefits-in-kind of the Group and of the Company amounted to RM723,520 and RM14,100 respectively as disclosed in Note 4 to the financial statements.

Director's fee of the Group and of the Company amounted to RM341,500 and RM54,000 respectively as disclosed in Note 4 to the financial statements.

**Indemnity and insurance for Directors, officers and auditors**

There was no indemnity given to or insurance effected to any Directors, officers or auditor of the Group and of the Company.

**Issue of shares and debentures**

On 9 November 2024, the Company issued 81,355,136 new ordinary shares ("GBAY Share(s)") in exchange of all the shares in Advanced Packaging Technology (M) Bhd. shares ("APT Share(s)") on the basis of one (1) GBAY share for every one (1) existing APT share held and the share exchange had been completed on 14 November 2023.

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.

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**Other statutory information**

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

- (i) proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts and adequate provision had 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) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts inadequate to any substantial extent; or
- (ii) which would render the value attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements, which 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 and 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 and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company 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 its obligations as and when they fall due.

In the opinion of the Directors, except as otherwise stated in the financial statements, the results of the operations of the Group and of the Company for the financial year ended 31 December 2023 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 the financial year and the date of this report.

**GREATER BAY HOLDINGS BERHAD**  
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**Significant events**

Details of significant events during the financial year is disclosed in Note 37 to the financial statements.

**Auditors**

The auditors, Messrs PKF PLT, have indicated their willingness to continue in office.

The auditors' remuneration of the Group and of the Company amounted to RM62,000 and RM12,000 respectively for the financial year ended 31 December 2023.

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

  
\_\_\_\_\_  
ANDREW LING YEW CHUNG  
\_\_\_\_\_  
PANG CHONG YONG

Kuala Lumpur

25 April 2024



**GREATER BAY HOLDINGS BERHAD**  
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**STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016 IN MALAYSIA**


In the opinion of the Directors, the accompanying financial statements as set out on pages 13 to 83 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of financial position of the Group and of the Company as at 31 December 2023 and of its financial performance and its cash flows for the financial year ended on that date.

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

  
ANDREW LING YEW CHUNG

Kuala Lumpur

25 April 2024

  
PANG CHONG YONG

**STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016 IN MALAYSIA**

I, ANDREW LING YEW CHUNG, being the Director primarily responsible for the financial management of GREATER BAY HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements as set out on pages 13 to 83 are in my opinion 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, in Malaysia.

Subscribed and solemnly declared by the )  
above-named at Kuala Lumpur in Wilayah )  
Persekutuan on 25 April 2024 )

  
ANDREW LING YEW CHUNG

Before me,

COMMISSIONER FOR OATHS





**PKF PLT**  
202206000012(LLP0030836-LCA) &  
AF0911  
Level 33, Menara 1MK, Kompleks 1  
Mont Kiara, No.1, Jalan Kiara, Mont  
Kiara, 50480 Kuala Lumpur,  
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**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
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**AND ITS SUBSIDIARIES**

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of GREATER BAY HOLDINGS BERHAD, which comprise the statements of financial position as at 31 December 2023, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 13 to 83.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

***Basis for Opinion***

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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

PKF PLT is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

**PENANG:** Lot 416, Jalan Dato Keramat, 10460 Georgetown, Penang | **PERAK:** No. 62, 62A, 62B and 62C, Persiaran Greentown 2, Pusat Perdagangan Greentown, 30350 Ipoh, Perak | **JOHOR:** No.49, Jalan Harimau Tarum, Taman Century, 80250 Johor Bahru, Johor | **SABAH:** Lot 23-1, 1st Floor, Lintas Plaza, Lorong Lintas Plaza, 88300 Kota Kinabalu, Sabah | **SABAH:** 1st floor, Lot 40 (corner), Bandar Nasalim, Mile 5, Jalan Lintas Utara, 90000 Sandakan, Sabah | **LABUAN:** Level 1, Lot 8, Block F, Saguking Commercial Building, Jalan Patau-Patau, 87000 Labuan, F.T



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GREATER BAY HOLDINGS BERHAD**  
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**AND ITS SUBSIDIARIES**

(continued)

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**(i) Impairment of property, plant and equipment**  
(Refer to Notes 1(e)(iv), 2(g)(ii), and 9 to the financial statements)

The Group has property, plant and equipment with a carrying amount of RM13,330,816 as at 31 December 2023. Following the losses reported during the year, this is an indicator that impairment might have occurred. The management has performed an impairment review and concluded that there is no impairment in respect of the property, plant and equipment as their recoverable amounts were higher than their carrying amounts.

Due to the measurement of fair value being inherently judgemental and the carrying amount of these assets being material to the Group, we have considered this to be a key audit matter.

Our procedures included:

- a) Obtained the valuation reports prepared by the independent valuers engaged by the Group;
- b) Reviewed these reports for appropriateness of the methodology used and the reasonableness of the assumptions used; and
- c) Assessed the competency, capabilities and objectivity of these independent valuers engaged by the Group.

**(ii) Valuation of defined benefit gratuity**  
(Refer to Notes 1(e) (viii) and 23 to the financial statements)

The Group has recognised a provision for gratuity of RM890,768 as at 31 December 2023. The assumptions that underpin the valuation of the defined benefit retirement liability are subjective and based on judgements that affect the Group's distributable reserves. Uncertainty arises as a result of estimates made based on the Group's expectations and assumptions about employment trends and market conditions. As a result, the actual amounts charged to the statements of profit or loss by the Group may be significantly different to that recognised on the statements of financial position since small changes to the assumptions used in the calculation materially affect the provision calculated at amortised cost.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GREATER BAY HOLDINGS BERHAD**  
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(continued)

***Key Audit Matters (continued)***

**(ii) Valuation of defined benefit gratuity (continued)**  
(Refer to Notes 1(e) (viii) and 23 to the financial statements)

Our audit procedures included, among others:

- a) Enquiry with management on the nature or bases of the assumptions made;
- b) Review of employment contracts, assessment of the capabilities of personnel involved in the assessment;
- c) Perform reasonableness test on the provision by testing management's assumptions, data and model used; and
- d) Review of historical data in relation to the management assumptions made in the current financial year.

***Information Other than the Financial Statements and Auditors' Report Thereon***

The Directors of the Company are responsible for the other information. The other information comprises the Statement of Risk Management and Internal Control, Statement of Corporate Governance, Audit Committee Report, Management Discussion and Analysis Report, Sustainability Statement and Directors' Report included in the annual report, but does not include the Chairman's Statement, the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the Directors for the Financial Statements***

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
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**AND ITS SUBSIDIARIES**

(continued)

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
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**AND ITS SUBSIDIARIES**

(continued)

***Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable actions taken to eliminate threats or safeguards applied.

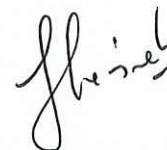
From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

***Other matters***

This report is made solely to the members of the Group and of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

PKF PLT

PKF PLT  
202206000012 (LLP0030836-LCA) & AF0911  
CHARTERED ACCOUNTANTS



SHARINAH BINTI MOHAMED IQBAL  
03285/10/2024 J  
CHARTERED ACCOUNTANT

Kuala Lumpur

25 April 2024



**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

		<b>Group</b>		<b>Company</b>	
		<b>01.01.2023</b>	<b>01.01.2022</b>	<b>01.01.2023</b>	<b>17.03.2022</b>
		<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
		<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>Note</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Revenue	3	25,806,350	29,018,844	-	-
Other income		322,113	643,362	-	-
Changes in inventories of finished goods and work-in-progress		(596,900)	237,892	-	-
Raw materials used		(15,143,580)	(19,939,166)	-	-
Employee benefits expense	4	(5,800,517)	(4,855,974)	(68,100)	-
Other expenses		(4,340,638)	(5,255,313)	(42,922)	(10,346)
<b>Profit/(Loss) from operations</b>		<b>246,828</b>	<b>(150,355)</b>	<b>(111,022)</b>	<b>(10,346)</b>
Depreciation of property, plant and equipment and investment properties		(1,440,638)	(1,168,563)	-	-
Depreciation of right-of-use asset		(199,543)	(155,761)	-	-
Interest income		11,106	34,754	-	-
Finance costs	5	(664,946)	(243,470)	-	-
<b>Loss before tax</b>	6	<b>(2,047,193)</b>	<b>(1,683,395)</b>	<b>(111,022)</b>	<b>(10,346)</b>
Tax income/(expense)	7	318,063	(43,642)	-	-
<b>Loss and other comprehensive losses for the financial year</b>		<b>(1,729,130)</b>	<b>(1,727,037)</b>	<b>(111,022)</b>	<b>(10,346)</b>
<b>Total comprehensive loss attributable to:</b>					
Owners of the company		(1,729,130)	(1,755,194)	(111,022)	(10,346)
Non-controlling interests		-	28,157	-	-
		<b>(1,729,130)</b>	<b>(1,727,037)</b>	<b>(111,022)</b>	<b>(10,346)</b>
<b>Loss per ordinary share (sen)</b>	8				
Basic		(2.13)	(2.16)		
Diluted		(2.13)	(2.16)		

**GREATER BAY HOLDINGS BERHAD**  
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**AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2023 RM</b>	<b>2022 RM</b>	<b>2023 RM</b>	<b>2022 RM</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9	13,330,816	11,363,193	-	-
Right-of-use assets	10	3,332,986	2,841,663	-	-
Investment in subsidiaries	11	-	-	20,338,784	-
Other investments	12	-	706,946	-	-
Investment properties	13	19,803,324	19,845,671	-	-
		<u>36,467,126</u>	<u>34,757,473</u>	<u>20,338,784</u>	<u>-</u>
<b>Current assets</b>					
Inventories	14	4,329,749	4,340,812	-	-
Contract assets	15	524,814	1,206,548	-	-
Other investments	12	999,251	-	-	-
Trade receivables	16	6,389,022	6,497,178	-	-
Non-trade receivables, deposits and prepayments	17	105,865	61,658	4,500	2
Tax recoverable		367,107	339,011	-	-
Fixed deposits with licensed banks	18	367,681	153,650	-	-
Cash and bank balances		715,196	4,002,884	990	-
		<u>13,798,685</u>	<u>16,601,741</u>	<u>5,490</u>	<u>2</u>
<b>TOTAL ASSETS</b>		<u><u>50,265,811</u></u>	<u><u>51,359,214</u></u>	<u><u>20,344,274</u></u>	<u><u>2</u></u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	19	20,338,786	2	20,338,786	2
Reorganisation reserve	19	-	20,504,250	-	-
Treasury shares	20	-	(400,945)	-	-
Retained profits/ (Accumulated losses)	21	8,212,999	9,278,782	(121,368)	(10,346)
Equity attributable to owners of the parent		28,551,785	29,382,089	20,217,418	(10,344)
Non-controlling interest		-	-	-	-
<b>Total equity</b>		<u><u>28,551,785</u></u>	<u><u>29,382,089</u></u>	<u><u>20,217,418</u></u>	<u><u>(10,344)</u></u>



**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (CONTINUED)**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Deferred tax liabilities	22	-	354,696	-	-
Provision for staff gratuity	23	890,768	867,521	-	-
Term loans	24	13,451,879	12,904,668	-	-
Lease liabilities	25	21,188	-	-	-
		<u>14,363,835</u>	<u>14,126,885</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Trade payables	26	4,760,877	3,670,091	-	-
Non-trade payables and accruals	27	1,572,504	2,720,660	12,000	1,500
Provision for staff gratuity	23	-	657,787	-	-
Amount due to related parties	28	180,000	8,846	-	8,846
Amount due to subsidiaries	29	-	-	60,856	-
Amount due to Directors	30	114,000	207,500	54,000	-
Term loans	24	682,610	541,714	-	-
Lease liabilities	25	40,200	-	-	-
Tax payable		-	43,642	-	-
		<u>7,350,191</u>	<u>7,850,240</u>	<u>126,856</u>	<u>10,346</u>
<b>Total liabilities</b>		<u>21,714,026</u>	<u>21,977,125</u>	<u>126,856</u>	<u>10,346</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>50,265,811</u>	<u>51,359,214</u>	<u>20,344,274</u>	<u>2</u>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	←	Non-distributable		→	Distributable		Non- controlling interest RM	Total equity RM
	Share capital RM	Reorganisation reserve RM	Treasury shares RM	Retained profits RM	Total RM			
<b>Group</b>								
At 1 January 2022	2	20,504,250	(1,096,473)	9,327,452	28,735,231	(23,639)	28,711,592	
Loss and other comprehensive loss for the financial year	-	-	-	(1,755,194)	(1,755,194)	28,157	(1,727,037)	
Effect of sale of treasury shares	-	-	695,528	1,702,006	2,397,534	-	2,397,534	
Acquisition of non-controlling interest	-	-	-	4,518	4,518	(4,518)	-	
At 31 December 2022	2	20,504,250	(400,945)	9,278,782	29,382,089	-	29,382,089	
Loss and other comprehensive loss for the financial year	-	-	-	(1,729,130)	(1,729,130)	-	(1,729,130)	
Issuance of shares	20,338,784	(20,338,784)	-	-	-	-	-	
Effect of cancellation of treasury shares	-	-	148,765	-	148,765	-	148,765	
Effect of sale of treasury shares	-	(165,466)	252,180	663,347	750,061	-	750,061	
At 31 December 2023	20,338,786	-	-	8,212,999	28,551,785	-	28,551,785	

The accompanying notes form an integral part of the financial statements.

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

<b>Company</b>	<b>Share capital RM</b>	<b>Accumulated losses RM</b>	<b>Total equity RM</b>
At 17 March 2022 (date of incorporation)	2	-	2
Loss and other comprehensive loss for the financial period	-	(10,346)	(10,346)
At 31 December 2022	2	(10,346)	(10,344)
Issuance of shares			
- Share exchange with Advanced Packaging Technology (M) Berhad	20,338,784	-	20,338,784
Loss and other comprehensive loss for the financial year	-	(111,022)	(111,022)
At 31 December 2023	20,338,786	(121,368)	20,217,418

The accompanying notes form an integral part of the financial statements.

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>				
Loss before tax	(2,047,193)	(1,683,395)	(111,022)	(10,346)
Adjustments for:				
Depreciation of property, plant and equipment	1,398,289	1,141,898	-	-
Depreciation of right-of-use assets	199,543	155,761	-	-
Depreciation of investment property	42,347	26,665	-	-
Interest income	(11,106)	(34,754)	-	-
Interest expense	664,946	243,470	-	-
Inventories written off	49,881	111,214	-	-
Investment income	-	(26,243)	-	-
Gain on disposal of property, plant and equipment	(99,999)	(164,381)	-	-
Loss on derecognition of right-of-use asset	-	15,644	-	-
(Gain)/Loss on unrealised foreign exchange	(9,704)	5,173	-	-
Fair value loss/(gain) on other investments	2,668	(185,856)	-	-
Property, plant and equipment written off	87	-	-	-
Impairment of trade receivables	22,560	-	-	-
Cancellation of treasury shares	148,765	-	-	-
Provision for staff gratuity	51,337	50,520	-	-
Reversal of amortised cost of provision for gratuity	(486,948)	(36,561)	-	-
<b>Operating loss before working capital changes</b>	<b>(74,527)</b>	<b>(380,845)</b>	<b>(111,022)</b>	<b>(10,346)</b>
(Decrease)/Increase in inventories	(38,818)	326,445	-	-
Decrease/(Increase) in receivables	51,093	4,711,212	(4,498)	(2)
Decrease/(Increase) in contract assets	681,734	(508,935)	-	-
(Decrease)/Increase in amount due to Directors	(93,500)	(22,500)	54,000	-
Decrease in provision for staff gratuity	(198,929)	(288,296)	-	-
Increase in payables	113,784	1,279,841	62,510	10,346
<b>Cash generated from/(used in) operations</b>	<b>440,837</b>	<b>5,116,922</b>	<b>990</b>	<b>(2)</b>
Tax paid	(108,371)	(46,749)	-	-
<b>Net cash from/(used in) operating activities</b>	<b>332,466</b>	<b>5,070,173</b>	<b>990</b>	<b>(2)</b>

The accompanying notes form an integral part of the financial statements.

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
<b>Cash flows from investing activities</b>					
Investment income received		-	26,243	-	-
Interest income received		11,106	34,754	-	-
Proceeds from disposal of property, plant and equipment		100,000	164,400	-	-
Other investment redemption		(294,973)	3,494,900	-	-
Acquisition of property, plant and equipment		(3,366,000)	(5,044,032)	-	-
Acquisition of investment properties		-	(19,872,336)	-	-
Acquisition of right-of-use assets		(614,541)	(356,742)	-	-
<b>Net cash used in investing activities</b>		<b>(4,164,408)</b>	<b>(21,552,813)</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>					
Interest paid		(664,946)	(243,470)	-	-
Issuance of shares		-	2	-	2
Drawdown of term loan	(ii)	1,300,000	13,596,000	-	-
Repayment of term loan	(ii)	(611,893)	(149,618)	-	-
(Placement)/Withdrawal of fixed deposits		(214,031)	846,350	-	-
Repayment of lease liabilities	(ii)	(14,937)	(26,986)	-	-
Sale of treasury shares		750,061	2,397,534	-	-
<b>Net cash from financing activities</b>		<b>544,254</b>	<b>16,419,812</b>	<b>-</b>	<b>2</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(3,287,688)</b>	<b>(62,828)</b>	<b>990</b>	<b>-</b>
<b>Cash and cash equivalents at 1 January</b>		<b>4,002,884</b>	<b>4,065,712</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at 31 December</b>	(i)	<b>715,196</b>	<b>4,002,884</b>	<b>990</b>	<b>-</b>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

Notes:

**(i) Cash and cash equivalents**

Cash and cash equivalents, included in the statements of cash flows comprise cash and bank balances.

**(ii) Reconciliation of liabilities arising from financing activities:**

<b>Group</b>	<b>1 January</b>	<b>Cash flows</b>	<b>Non-cash</b>	<b>31 December</b>
<b>2023</b>	<b>RM</b>	<b>RM</b>	<b>flows</b>	<b>RM</b>
Term loans	13,446,382	688,107	-	14,134,489
Lease liabilities	-	(14,937)	76,325	61,388
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Group</b>				
<b>2022</b>				
Term loans	-	13,446,382	-	13,446,382
Lease liabilities	26,986	(26,986)	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**1. Basis of preparation**

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The accompanying financial statements have been prepared assuming that the Group and the Company will continue as going concerns which contemplate the realisation of assets and settlement of liabilities in the normal course of business.

These financial statements are presented in the Ringgit Malaysia ("RM"), which is the Group's and of the Company's functional and presentation currency.

**(a) Standards issued and effective**

On 1 January 2023, the Group and the Company have adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2023:

**Description**

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts
- Amendment to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9—Comparative Information
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to MFRS 101, *Presentation of Financial Statements*: Classifications of Liabilities as Current or Non-current
- Amendments to MFRS 101, *Presentation of Financial Statements*: Disclosure of Accounting Policies
- Amendments to MFSR 112, Income Tax: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Directors expect that the adoption of the new and amended MFRS above have no impact on the financial statements of the Group and of the Company.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**1. Basis of preparation (continued)**

**(b) Standards issued but not yet effective**

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
• Amendments to MFRS 16, <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to MFRS 101, <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
• Amendments to MFRS 107, <i>Statement of Cash Flows</i> and MFRS 7, <i>Financial Instruments: Disclosures</i> —Supplier Finance Arrangements	1 January 2024
• Amendments to MFRS 121, <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability	1 January 2025
• Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investment in Associate and Joint Ventures</i> : Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material impact to the financial statements of the Group and of the Company.

**(c) Presentation format**

The Company entered into an internal reorganisation exercise with Advanced Packaging Technology (M) Berhad ("APT") by way of Scheme of Arrangement pursuant to Section 366(1) of the Companies Act 2016, hereinafter referred to as the "Acquisition".

In accordance with MFRS 3, Business Combinations, the Acquisition was accounted for using the reverse acquisition method with the Company being the accounting acquiree and APT being the accounting acquirer.

Consolidated financial statements prepared following a reverse acquisition are a continuation of the financial statements of APT, which is the accounting acquirer, with one adjustment, which is to adjust retrospectively the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree.



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**1. Basis of preparation (continued)**

**(c) Presentation format (continued)**

Comparative information presented has accordingly been, in the case of the Group, retrospectively adjusted into the reorganisation reserve to reflect the legal capital of the Company.

As the consolidated financial statements represent the continuation of the financial statements of APT, including its subsidiary (collectively known as "APT Group"), except for its capital structure, the consolidated financial statements reflect:

- (i) the assets and liabilities of the APT Group recognised and measured at their pre-combination carrying amount;
- (ii) the assets and liabilities of the Company recognised and measured at their fair value;
- (iii) the retained earnings and other equity balances of APT Group before the Acquisition; and
- (iv) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding the issued equity interest of APT Group outstanding immediately before the Acquisition to the fair value of the Company. However, the equity structure reflects the equity structure of the Company, including the equity interests the legal parent issued to effect the Acquisition. Accordingly, the equity structure of APT Group is restated using the exchange ratio established in the Scheme of Arrangement to reflect the number of shares of the Company issued in the reverse acquisition.

**(d) Basis of measurement**

The financial statements have been prepared on the historical cost basis unless otherwise as indicated in the summary of significant accounting policies.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**1. Basis of preparation (continued)**

**(e) Significant accounting estimates and judgements**

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

*(i) Revenue Recognition Over Time*

The Group manufactures goods with customised specifications stated in the contracts with customers, thus based on management assessment at contract inception, these goods do not have alternative use to the Group. The Group has an enforceable right to payment for performance completed to date, as if the contract is terminated by the customer at any time, the Group always has the right to bill customers for the performance completed to date.

As a result, the Group recognises revenue over time using output method, based on appraisals of results achieved. Upon completion of manufacturing the goods, if all of these goods pass the quality control testing and have not yet been delivered to customers, the Group will recognise 99% of transaction price as revenue at the end of each reporting date. The remaining 1% of transaction price is recognised as revenue upon delivery of these goods to customers.

The revenue recognised during the year would differ if the Group uses different method to recognise revenue from contracts with customers over time.

*(ii) Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**1. Basis of preparation (continued)**

**(e) Significant accounting estimates and judgements (continued)**

**Key sources of estimation uncertainty (continued)**

*(iii) Depreciation of Property, Plant and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

*(iv) Impairment of Non-financial Assets*

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

*(v) Write-down of Inventories*

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**1. Basis of preparation (continued)**

**(e) Significant accounting estimates and judgements (continued)**

**Key sources of estimation uncertainty (continued)**

*(vi) Provision for Expected Credit Losses ("ECLs") of Trade Receivables*

The Group and the Company use a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting period and the corresponding historical credit losses experienced within this period.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The historical observed default rates are updated and changes in the forward-looking estimates are analysed at every end of the reporting period.

*(vii) Deferred Tax Assets and Liabilities*

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

*(viii) Provision for Staff Gratuity*

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the date of the statement of financial position on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Past service costs are recognised immediately in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**1. Basis of preparation (continued)**

**(e) Significant accounting estimates and judgements (continued)**

**Key sources of estimation uncertainty (continued)**

*(ix) Carrying Value of Investments in Subsidiary Companies*

Investment in subsidiary companies are reviewed for impairment annually in accordance with its accounting policy as disclosed in Note 2(g)(ii) to the financial statements, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimated of future cash flows and discount rates. Changes in assumptions could significantly affect the Company's amount of investment in subsidiary.

*(x) Lease*

*(a) Lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

*(b) Incremental borrowing rate of leases*

In determining the incremental borrowing rate, the Group uses interest rate ranging from 3.70% to 4.70% as a starting point and makes adjustments specific to the lease, from one (1) to three (3) years.

**2. Material accounting policies**

The Group adopted Amendments to MFRS101, *Presentation of Financial Statements – Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

Management reviewed the accounting policies and made updates to the information disclosed in Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

The material accounting policies adopted by the Group are consistent with those in the previous financial years unless otherwise stated.

Certain immaterial accounting policies have been voluntarily disclosed to ensure completeness in the financial statements of the Group.

**(a) Basis of consolidation**

*(i) Subsidiaries*

Subsidiaries are entities, including structured entities, controlled by the Group. The Group controls the entities when the Group is exposed to, or has rights to, variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return. Potential voting rights are considered when assessing control only when such rights are substantive.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(a) Basis of consolidation (continued)**

*(i) Subsidiaries (continued)*

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

*(ii) Business combinations*

Acquisitions of business are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured at fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.\

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate shares of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(a) Basis of consolidation (continued)**

*(iii) Non-controlling interests*

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit and loss and the other comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so caused the non-controlling interests to have a deficit balance.

*(iv) Transactions with non-controlling interests*

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners.

On acquisition of non-controlling interest, the difference between the consideration and the Group's share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

*(v) Loss of control*

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(a) Basis of consolidation (continued)**

*(vi) 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 associates are eliminated against the investment to the extent of the Group's interest in the associates and jointly controlled entities. 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 currencies**

*(i) Functional and presentation currency*

The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

*(ii) Foreign currencies transactions*

Transactions in foreign currencies are measured in the respective functional currencies of the Group and of the Company are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(b) Foreign currencies (continued)**

*(ii) Foreign currencies transactions (continued)*

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's and of the Company's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the profit and loss of the Company on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal exchange rates for every unit of foreign currency ruling used at reporting date are as follows:

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
1 United States Dollar	4.528	4.478
1 Brunei Dollar	3.431	3.330
100 Japanese Yen	3.189	3.384

**(c) Revenue and other income**

*(i) Sale of goods*

The Group manufactures and distributes flexible packaging materials to local and overseas customers. The sale of goods are identified in the contracts with customers: manufacturing and delivery of goods, which are non-distinct. As such, there is only one single performance obligation identified in the contract.

Transaction price is a fixed consideration which is stated in the contracts with customers. The Group recognises revenue over time as stated in Note 1(e)(i) to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(c) Revenue and other income (continued)**

*(i) Sale of goods (continued)*

No element of financing is deemed present as the sales are normally made with a credit term of 30 to 90 days, which is consistent with the market practice.

The Group does not offer return/refund options, explicit warranty on its products nor provide after-sales service.

*(ii) Interest income*

Interest income is recognised on an accrual basis, based on effective yield on the investment and effective interest method.

*(iii) Rental income*

Rental income is recognised on an accrual basis in accordance with the terms of agreement.

The contract price is fixed, which is based on agreed amount in the agreement. As the customer simultaneously receives and consumes the benefits during the contract period, the revenues are recognised over time.

**(d) Employee benefits expense**

*(i) Short term benefits*

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(d) Employee benefits expense (continued)**

*(ii) Defined contribution plans*

The Group's and the Company's contribution to defined contribution plans is charged to the profit or loss in the period to which they related. Once the contributions have been paid, the Group and the Company have no further liability in respect of the defined contribution plans.

The Group's and the Company's staff gratuity schemes are for employees who are eligible under their employment contracts. Gratuity for employees is provided for in the financial statements with consideration to the length of service and basic salary earnings of eligible employees and charged to the statement of profit or loss.

**(e) Income tax**

*(i) Current tax*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

*(ii) Deferred tax*

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(e) Income tax (continued)**

*(ii) Deferred tax*

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(f) Borrowing costs**

Borrowing costs are stated at cost with any difference between cost and redemption value being recognised in the profit or loss over the period of the loans and borrowings using the effective interest method.

Borrowing costs incurred in connection with financing the construction and installation of property, plant and equipment is capitalised until the property, plant and equipment are ready for their intended use. All other borrowing costs are charged to the profit or loss.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**(g) Impairment**

**(i) *Financial assets***

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(g) Impairment (continued)**

*(i) Financial assets (continued)*

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, which 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12-months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance amount.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(g) Impairment (continued)**

*(ii) Non-financial assets*

The Group and the Company assess at each reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income and equity. In this case the impairment is also recognised in other comprehensive income and equity up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in subsequent periods.



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(h) Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Capital work-in-progress is not depreciated as these assets are not available for use. Depreciation will commence on these assets when they are ready for their intended use.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Plant, machinery and tools	7½% - 10%
Furniture, fittings and equipment	10% - 20%
Motor vehicles	20%

The carrying amount of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(i) Investment properties**

Investment properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including transaction cost. Cost includes expenditures that are directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bring the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent to initial recognition, investment properties are measured at fair value and are revalued annually and are included in the statement of financial position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss in the period in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and supported by market evidence. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the financial period of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(j) Financial assets**

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

*(i) Amortised costs*

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

*(ii) Fair value through other comprehensive income*

*Equity investments*

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elects to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

*(iii) Fair value through profit or loss*

All financial assets not measured at amortised cost as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument).

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(j) Financial assets (continued)**

*(iii) Fair value through profit or loss (continued)*

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

**(k) Inventories**

Inventories, comprising of raw materials, work-in-progress, finished goods and consumables, are stated at the lower of cost and net realisable value.

Cost is determined using first-in-first-out basis. Cost of raw materials and consumables, includes all cost incurred in bringing them to their present location and condition.

Cost of work-in-progress and finished goods include the cost of raw materials, direct labour and an appropriate proportion of the fixed and variable production overheads.

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

**(l) Contract asset**

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to Note 2(g)(i) to the financial statements.

**(m) Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank and on hand, demand deposits, short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in fair value with original maturities of three months or less and are used by the Group and the Company in management of their short-term commitments.

**(n) Treasury shares**

When shares of the Group, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(o) Financial liabilities**

*Amortised cost*

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

**(p) Leases**

*As a lessor*

*(i) Initial recognition and measurement*

Leases for which the Group is a lessor are classified as finance or operating leases.

Leases which transfer substantially all of the risks and rewards incidental to ownership of the underlying asset is a finance lease; if not, then it is an operating lease.

The Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the investment in the lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

*(ii) Subsequent measurement*

Finance income from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease whereas lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(p) Leases (continued)**

*As a lessee*

*(i) Initial recognition and measurement*

The Group recognised right-of-use asset and lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing. Thus, the Group uses their incremental borrowing rate as the discount rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

*(ii) Subsequent measurement*

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(p) Leases (continued)**

*As a lessee (continued)*

**(ii) Subsequent measurement (continued)**

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**(q) Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

**(r) Earnings per ordinary share**

The Group and the Company present 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 Group and of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all diluted potential ordinary shares, which comprises convertible notes and share granted to employees.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(s) 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 pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**(t) Contingencies**

*(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 not recognised in the statement of financial position and 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 outflow of economic benefits is remote.

*(ii) Contingent assets*

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one of more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statement of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

**(u) Operating segment**

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



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**2. Material accounting policies (continued)**

**(v) Equity instrument**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised out of equity in the period in which they are declared.

**(w) Fair value measurements**

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market which must be accessible to the Group and the Company.

For non-financial asset, the fair value measurement considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categories into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer.

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**3. Revenue**

	<b>Group</b>	
	<b>01.01.2023 to 31.12.2023 RM</b>	<b>01.01.2022 to 31.12.2022 RM</b>
Sales of packaging materials	25,190,350	28,626,844
Rental income from investment properties	616,000	392,000
	<u>25,806,350</u>	<u>29,018,844</u>

Disaggregation of revenue from sales of packaging materials:

	<b>Manufacturing and distribution RM</b>	<b>Rental income RM</b>	<b>Total RM</b>
<b>By primary geographical market:</b>			
Malaysia	24,714,344	616,000	25,330,344
Mauritius	261,945	-	261,945
Brunei	214,061	-	214,061
	<u>25,190,350</u>	<u>616,000</u>	<u>25,806,350</u>
<b>Major goods or services</b>			
Packaging materials	25,190,350	-	25,190,350
Rental income	-	616,000	616,000
	<u>25,190,350</u>	<u>616,000</u>	<u>25,806,350</u>
<b>Timing of revenue recognition</b>			
Over time	<u>25,190,350</u>	<u>616,000</u>	<u>25,806,350</u>

**4. Employee benefits expense**

	<b>Group</b>		<b>Company</b>	
	<b>01.01.2023 to 31.12.2023 RM</b>	<b>01.01.2022 to 31.12.2022 RM</b>	<b>01.01.2023 to 31.12.2023 RM</b>	<b>17.03.2022 to 31.12.2022 RM</b>
(a) Staff costs				
Salaries, wages, allowances, bonus and overtime	4,025,367	3,401,337	-	-
Contributions to defined contribution plan	381,251	327,656	-	-
Social security contributions	60,070	52,125	-	-
Other benefits	268,809	300,337	-	-
	<u>4,735,497</u>	<u>4,081,455</u>	<u>-</u>	<u>-</u>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**4. Employee benefits expense (continued)**

	<b>Group</b>		<b>Company</b>	
	<b>01.01.2023 to 31.12.2023 RM</b>	<b>01.01.2022 to 31.12.2022 RM</b>	<b>01.01.2023 to 31.12.2023 RM</b>	<b>17.03.2022 to 31.12.2022 RM</b>
(b) Directors' remuneration and fees				
<i>Executive:</i>				
Salaries, allowances and other emoluments	600,000	468,000	-	-
Contribution to defined contribution plan	34,080	27,120	-	-
Social security contributions	1,040	899	-	-
Estimated money value of benefits-in-kind	11,100	7,400	-	-
	<u>646,220</u>	<u>503,419</u>	<u>-</u>	<u>-</u>
<i>Non-executive:</i>				
Salaries, allowances and other emoluments	77,300	63,600	14,100	-
Total Directors' remuneration	<u>723,520</u>	<u>567,019</u>	<u>14,100</u>	<u>-</u>
Director's fees				
Executive	78,000	60,000	12,000	-
Non-executive	263,500	147,500	42,000	-
Total Director's fees	<u>341,500</u>	<u>207,500</u>	<u>54,000</u>	<u>-</u>
Total Directors' remuneration and fees	<u>1,065,020</u>	<u>774,519</u>	<u>68,100</u>	<u>-</u>
Total Directors' remuneration and fees excluding benefits-in-kind	<u>1,053,920</u>	<u>767,119</u>	<u>68,100</u>	<u>-</u>
Total staff costs	<u>5,800,517</u>	<u>4,855,974</u>	<u>68,100</u>	<u>-</u>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**5. Finance costs**

	<b>Group</b>	
	<b>01.01.2023 to 31.12.2023 RM</b>	<b>01.01.2022 to 31.12.2022 RM</b>
Interest expense		
- term loans	659,592	243,100
- lease liabilities	5,354	370
	<u>664,946</u>	<u>243,470</u>

**6. Loss before tax**

	<b>Group</b>		<b>Company</b>	
	<b>01.01.2023 to 31.12.2023 RM</b>	<b>01.01.2022 to 31.12.2022 RM</b>	<b>01.01.2023 to 31.12.2023 RM</b>	<b>17.03.2022 to 31.12.2022 RM</b>
Loss before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- Statutory audit	55,000	49,500	5,000	1,500
- Non-statutory audit	7,000	7,000	7,000	-
Reversal of amortised cost of provision for gratuity	(486,948)	(36,561)	-	-
Depreciation of property, plant and equipment	1,398,289	1,141,898	-	-
Depreciation of right-of-use assets	199,543	155,761	-	-
Depreciation of investment properties	42,347	26,665	-	-
(Gain)/Loss on foreign exchange				
- realised	(5,981)	(38,368)	-	-
- unrealised	(9,704)	5,173	-	-
Fair value loss/(gain) on other investments	2,668	(185,856)	-	-
Gain on disposal of property, plant and equipment	(99,999)	(164,381)	-	-
Interest income				
- Interest income received from deposits placed with licensed banks	(11,106)	(34,754)	-	-

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**6. Loss before tax (continued)**

	<b>Group</b>		<b>Company</b>	
	<b>01.01.2023</b>	<b>01.01.2022</b>	<b>01.01.2023</b>	<b>17.03.2022</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Loss before tax is arrived at after charging/(crediting):				
Inventories written off	49,881	111,214	-	-
Investment income	-	(26,243)	-	-
Loss on derecognition of right-of-use assets	-	15,644	-	-
Property, plant and equipment written off	87	-	-	-
Impairment of trade receivables	22,560	-	-	-
Provision for staff gratuity	51,337	50,520	-	-

**7. Tax (income)/expenses**

	<b>Group</b>		<b>Company</b>	
	<b>01.01.2023</b>	<b>01.01.2022</b>	<b>01.01.2023</b>	<b>17.03.2022</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Current tax expense				
- current year	32,714	43,642	-	-
- underprovision in prior years	3,919	-	-	-
	36,633	43,642	-	-
Deferred tax expense (Note 22)				
- current year	(187,118)	-	-	-
- overprovision in prior years	(167,578)	-	-	-
	(354,696)	-	-	-
	(318,063)	43,642	-	-

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**7. Tax (income)/expenses (continued)**

***Reconciliation of tax expense***

	<b>Group</b>		<b>Company</b>	
	<b>01.01.2023</b>	<b>01.01.2022</b>	<b>01.01.2023</b>	<b>17.03.2022</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Loss before tax	<u>(2,047,193)</u>	<u>(1,683,395)</u>	<u>(111,022)</u>	<u>(10,346)</u>
Taxation computed at statutory tax rate of 24%	(491,326)	(404,015)	(26,645)	(2,483)
Non-deductible expenses	154,754	98,071	26,645	2,483
Non-taxable income	(167,313)	(128,442)	-	-
Deferred tax assets not recognised	<u>349,481</u>	<u>478,028</u>	<u>-</u>	<u>-</u>
	(154,404)	43,642	-	-
Underprovision of current tax in prior years	3,919	-	-	-
Overprovision of deferred tax in prior years	<u>(167,578)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(318,063)</u>	<u>43,642</u>	<u>-</u>	<u>-</u>

The Group and the Company have unutilised tax losses and unabsorbed capital allowance amounting to RM1,465,570 and RM3,870,197 (2022: RM523,339 and RM2,858,232) respectively to be utilised against future taxable profits.

Unutilised tax losses can be carried forward for a period of 10 years of assessment ("YA") to set off against future taxable profits.

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**8. Loss per ordinary share**

Basic loss per ordinary share for the financial year is calculated by dividing the comprehensive income for the financial year attributable to owners of the Group and of the Company by the weighted average number of ordinary shares outstanding during the financial year, after taking into consideration of the treasury shares held by the Company calculated as follows:

	<b>Group</b>		<b>Company</b>	
	<b>01.01.2023</b>	<b>01.01.2022</b>	<b>01.01.2023</b>	<b>17.03.2022</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Total comprehensive loss attributable to owners (RM)	<u>(1,729,130)</u>	<u>(1,727,037)</u>	<u>(111,022)</u>	<u>(10,346)</u>
Weighted average number of ordinary shares in issue, net of treasury shares	<u>81,355,138</u>	<u>79,980,936</u>	<u>81,355,138</u>	<u>N/A</u>
Basic loss per share (sen)	<u>(2.13)</u>	<u>(2.16)</u>	<u>(0.14)</u>	<u>N/A</u>
Diluted loss per share (sen)	<u>(2.13)</u>	<u>(2.16)</u>	<u>(0.14)</u>	<u>N/A</u>

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**9. Property, plant and equipment**

	Plant, machinery and tools RM	Furniture, fittings and equipment RM	Motor vehicles RM	Work-in- progress RM	Total RM
<b>Group 2023</b>					
<b>Cost</b>					
At 1 January	30,425,609	1,051,412	579,146	3,957,674	36,013,841
Additions	1,965,035	295,259	-	1,105,706	3,366,000
Reclassification	3,957,674	-	-	(3,957,674)	-
Written off	(1,732,717)	(260)	-	-	(1,732,977)
Disposals	(995,206)	-	-	-	(995,206)
At 31 December	33,620,395	1,346,411	579,146	1,105,706	36,651,658
<b>Accumulated depreciation</b>					
At 1 January	23,669,565	677,330	303,753	-	24,650,648
Charge for the financial year	1,203,219	138,414	56,656	-	1,398,289
Written off	(1,732,631)	(259)	-	-	(1,732,890)
Disposals	(995,205)	-	-	-	(995,205)
At 31 December	22,144,948	815,485	360,409	-	23,320,842
<b>Carrying amount</b>					
At 31 December	11,475,447	530,926	218,737	1,105,706	13,330,816



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**9. Property, plant and equipment (continued)**

<b>Group 2022</b>	<b>Plant, machinery and tools RM</b>	<b>Furniture, fittings and equipment RM</b>	<b>Motor vehicles RM</b>	<b>Work-in- progress RM</b>	<b>Total RM</b>
<b>Cost</b>					
At 1 January	34,332,907	979,332	708,312	4,000	36,024,551
Additions	684,474	88,572	317,312	3,953,674	5,044,032
Written off	(4,591,772)	(16,492)	(446,478)	-	(5,054,742)
At 31 December	30,425,609	1,051,412	579,146	3,957,674	36,013,841
<b>Accumulated depreciation</b>					
At 1 January	27,232,706	622,465	708,302	-	28,563,473
Charge for the financial year	1,028,627	71,346	41,925	-	1,141,898
Written off	(4,591,768)	(16,481)	(446,474)	-	(5,054,723)
At 31 December	23,669,565	677,330	303,753	-	24,650,648
<b>Carrying amount</b>					
At 31 December	6,756,044	374,082	275,393	3,957,674	11,363,193

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**9. Property, plant and equipment (continued)**

Included in property, plant and equipment of the Group and of the Company are the following fully depreciated property, plant and equipment which are still in use:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
At cost:		
Plant, machinery and tools	20,297,667	19,559,913
Furniture, fittings and equipment	501,133	469,953
Motor vehicles	261,840	261,840
	<u>21,060,640</u>	<u>20,291,706</u>

***Impairment of property, plant and equipment***

- (i) During the financial year ended 2023, the Group had assessed the recoverability of its new additions of property, plant and equipment with the carrying amount of RM5,021,122 as the Group continues to report losses for the current financial year which gave rise to an indication of impairment. No impairment loss was recognised for the property, plant and equipment on consolidation for the current financial year as its recoverable value was in excess of its carrying values.

The plant, machinery and tools of the Group were valued on 11 March 2024 based on valuations carried out by an external independent professional valuer as below:

<b>Description</b>	<b>Valuation method</b>	<b>Valuation amount RM</b>
Plant, machinery and tools	Cost replacement method	<u>5,053,000</u>

- (ii) In the current financial year, the Directors have placed reliance on the valuation report dated 13 March 2023 provided by the external independent valuers with appropriate recognised professional qualifications and recent experience in the plant, machinery and tools category, had performed desktop review based on the Directors' best estimation to estimate the fair value of the plant, machinery and tools. The Directors considered that the market value to remained constant with no substantial variation from the fair value, even after accounting for the annual depreciation.

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**10. Right-of-use assets**

<b>Group 2023</b>	<b>Lease rental RM</b>	<b>Leasehold land RM</b>	<b>Buildings RM</b>	<b>Total RM</b>
<b>Cost</b>				
At 1 January	-	739,000	5,890,882	6,629,882
Addition	76,325	-	614,541	690,866
As at 31 December	<u>76,325</u>	<u>739,000</u>	<u>6,505,423</u>	<u>7,320,748</u>
<b>Accumulated depreciation</b>				
At 1 January	-	279,035	3,509,184	3,788,219
Depreciation for the financial year	15,568	7,390	176,585	199,543
As at 31 December	<u>15,568</u>	<u>286,425</u>	<u>3,685,769</u>	<u>3,987,762</u>
<b>Carrying amount</b>				
At 31 December	<u>60,757</u>	<u>452,575</u>	<u>2,819,654</u>	<u>3,332,986</u>
<b>2022</b>				
<b>Cost</b>				
At 1 January	82,583	739,000	5,534,140	6,355,723
Addition	-	-	356,742	356,742
Disposals	(82,583)	-	-	(82,583)
As at 31 December	<u>-</u>	<u>739,000</u>	<u>5,890,882</u>	<u>6,629,882</u>
<b>Accumulated depreciation</b>				
At 1 January	56,527	271,645	3,371,225	3,699,397
Depreciation for the financial year	10,412	7,390	137,959	155,761
Disposals	(66,939)	-	-	(66,939)
As at 31 December	<u>-</u>	<u>279,035</u>	<u>3,509,184</u>	<u>3,788,219</u>
<b>Carrying amount</b>				
At 31 December	<u>-</u>	<u>459,965</u>	<u>2,381,698</u>	<u>2,841,663</u>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**10. Right-of-use assets (continued)**

Included under right-of-use assets are:

- (i) The Group and the Company leases buildings with contract terms ranging from 2023 to 2025 for two (2) years.
- (ii) Leasehold lands and buildings of the Group with carrying amount of RM3,272,543 (2022: RM2,841,663)

In the current financial year, the Directors have placed reliance on the valuation report dated 13 March 2023 provided by the external independent property valuers with appropriate recognised professional qualifications and recent experience in the location and category of properties being valued, had performed desktop review based on the Directors' best estimation to estimate the fair value of the leasehold land. The Directors considered that the market value to remained constant with no substantial variation from the fair value, even after accounting for the annual depreciation.

**11. Investment in subsidiaries**

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Unquoted shares, at cost</b>		
At 1 January	-	-
Addition		
- Share exchange with APT	20,338,784	-
At 31 December	<u>20,338,784</u>	<u>-</u>

Details of the subsidiaries are as follows:

<b>Name of company</b>	<b>Country of incorporation</b>	<b>Effective interest</b>		<b>Principal activities</b>
		<b>2023</b>	<b>2022</b>	
		<b>%</b>	<b>%</b>	
Advanced Packaging Technology (M) Bhd. ("APT")	Malaysia	100	-	Manufacturing and distribution of flexible packaging materials.
<b>Subsidiary of APT</b>				
Sino Peak Sdn. Bhd. ("SP")	Malaysia	100	-	Investment holding and provision of management services

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**11. Investment in a subsidiary (continued)**

On 9 November 2023, the Company acquired the entire equity interest in APT through the issuance of 81,355,136 new ordinary shares as a share exchange with the existing shareholders of APT for all the shares of APT ("APT Share(s)") with the shares of the Company ("GBAY Share(s)") on the basis of 1 new GBAY Share for every 1 APT Share held. Upon completion of the above transaction, APT became a wholly owned subsidiary of the Company. In accordance with MFRS 3, Business Combinations, the acquisition was accounted for using the reverse acquisition method, with the Company being the accounting acquiree and APT being the accounting acquirer.

**12. Other investments**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Current</b>		
Investment in quoted shares	999,251	-
<b>Non-current</b>		
Investment in quoted shares	-	706,946

The investment in quoted shares represent investment in quoted shares and is classified as fair value through profit or loss.

As at the reporting date, the fair value of this investment is equivalent to its carrying value.

**13. Investment properties**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Building</b>		
<b>Cost</b>		
At 1 January	19,872,336	-
Addition	-	19,872,336
At 31 December	19,872,336	19,872,336
<b>Accumulated depreciation</b>		
At 1 January	26,665	-
Charge for the financial year	42,347	26,665
At 31 December	69,012	26,665
<b>Carrying amount</b>		
At 31 December	19,803,324	19,845,671

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**14. Inventories**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>At cost:</b>		
Raw materials	3,537,589	3,518,402
Work-in-progress	582,380	619,196
Consumables	202,158	196,985
Goods in transit	7,622	6,229
	<u>4,329,749</u>	<u>4,340,812</u>
<b>Recognised in profit or loss</b>		
Inventories recognised as cost of production	16,337,380	19,701,275
Inventories written off	<u>49,881</u>	<u>111,214</u>

**15. Contract assets**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Contract assets	<u>524,814</u>	<u>1,206,548</u>

The contract assets primarily related to the Groups' rights to consideration for work completed but not yet billed at the reporting date.

**16. Trade receivables**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Trade receivables	6,424,855	6,510,451
Less: Impairment	(35,833)	(13,273)
	<u>6,389,022</u>	<u>6,497,178</u>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**16. Trade receivables (continued)**

The movement in impairment of trade receivables are as follows:

	<b>Group</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
Impairment:		
At 1 January	13,273	13,273
Additional	22,560	-
At 31 December	<u>35,833</u>	<u>13,273</u>

The Group's normal trade credit term ranges from 30 to 90 days (2022: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The trade receivables are non-interest bearing and recognised at their original invoice amounts which represent their fair values on initial recognition.

**17. Non-trade receivables, deposits and prepayments**

	<b>Group</b>		<b>Company</b>	
	<b>2023 RM</b>	<b>2022 RM</b>	<b>2023 RM</b>	<b>2022 RM</b>
Non-trade receivables	8,068	5,133	-	-
Deposits	21,455	20,756	4,500	-
Prepayments	76,342	26,921	-	-
Others	-	8,848	-	2
	<u>105,865</u>	<u>61,658</u>	<u>4,500</u>	<u>2</u>

Included in non-trade receivables of the Group and of the Company are staff loans of RM8,068 (2022: RM5,133) which bear interest at 3.00% (2022: 4.00%) per annum.

**18. Fixed deposits with licensed banks**

The deposits placed with licensed banks bear interest rates ranging from 2.25% to 2.80% (2022: 2.35%) per annum and have a maturity period of 365 days (2022: 365 days).

Included in fixed deposits with licensed banks is RM157,280 (2022: RM153,650) pledged to a financial institution for a term loan facility and to secure the term loans of the Company as disclosed in Note 24 to the financial statements.

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**19. Share capital**

	<b>Group and Company</b>		
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>Number of Ordinary Shares</b>		<b>RM</b>
Issued and fully paid:			
At 1 January	2	2	2
Issuance of shares			
- Share exchange with APT	82,016,998	-	20,338,784
Effect of cancellation of treasury shares	(661,862)	-	-
At 31 December	<u>81,355,138</u>	<u>2</u>	<u>20,338,786</u>

The holders of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares are carrying one (1) vote per share without restriction and rank equally with regards to the Company's residual interests.

**(a) Reorganisation reserve**

The reorganisation reserve at the consolidated financial statements represents the differences between the legal capital of the Company (accounting acquiree) and APT (accounting acquirer).

**20. Treasury shares**

	<b>Group and Company</b>		
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>Number of Ordinary Shares</b>		<b>RM</b>
At 1 January	2,036,064	1,392,016	400,945
Subdivision of shares	-	4,176,048	-
Sales	(1,374,200)	(3,532,000)	(252,180)
Cancellation	(661,864)	-	(148,765)
At 31 December	<u>-</u>	<u>2,036,064</u>	<u>-</u>

- (i) In the previous financial year, the Company underwent a share-split of a subdivision of every 1 existing ordinary share of the Company into 4 subdivided shares of the Company. The number of ordinary shares held as treasury shares of 2,036,064 represents the number of shares after the split.
- (ii) As at 31 December 2023, the number of outstanding Ordinary Shares (post share-split) in issue after deducting the treasury shares was Nil (2022: 79,980,936).



**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**20. Treasury shares (continued)**

- (iii) The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 113 subsection 5 (b) of Companies Act, 2016 in Malaysia. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended. Balance of the treasury shares repurchased had cancelled on 14 November 2023.

**21. Retained profits**

Under the single tier system introduced by the Finance Act, 2007 in Malaysia which came into effect from the year of assessment 2008, dividends paid under this system are tax exempt in the hands of shareholders. As such, the whole retained profits can be distributed to shareholders as tax exempt dividends.

**22. Deferred tax liabilities**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
At 1 January	354,696	354,696
Transferred to profit or loss (Note 7)	(354,696)	-
At 31 December	<u>-</u>	<u>354,696</u>

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	<b>Property, plant and equipment RM</b>
<b>Deferred tax liabilities of the Group:</b>	
At 1 January 2023	1,314,998
Recognised in statements of profit or loss	(1,314,998)
At 31 December 2023	<u>-</u>
At 1 January 2022	1,314,998
Recognised in statements of profit or loss	-
At 31 December 2022	<u>1,314,998</u>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**22. Deferred tax liabilities (continued)**

	<b>Unutilised tax losses RM</b>	<b>Unabsorbed capital allowances RM</b>	<b>Provisions RM</b>	<b>Total RM</b>
<b>Deferred tax assets of the Group</b>				
At 1 January 2023	37,488	557,421	365,393	960,302
Recognised in statements of profit or loss	(37,488)	(557,421)	(365,393)	(960,302)
At 31 December 2023	-	-	-	-
At 1 January 2022	37,488	557,421	365,393	960,302
Recognised in statements of profit or loss	-	-	-	-
At 31 December 2022	37,488	557,421	365,393	960,302

The amount of temporary differences for which no deferred tax assets has been recognised in the statement of financial position are as follows (stated at gross):

	<b>Group 2023 RM</b>	<b>2022 RM</b>
Provision	1,611,963	-
Property, plant and equipment	(5,492,190)	-
Unabsorbed capital allowance	3,870,197	-
Unutilised tax losses	1,465,570	-
Others	632	-
	<u>1,456,172</u>	<u>-</u>

**23. Provision for staff gratuity**

	<b>Group 2023 RM</b>	<b>2022 RM</b>
Representing:		
Current liabilities	-	657,787
Non-current liabilities	890,768	867,521
	<u>890,768</u>	<u>1,525,308</u>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**23. Provision for staff gratuity**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
At 1 January	1,141,860	1,379,636
Provision during the financial year	51,337	50,520
Reversal	(486,949)	-
Paid out	(180,304)	(288,296)
	<u>524,944</u>	<u>1,141,860</u>
Add: Amortised cost		
At 1 January	383,448	420,009
Reversal	(18,624)	(36,561)
	<u>364,824</u>	<u>383,448</u>
At 31 December	<u>890,768</u>	<u>1,525,308</u>

The discount rates applied in the computation of the present value of retirement gratuities ranges from 3.58% to 3.74% (2022: 2.63% to 4.50%) per annum.

**24. Term loans**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Current	682,610	541,714
Non-current	13,451,879	12,904,668
	<u>14,134,489</u>	<u>13,446,382</u>

The maturity structure of the term loans can be analysed as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Repayable within one (1) year	682,610	541,714
Repayable between two (2) to five (5) years	13,451,879	12,904,668
	<u>14,134,489</u>	<u>13,446,382</u>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**24. Term loans (continued)**

***Term loan 1***

Term loan 1 of the Group bears an interest of 5.19% (2022: 5.19%) per annum and is secured by way of:

- (i) Legal charges over the factory warehouse of the Group as disclosed in Note 10 to the financial statements; and
- (ii) Jointly and severally guaranteed by certain Directors of the Group.

***Term loan 2***

Term loan 2 of the Group bears interest ranging from 5.60% to 6.35% (2022: 5.60% to 6.35%) per annum and is secured by way of:

- (i) first party legal charge over the Group's investment property as disclosed in Note 13 to the financial statements;
- (ii) Personal guarantee by the former shareholder of the Group;
- (iii) Corporate guarantee by the company; and
- (iv) Assignment of all the rights, titles, benefits and interests in respect of the rental proceeds from investment property in favour of the bank.

***Term loan 3***

Term loan 3 of the Group bears interest ranges from 6.10% to 6.35% (2022: 6.10% to 6.35%) per annum and is secured by way of:

- (i) first party legal charge over the Group's investment property as disclosed in Note 13 to the financial statements;
- (ii) first party fixed deposits of RM157,280. Interest on the fixed deposit is to be capitalised and pledged as additional security throughout the tenor of banking facility as disclosed in Note 18 to the financial statements;
- (iii) Personal guarantee by the former shareholder of the Group; and
- (iv) Corporate guarantee by the company.

**25. Lease liabilities**

The following table summarises the carrying amount of the Group's right-of-use assets and the movements during the year:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Representing:		
Current liabilities	40,200	-
Non-current liabilities	21,188	-
	<u>61,388</u>	<u>-</u>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**25. Lease liabilities (continued)**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Recognised in profit or loss:</b>		
Interest expense on lease liabilities	5,354	370

(i) The total cash outflow for leases for the financial year ended 31 December 2023 is RM20,291 (2022: RM27,356); and

(ii) The lease liabilities payable are as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Present value of lease liabilities:		
Repayable within one year	40,200	-
Repayable between one to two years	21,188	-
	<u>61,388</u>	<u>-</u>

**26. Trade payables**

The normal trade credit terms granted to the Group and the Company ranges from 30 to 90 days (2022: 30 to 90 days).

**27. Non-trade payables and accruals**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Non-trade payables				
- Third party	608,515	612,992	-	-
- Amount due to a shareholder	-	1,135,200	-	-
Deposits received	164,500	126,000	-	-
Accruals	799,489	846,468	12,000	1,500
	<u>1,572,504</u>	<u>2,720,660</u>	<u>12,000</u>	<u>1,500</u>

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

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**28. Amount due to related parties**

The amount due to related parties represent Director fees payables to the former directors and are unsecured, interest-free and usually settled within one (1) year.

Significant related party transactions are disclosed in Note 31 to the financial statements.

**29. Amount due to subsidiaries**

The amount due to subsidiaries represents non-trade, unsecured, interest-free advances and is repayable on demand.

Significant related party transactions are disclosed in Note 31 to the financial statements.

**30. Amount due to Directors**

The amount due to Directors represent Director fees and are unsecured, interest-free and usually settled within one (1) year.

Significant related party transactions are disclosed in Note 31 to the financial statements.

**31. Significant related party transactions**

**(a) Identities of related parties:**

Parties are considered to be related to the Group if the Group has the ability to directly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individual or other entities.

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Entities in which directors have substantial financial interest; and
- (iii) Key management personnel of the Group and of the Company, comprise persons having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**31. Significant related party transactions (continued)**

- (b) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with its related parties during the financial year.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>With former shareholder</b>				
Payment to	-	300,000	-	-
<b>With related party</b>				
Advances from	-	(8,844)	-	(8,844)

- (c) Compensation of Key Management Personnel

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Executive</b>		
Directors' remuneration	646,220	503,419
Directors' fee	78,000	60,000
	<u>724,220</u>	<u>563,419</u>
<b>Non-executive</b>		
Directors' remuneration	77,300	63,600
Directors' fee	263,500	147,500
	<u>340,800</u>	<u>211,100</u>
<b>Total compensation</b>	<u>1,065,020</u>	<u>774,519</u>

**32. Segmental information**

The Group is principally engaged in the manufacturing and distribution of flexible packaging materials in Malaysia. There is no other business component that is an operating segment with a distinct allocation of resources. The Group has exported the packaging materials to Mauritius and Brunei. The revenue of the Group is analysed as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Malaysia	25,330,344	27,599,180
Mauritius	261,945	1,320,853
Brunei	214,061	98,811
	<u>25,806,350</u>	<u>29,018,844</u>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**32. Segmental information (continued)**

**Major customers**

For the financial year, the revenue of 5 (2022: 5) customers contributed more than 50% of the total revenue of these major customer(s) is RM13,670,996 (2022: RM15,939,893).

**33. Contingent liability**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Bank guarantee given by financial institution to third party	288,849	317,343

**34. Capital commitments**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Capital expenditure not provided for in the financial statements are as follows:		
<b>Property, plant and equipment</b>		
Authorised and contracted for	485,882	-

**35. Financial instruments**

**Categories of financial instruments**

- (a) Fair value through profit or loss ("FVTPL");
- (b) Financial assets measured at amortised cost ("AC"); and
- (c) Financial liabilities measured at amortised cost ("AC").

	<b>Carrying amount</b>		
	<b>RM</b>	<b>FVTPL</b>	<b>AC</b>
<b>Group</b>		<b>RM</b>	<b>RM</b>
<b>2023</b>			
<b>Financial assets</b>			
Other investments	999,251	999,251	-
Trade receivables	6,389,022	-	6,389,022
Non-trade receivables and deposits (excluding prepayment)	29,523	-	29,523
Fixed deposits with licensed banks	367,681	-	367,681
Cash and cash equivalents	715,196	-	715,196
	<u>8,500,673</u>	<u>999,251</u>	<u>7,501,422</u>



**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**35. Financial instruments (continued)**

**Categories of financial instruments (continued)**

<b>Group</b>	<b>Carrying</b>	<b>FVTPL</b>	<b>AC</b>
<b>2023</b>	<b>amount</b>	<b>RM</b>	<b>RM</b>
	<b>RM</b>		
<b>Financial liabilities</b>			
Trade payables	4,760,877	-	4,760,877
Non-trade payables and accruals	1,572,504	-	1,572,504
Amount due to related parties	180,000	-	180,000
Amount due to Directors	114,000	-	114,000
Term loans	14,134,489	-	14,134,489
Lease liabilities	61,388	-	61,388
Provision for gratuity	890,768	-	890,768
	<u>21,714,026</u>	<u>-</u>	<u>21,714,026</u>
<b>2022</b>			
<b>Financial assets</b>			
Other investments	706,946	706,946	-
Trade receivables	6,497,178	-	6,497,178
Non-trade receivables and deposits (excluding prepayment)	34,737	-	34,737
Fixed deposits with licensed banks	153,650	-	153,650
Cash and cash equivalents	4,002,884	-	4,002,884
	<u>11,395,395</u>	<u>706,946</u>	<u>10,688,449</u>
<b>Financial liabilities</b>			
Trade payables	3,670,091	-	3,670,091
Non-trade payables and accruals	2,720,660	-	2,720,660
Amount due to Directors	207,500	-	207,500
Term loan	13,446,382	-	13,446,382
Provision for gratuity	1,525,308	-	1,525,308
	<u>21,569,941</u>	<u>-</u>	<u>21,569,941</u>
<b>Company</b>			
<b>2023</b>			
<b>Financial assets</b>			
Deposits	4,500	-	4,500
Cash and cash equivalents	990	-	990
	<u>5,490</u>	<u>-</u>	<u>5,490</u>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**35. Financial instruments (continued)**

**Categories of financial instruments (continued)**

<b>Company</b>	<b>Carrying amount RM</b>	<b>FVTPL RM</b>	<b>AC RM</b>
<b>2023</b>			
<b>Financial liabilities</b>			
Non-trade payables and accruals	12,000	-	12,000
Amount due to subsidiaries	60,856	-	60,856
Amount due to Directors	54,000	-	54,000
	<u>126,856</u>	<u>-</u>	<u>126,856</u>
<b>Company</b>			
<b>2022</b>			
<b>Financial asset</b>			
Non-trade receivables	<u>2</u>	<u>-</u>	<u>2</u>
<b>Financial liabilities</b>			
Non-trade payables and accruals	1,500	-	1,500
Amount due to related parties	8,846	-	8,846
	<u>10,346</u>	<u>-</u>	<u>10,346</u>

**Net gains and (losses) arising from financial instruments**

	<b>Group</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
<b>Fair value through profit or loss</b>		
Fair value (loss)/gain on other investments	(2,668)	185,856
<b>Fair value through other comprehensive income</b>		
Investment income	-	26,243
<b>Financial assets measured at amortised cost</b>		
Interest income	11,106	34,574
Impairment of trade receivables	(22,560)	-
Realised gain on foreign exchange	5,981	34,084
Unrealised gain/(loss) on foreign exchange	9,704	(4,076)
	<u>4,231</u>	<u>64,582</u>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**35. Financial instruments (continued)**

**Categories of financial instruments (continued)**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Financial liabilities measured at amortised cost</b>		
Reversal of amortised cost of provision for gratuity	18,624	36,561
Realised gain on foreign exchange	-	4,284
Unrealised loss on foreign exchange	-	(1,097)
Interest expense	(664,946)	(243,470)
Provision for staff gratuity	(51,337)	(50,520)
	<u>(697,659)</u>	<u>(254,242)</u>
	<u>(696,096)</u>	<u>22,439</u>

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, market risk, foreign currency risk, interest rate risk and liquidity risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its credit risk, market risk, foreign currency risk, interest rate risk and liquidity risk.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

**Credit risk**

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from the individual characteristics of each customer.

**Trade receivables and contract assets**

At each reporting date, the Group and the Company assess whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay amounts subject to the write-off. Nevertheless, trade receivables and contract asset that are written off could still be subject to enforcement activities.

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**35. Financial instruments (continued)**

**Categories of financial instruments (continued)**

There are no significant changes as compared to previous year.

Credit risk concentration profile

The Group's and the Company's major concentration of credit risk relates to the amounts owing by 8 (2022: 8) major customers which constituted approximately 69% (2022: 72%) of its trade receivables as at the end of the reporting period.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Malaysia	6,379,811	6,216,707
Brunei	9,211	-
Mauritius	-	280,471
	<u>6,389,022</u>	<u>6,497,178</u>

Ageing analysis

The ageing analysis of the Group's trade receivables as at reporting period is as follows:

	<b>Gross carrying amount</b>	<b>Loss allowances</b>	<b>Net carrying amount</b>
<b>Group</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>2023</b>			
Not past due:	2,194,896	-	2,194,896
Past due:			
- less than 3 months	3,648,227	-	3,648,227
- more than 3 months	577,587	(31,688)	545,899
	<u>6,420,710</u>	<u>(31,688)</u>	<u>6,389,022</u>
<b>Credit impaired</b>			
Individually impaired	4,145	(4,145)	-
	<u>6,424,855</u>	<u>(35,833)</u>	<u>6,389,022</u>

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**35. Financial instruments (continued)**

**Categories of financial instruments (continued)**

**Credit risk (continued)**

Ageing analysis (continued)

<b>Group</b>	<b>Gross</b>	<b>Loss</b>	<b>Net</b>
<b>2022</b>	<b>carrying</b>	<b>allowances</b>	<b>carrying</b>
	<b>amount</b>		<b>amount</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Not past due:	1,796,176	-	1,796,176
Past due:			
- less than 3 months	3,621,635	-	3,621,635
- more than 3 months	1,088,495	(9,128)	1,079,367
	<u>6,506,306</u>	<u>(9,128)</u>	<u>6,497,178</u>
<b>Credit impaired</b>			
Individually impaired	4,145	(4,145)	-
	<u>6,510,451</u>	<u>(13,273)</u>	<u>6,497,178</u>

**Cash and cash equivalents**

The cash and cash equivalents are held with banks and financial institutions. 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.

As at the end of the reporting period, the Group and the Company did not recognise any allowance for impairment losses.

**Deposits**

Credit risks on deposits are mainly arising from deposits paid for hostel buildings rented. These deposits will be refunded at the end of each lease terms. The Group and the Company manage the credit risk together with the leasing arrangement.

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.

As at the end of the reporting period, the Group and the Company did not recognise any allowance for impairment losses.

**Market risk**

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

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**35. Financial instruments (continued)**

**Categories of financial instruments (continued)**

**Foreign currency risk**

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is US Dollar ("USD"), Brunei Dollar ("BND") and Japanese Yen ("JPY"). The exposure of foreign currency risk is monitored on an on-going basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency is as follows:

<b>Group</b>	<b>USD</b>	<b>JPY</b>	<b>Total</b>
<b>2023</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Financial asset</b>			
Trade receivables	5,107	-	5,107
<b>Financial liability</b>			
Non-trade payables	(7,649)	-	(7,649)
Net currency exposure	<u>(2,542)</u>	<u>-</u>	<u>(2,542)</u>
<b>2022</b>			
<b>Financial asset</b>			
Trade receivables	266,540	-	266,540
<b>Financial liability</b>			
Non-trade payables	(330,729)	(68,730)	(399,459)
Net currency exposure	<u>(64,189)</u>	<u>(68,730)</u>	<u>(132,919)</u>

**Foreign currency risk sensitivity analysis**

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
	<b>Increase/ (Decrease)</b>	<b>Increase/ (Decrease)</b>
<b>Effect on loss after tax</b>		
<b>USD / RM</b>		
Strengthened by 5% (2022:5%)	(97)	(2,439)
Weakened by 5% (2022:5%)	97	2,439
<b>JPY / RM</b>		
Strengthened by 5% (2022:5%)	-	(2,612)
Weakened by 5% (2022:5%)	-	2,612

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**35. Financial instruments (continued)**

**Categories of financial instruments (continued)**

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-earning financial assets and liabilities. The Group's and the Company's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group and of the Company will be placed with licensed financial institutions to generate interest income.

The Group's and the Company's primary interest rate risk relates to interest earning from fixed deposits with licensed banks and other investments.

*Effective interest rates and repricing analysis*

The following table shows information on the Group's and the Company's exposure to interest rate risk.

	<b>Effective interest rate per annum %</b>	<b>Less than one year RM</b>	<b>Between one and five years RM</b>	<b>Total RM</b>
<b>Group and Company 2023</b>				
<b>Financial asset</b>				
Fixed deposit with licensed bank	2.25 – 2.80	367,681	-	367,681
<b>Financial liabilities</b>				
Lease liabilities	5.50	(40,200)	(21,188)	(61,388)
Term loans	5.19 - 6.35	(682,610)	(13,451,879)	(14,134,489)
		(722,810)	(13,473,067)	(14,195,877)
<b>Group and Company 2022</b>				
<b>Financial assets</b>				
Fixed deposit with licensed bank	2.35	153,650	-	153,650
<b>Financial liability</b>				
Term loans	5.19 - 6.35	(541,714)	(12,904,668)	(13,446,382)
		(388,064)	(12,904,668)	(13,292,732)

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**35. Financial instruments (continued)**

**Categories of financial instruments (continued)**

**Interest rate risk (continued)**

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>Increase/ (Decrease)</b>	<b>Increase/ (Decrease)</b>
	<b>RM</b>	<b>RM</b>
<b>Effects on profit after taxation</b>		
Increase of 10 basis points	14,196	10,102
Decrease of 10 basis points	(14,196)	(10,102)

**Liquidity risk**

The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows.

Maturity analysis

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

	<b>Carrying amount RM</b>	<b>Contractual cash flows RM</b>	<b>Within 1 year RM</b>	<b>More than 1 year RM</b>
<b>Group 2023</b>				
Trade payables	4,760,877	4,760,877	4,760,877	-
Non-trade payables and accruals	1,572,504	1,572,504	1,572,504	-
Amount due to related parties	180,000	180,000	180,000	-
Amount due to Directors	114,000	114,000	114,000	-
Term loans	14,134,489	14,134,489	682,610	13,451,879
Lease liabilities	61,388	61,388	40,200	21,188
Provision for gratuity	890,768	890,768	-	890,768
	<u>21,714,026</u>	<u>21,714,026</u>	<u>7,350,191</u>	<u>14,363,835</u>



**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**35. Financial instruments (continued)**

**Categories of financial instruments (continued)**

**Liquidity risk (continued)**

*Maturity analysis (continued)*

	<b>Carrying amount RM</b>	<b>Contractual cash flows RM</b>	<b>Within 1 year RM</b>	<b>More than 1 year RM</b>
<b>Group 2022</b>				
Trade payables	3,670,091	3,670,091	3,670,091	-
Non-trade payables and accruals	2,720,660	2,720,660	2,720,660	-
Amount due to Directors	207,500	207,500	207,500	-
Term loans	13,446,382	13,446,382	541,714	12,904,668
Provision for gratuity	1,525,308	1,525,308	657,787	867,521
	<u>21,569,941</u>	<u>21,569,941</u>	<u>7,797,752</u>	<u>13,772,189</u>
<b>Company 2023</b>				
Non-trade payables and accruals	12,000	12,000	12,000	-
Amount due to subsidiaries	60,856	60,856	60,856	-
Amount due to Directors	54,000	54,000	54,000	-
	<u>126,856</u>	<u>126,856</u>	<u>126,856</u>	<u>-</u>
<b>2022</b>				
Non-trade payables and accruals	1,500	1,500	1,500	-
Amount due to related parties	8,846	8,846	8,846	-
	<u>10,346</u>	<u>10,346</u>	<u>10,346</u>	<u>-</u>

It is not expected the cash flows included in the maturity analysis could occur significantly earlier, or at significant different amount.

**Fair values**

The following summarises the methods used to determine the fair values of the financial instruments:

- (i) The financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The fair value of other investments is equivalent to the carrying value as at the end of the reporting period.
- (iii) The fair value of lease liability is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**35. Financial instruments (continued)**

**Fair values (continued)**

The following summarises the methods used to determine the fair values of the financial instruments:

- (iv) The financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- (v) The fair value of other investments is equivalent to the carrying value as at the end of the reporting period.
- (vi) The fair value of lease liability is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

The aggregate fair values and the carrying amounts of the financial asset carried on the statement of financial position as at 31 December are as below:

Group	2023		2022	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<b>Financial asset:</b>				
Other investments	999,251	999,251	706,946	706,946
<b>Financial liability:</b>				
Lease liabilities	61,388	61,388	-	-

Fair value hierarchy

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Input for the assets or liabilities that are not based on observable market data (unobservable inputs).

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**35. Financial instruments (continued)**

**Fair values (continued)**

The Group does not have any financial liabilities carried at fair value or any financial instruments classified as Level 1 and Level 2 as at reporting date.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Group</b>				
<b>2023</b>				
<b>Financial asset</b>				
Other investments	999,251	-	-	999,251
<b>Financial liability</b>				
Lease liabilities	-	-	61,388	61,388
<b>2022</b>				
<b>Financial asset</b>				
Other investments	706,946	-	-	706,946
<b>Financial liability</b>				
Lease liabilities	-	-	-	-

**36. Capital management**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2023.

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**36. Capital management (continued)**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Total debts		
- Term loans	14,134,489	13,446,382
Less: Cash and bank balances	(715,196)	(4,002,884)
Less: Fixed deposits with licensed banks	(367,681)	(153,650)
Net debt	13,051,612	9,289,848
Total equity	28,551,785	29,382,089
Total capital	41,603,397	38,671,937
Gearing ratio (times)	49.50	45.76

Under the requirements of Bursa Malaysia Practice Note 19, the Group is required to maintain a shareholders' equity equal to or not less than the 25% of the issued and paid up capital (excluding treasury shares). The Group has complied with this requirement for the financial year ended 31 December 2023.

There are no other external capital requirements imposed on the Group.

**37. Significant events**

On 29 March 2022, Advanced Packaging Technology (M) Bhd. ("APT") had entered into a conditional internal restructuring agreement with Greater Bay Holdings Berhad ("Newco") for the purpose of the Proposed Internal Reorganisation by the way of members' scheme of arrangement under Section 366 of the Companies Act, 2016 in Malaysia comprising the following:

- (i) Proposed share exchange of the entire issued and fully paid up share capital of APT, with the corresponding number of new ordinary shares in Greater Bay Holdings Berhad (Registration No. 202201009799 (1455496-U)) ("Newco") ("Newco Share(s)") on the basis of 1 new Newco Share for every 1 existing APT Share held by the existing shareholders of APT as at the entitlement date to be determined and announced by the Board ("Proposed Share Exchange"); and
- (ii) Proposed transfer of the listing status of APT to Newco, the admission of Newco to and withdrawal of APT from the Official List of the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), and the listing of and quotation for the entire issued and paid up share capital of Newco on the Main Market of Bursa Securities ("Proposed Transfer of Listing Status").

**GREATER BAY HOLDINGS BERHAD**  
Registration No.: 202201009799 (1455496-U)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023**

**37. Significant events (continued)**

On 9 November 2023, the Company has allotted 82,016,998 new ordinary shares ("Newco Share(s)") and completed the share exchange with APT ("APT Share(s)") with 1 new Newco Share in exchange for every 1 existing APT Share for total 81,335,138 ordinary shares, while remaining 661,864 treasury shares had been cancelled against treasury shares on 25 October 2023.

The Company's entire issued capital comprising 81,335,138 Newco Shares was listed on the Main Market of Bursa Securities on 14 November 2023. Accordingly, the Company was admitted to the Official List of Bursa Securities in place of APT.

**39. General information**

The Company is incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

The Company is principally engaged to provide management services and investment holding.

The principal activities of its subsidiaries are set out in Note 11 to the financial statements.

The registered office of the Company is located at Level 12, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Lot 2, Jalan P/2A, Kawasan MIEL, Bangi Industrial Estate, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.

The financial statements were approved and authorised for issue by the Board of Directors on 25 April 2024.