



## GRAND BANKS YACHTS LIMITED

(Company Registration No.: 197601189E)

### UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST HALF YEAR ENDED 31 DECEMBER 2025

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**1 (a) Consolidated income statement (Unaudited)**  
**For the first half year ended 31 December 2025**

	Note	<u>Group</u>		Change %
		6-Month period ended 31 December		
		2025 \$'000	2024 \$'000	
Revenue	4	71,364	67,200	6.2
Cost of sales		<u>(53,828)</u>	<u>(45,457)</u>	18.4
<b>Gross profit</b>		17,536	21,743	(19.3)
Other income	2(a)	186	719	(74.1)
Selling and marketing expenses		<span style="border: 1px solid black; padding: 2px;">(6,915)</span>	<span style="border: 1px solid black; padding: 2px;">(5,417)</span>	27.7
Administrative expenses		(4,749)	(4,656)	2.0
Other operating expenses, net		(783)	(688)	13.8
<b>Total operating expenses</b>		<u>(12,447)</u>	<u>(10,761)</u>	15.7
<b>Profit from operations</b>		5,275	11,701	(54.9)
Finance cost		<u>(756)</u>	<u>(303)</u>	>100
<b>Profit before tax</b>	2(a)	4,519	11,398	(60.4)
Tax expense	2(b)	<u>(1,581)</u>	<u>(3,835)</u>	(58.8)
<b>Profit for the period attributable to owners of the Company</b>		<u><u>2,938</u></u>	<u><u>7,563</u></u>	(61.2)

**1 (a) Consolidated statement of comprehensive income (Unaudited)  
For the first half year ended 31 December 2025**

	<u>Group</u>		
	<b>6-Month period ended 31 December</b>		
	<b>2025</b>	<b>2024</b>	<b>Inc/(Dec)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Profit for the period</b>	2,938	7,563	(61.2)
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Translation differences relating to financial statements of foreign subsidiaries	2,519	1,762	43.0
<b>Other comprehensive income for the period, net of income tax</b>	<u>2,519</u>	<u>1,762</u>	43.0
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<u><u>5,457</u></u>	<u><u>9,325</u></u>	(41.5)

**1 (b) Consolidated statements of financial position (Unaudited)**  
**As at first half year ended 31 December 2025**

	Note	Group		Company	
		31-Dec-25 \$'000	30-Jun-25 \$'000	31-Dec-25 \$'000	30-Jun-25 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	2(c)	85,057	68,852	–	–
Right-of-use assets	2(d)	5,839	5,781	–	–
Subsidiaries	2(e)	–	–	36,948	36,948
Intangible assets		6,311	6,172	–	–
Deferred tax assets		1,469	1,019	–	–
		<u>98,676</u>	<u>81,824</u>	<u>36,948</u>	<u>36,948</u>
<b>Current assets</b>					
Inventories	2(f)	44,906	28,948	–	–
Contract assets		5,261	3,326	–	–
Trade and other receivables	2(g)	7,767	8,092	4,546	2,474
Prepayments		5,181	5,480	81	27
Current tax recoverable		1,322	446	–	–
Cash and fixed deposits	2(h)	24,161	51,517	4,347	9,008
		<u>88,598</u>	<u>97,809</u>	<u>8,974</u>	<u>11,509</u>
<b>Total assets</b>		<u>187,274</u>	<u>179,633</u>	<u>45,922</u>	<u>48,457</u>
<b>Current liabilities</b>					
Trade and other payables	2(i)	14,050	13,948	350	586
Contract liabilities		23,728	25,671	–	–
Provisions		5,999	6,693	–	–
Interest-bearing loans and borrowings	2(j)	4,953	1,925	–	–
Deferred consideration	2(k)	4,108	2,532	–	–
Lease liabilities		399	376	–	–
Current tax payables		901	1,986	–	–
		<u>54,138</u>	<u>53,131</u>	<u>350</u>	<u>586</u>
<b>Non-current liabilities</b>					
Deferred tax liabilities		1,320	433	–	–
Interest-bearing loans and borrowings	2(j)	5,669	5,257	–	–
Deferred consideration	2(k)	20,052	18,350	–	–
Lease liabilities		214	308	–	–
		<u>27,255</u>	<u>24,348</u>	<u>–</u>	<u>–</u>
<b>Total liabilities</b>		<u>81,393</u>	<u>77,479</u>	<u>350</u>	<u>586</u>
<b>Capital and reserves</b>					
Share capital	2(l)	43,580	43,580	43,580	43,580
Share-based compensation reserve		1,026	890	1,026	890
Foreign currency translation reserve		(3,538)	(6,057)	–	–
Accumulated profits		64,813	63,741	966	3,401
<b>Total equity</b>		<u>105,881</u>	<u>102,154</u>	<u>45,572</u>	<u>47,871</u>
<b>Total equity and liabilities</b>		<u>187,274</u>	<u>179,633</u>	<u>45,922</u>	<u>48,457</u>

**1 (c) Consolidated statement of cash flows (Unaudited)**  
**For the first half year ended 31 December 2025**

	Note	Group	
		6-Month period	
		ended 31 December 2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
Profit after tax		2,938	7,563
Adjustments for:			
Depreciation of property, plant and equipment		2,684	2,576
Depreciation of right-of-use assets		327	296
Amortisation of intangible assets		55	56
Gain on disposal of property, plant and equipment		(3)	–
Allowance made for inventories obsolescence, net		277	310
Interest income		(315)	(476)
Share-based payment expenses		136	141
Interest expense		746	207
Tax expense	2(b)	1,581	3,835
Unrealised foreign exchange loss		316	641
		<u>8,742</u>	<u>15,149</u>
Changes in:			
- Inventories		(15,400)	(5,112)
- Trade and other receivables		1,002	1,465
- Prepayments		411	(1,294)
- Contract assets		(1,838)	4,074
- Contract liabilities		(2,138)	(5,972)
- Trade and other payables		(1,037)	1,280
- Provisions		(927)	303
Cash (used in)/generated from operations		<u>(11,185)</u>	<u>9,893</u>
Net income taxes paid		<u>(3,054)</u>	<u>(4,672)</u>
<b>Net cash (used in)/generated from operating activities</b>		<u>(14,239)</u>	<u>5,221</u>
<b>Cash flows from investing activities</b>			
Interest received		315	475
Restricted cash		(288)	(3,312)
Proceeds from disposal of property, plant and equipment		3	–
Purchase of property, plant and equipment*		<u>(14,630)</u>	<u>(4,376)</u>
<b>Net cash used in investing activities</b>		<u>(14,600)</u>	<u>(7,213)</u>

\* Included in the additions to property, plant and machinery (see Note 2(c)) during the period ended 31 December 2025 were: i) a purchase of land and building amounting to \$2,081,000, of which \$969,000 was partially financed by the seller, and ii) a purchase of a sailing yacht with capital expenditures on upgrading and modifications amounting to \$9,030,000 of which \$1,695,000 was partially financed by the seller.

Included in additions to property, plant and machinery for period ended 31 December 2024 was the extension of factory in Malaysia amounting to \$3,063,000 of which \$3,029,000 was partially financed by the bank.

**1 (c) Consolidated statement of cash flows (Unaudited) (cont'd)**  
**For the first half year ended 31 December 2025**

	<b>Group</b>	
	<b>6-Month period</b>	
	<b>ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from financing activities</b>		
Interest paid	(209)	(168)
Interest paid on right-of-use assets	(29)	(39)
Dividend paid	(1,866)	(1,866)
Repayment of lease liabilities	(211)	(167)
Repayment of interest-bearing loans and borrowings	(456)	(129)
Proceeds from interest-bearing loans and borrowings	3,527	82
Repayment of deferred consideration	(46)	(46)
Proceeds from issue of shares pursuant to share plans	–	444
<b>Net cash from/(used in) financing activities</b>	<u>710</u>	<u>(1,889)</u>
<b>Net decrease in cash and cash equivalents</b>	(28,129)	(3,881)
Cash and cash equivalents at beginning of period	47,168	39,305
Effect of exchange rate changes on balances held in foreign currency	485	(115)
<b>Cash and cash equivalents at end of period</b>	<u>2(h) 19,524</u>	<u>35,309</u>

**1 (d) Consolidated statement of changes in equity (Unaudited)**  
**For the first half year ended 31 December 2025**

<b>Group</b>	<b>Share capital \$'000</b>	<b>Share-based compensation reserve \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total \$'000</b>
At 1 July 2025	43,580	890	(6,057)	63,741	102,154
<b>Total comprehensive income for the period</b>					
Profit for the period	–	–	–	2,938	2,938
<b>Other comprehensive income</b>					
Translation differences relating to financial statements of foreign subsidiaries	–	–	2,519	–	2,519
Total other comprehensive income	–	–	2,519	–	2,519
<b>Total comprehensive income for the period</b>	–	–	2,519	2,938	5,457
<b>Transactions with owners, recorded directly in equity</b>					
Share-based payments	–	136	–	–	136
Tax exempt (one-tier) dividends paid	–	–	–	(1,866)	(1,866)
<b>Total transactions with owners</b>	–	136	–	(1,866)	(1,730)
At 31 December 2025	43,580	1,026	(3,538)	64,813	105,881

**1 (d) Consolidated statement of changes in equity (Unaudited)**  
**For first half year ended 31 December 2024**

<b>Group</b>	<b>Share capital \$'000</b>	<b>Share-based compensation reserve \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total \$'000</b>
At 1 July 2024	43,136	617	(4,831)	48,319	87,241
<b>Total comprehensive income for the period</b>					
Profit for the period	–	–	–	7,563	7,563
<b>Other comprehensive income</b>					
Translation differences relating to financial statements of foreign subsidiaries	–	–	1,762	–	1,762
Total other comprehensive income	–	–	1,762	–	1,762
<b>Total comprehensive income for the period</b>	–	–	1,762	7,563	9,325
<b>Transactions with owners, recorded directly in equity</b>					
Issue of shares pursuant to share plan	444	–	–	–	444
Share-based payments	–	141	–	–	141
Tax exempt (one-tier) dividends paid	–	–	–	(1,866)	(1,866)
<b>Total transactions with owners</b>	444	141	–	(1,866)	(1,281)
At 31 December 2024	43,580	758	(3,069)	54,016	95,285

## 2 (a) Profit before tax

The following items have been included in arriving at profit before tax:

	<b>Group</b>	
	<b>6-Month period</b>	
	<b>ended 31 December</b>	
<b>Note</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Wages, salaries and other employee benefits	21,392	17,871
Contributions to defined contribution plans, included in wages, salaries and other employee benefits	1,259	1,059
Share-based payment expenses	136	141
Allowance made for inventories obsolescence, net	277	310
Depreciation of property, plant and equipment	2,684	2,576
Depreciation of right-of-use assets	327	296
Amortisation of intangible assets	55	56
Brokerage commission expenses	687	1,092
Provision for warranty claims	838	1,120
Auditors' remuneration:		
- auditors of the Company	186	193
- overseas affiliates of KPMG LLP	34	32
Non-audit fees paid to:		
- auditors of the Company	14	17
Short-term lease expenses	73	74
	<u>186</u>	<u>719</u>
<b>Other income</b>		
Foreign exchange (loss)/gain, net	(215)	217
Interest income from bank	315	476
Gain on disposal of property, plant and equipment	3	-
Sundry income	110	40
Others	(27)	(14)
	<u>186</u>	<u>719</u>

## 2 (b) Tax expense

	<b>Group</b>	
	<b>6-Month period</b>	
	<b>ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Current tax expense	1,179	3,373
Deferred tax expense	402	462
<b>Tax expense</b>	<u>1,581</u>	<u>3,835</u>

## 2 (c) Property, plant and equipment

During the financial year, additions in property, plant and equipment were mainly due to capital expenditure incurred in relation to the purchase of property and equipment coupled with on-going enhancements to overseas facilities as well as development of new products. The acquisition of the new property and a sailing yacht were partially financed by the sellers amounting to \$2,664,000 in total (FY2025: \$3,029,000). The sailing yacht serves as a platform for international branding, marketing and innovation for the Palm Beach Motor Yacht range of products. As such, there have been substantial capital expenditures focused on upgrading and innovative enhancements including state-of-art foil technology.

## 2 (d) Right-of-use assets ("ROUA")

During the financial year, additions in ROUA were pertaining to new dock lease in USA and renewal of hostel lease.

**2 (e) Subsidiaries**

	<b>Company</b>	
	<b>As at 31-Dec-25 \$'000</b>	<b>As at 30-Jun-25 \$'000</b>
Equity investments at cost:		
- Unquoted ordinary shares, at cost	21,726	21,726
- Unquoted preference shares, at cost	15,222	15,222
<b>Total</b>	<b>36,948</b>	<b>36,948</b>

**2 (f) Inventories**

	<b>Group</b>	
	<b>As at 31-Dec-25 \$'000</b>	<b>As at 30-Jun-25 \$'000</b>
Raw materials and components	16,237	15,488
Allowance for inventories obsolescence	(2,638)	(2,266)
	13,599	13,222
Completed stock boats at net realisable value	28,207	5,893
Work-in-progress	3,100	9,833
<b>Total</b>	<b>44,906</b>	<b>28,948</b>

In FY2026, changes in raw materials and components, stock boats and work-in-progress included in cost of sales amounted to \$45,956,741 (FY2025: \$42,009,008).

Usage of raw materials, changes in work-in-progress and changes in finished goods are main components of the cost of sales shown in profit or loss. Cost of sales also includes an allowance for inventories obsolescence which is provided to be consistent with the view that assets should not be carried in excess of amounts expected to be realised from their sale or use. Stock boats are carried at lower of cost and net realisable value. Estimates of net realisable value are based on the most reliable evidence available at the reporting date. These estimates take into consideration market demand, competition, and selling price and cost directly relating to events occurring after the end of the financial year to the extent that such events confirm conditions existing at the end of the financial year.

**2 (g) Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31-Dec-25 \$'000</b>	<b>As at 30-Jun-25 \$'000</b>	<b>As at 31-Dec-25 \$'000</b>	<b>As at 30-Jun-25 \$'000</b>
Trade receivables	7,517	7,903	-	-
Refundable deposits	250	189	-	-
Amounts due from subsidiaries (non-trade)	-	-	4,546	2,474
	7,767	8,092	4,546	2,474

The current outstanding balances with subsidiaries are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from the outstanding balances with subsidiaries.

## 2 (h) Cash and fixed deposits

	Group		Company	
	As at 31-Dec-25 \$'000	As at 30-Jun-25 \$'000	As at 31-Dec-25 \$'000	As at 30-Jun-25 \$'000
Cash and bank balances	12,930	6,734	2,347	108
Fixed deposits	11,231	44,783	2,000	8,900
Cash and fixed deposits in the statements of financial position	24,161	51,517	4,347	9,008
Restricted cash	(4,637)	(4,349)	–	–
Cash and cash equivalents in the statement of cash flows	19,524	47,168	4,347	9,008

Cash at banks earns interest at floating rates based on the daily bank deposits rates. Fixed deposits are placed for varying periods of between 30 to 90 days (30 June 2025: 7 and 90 days) and earn interest at rates averaging from 0.68% to 3.60% (30 June 2025: 0.7% to 4.47%) per annum.

## 2 (i) Trade and other payables

	Group		Company	
	As at 31-Dec-25 \$'000	As at 30-Jun-25 \$'000	As at 31-Dec-25 \$'000	As at 30-Jun-25 \$'000
Trade payables	5,380	4,065	–	–
Advance from customers	1,144	1,970	–	–
Accrued operating expenses	7,526	7,913	350	586
	14,050	13,948	350	586

## 2 (j) Interest-bearing loans and borrowings

	Group	
	As at 31-Dec-25 \$'000	As at 30-Jun-25 \$'000
Represented by:		
- Current	4,953	1,925
- Non-current	5,669	5,257
Total	10,622	7,182

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Group	
				As at 31-Dec-25 \$'000	As at 30-Jun-25 \$'000
Secured bank loan <sup>(i)</sup>	MYR	5.20%	2025-2033	5,789	5,814
Secured bank loan <sup>(ii)</sup>	USD	5.25%	2025-2026	1,116	1,167
Secured bank loan <sup>(iii)</sup>	USD	4.25%	2025-2027	161	201
Secured bank loan <sup>(iv)</sup>	MYR	5.20%	2025-2029	1,181	–
Revolving Credit <sup>(v)</sup>	MYR	5.35%	2026	2,375	–
				10,622	7,182

- (i) The outstanding loan denominated in Malaysia Ringgit amounting to \$5,789,000 (30 June 2025: \$5,814,000) for the composite manufacturing facility in Johor, Malaysia and the construction of the building which was completed in FY2025. The bank loan is secured over the leasehold land of the Group's manufacturing yard in Pasir Gudang, Johor, Malaysia which has a carrying amount of \$4,865,000 (30 June 2025: \$4,736,000). A corporate guarantee is also provided by the Company to the bank. The Company does not consider it probable that a claim will be made against the Company under the guarantee.
- (ii) The bank loan is secured over freehold land of the Group's service yard in Florida, USA which has a carrying amount of \$3,629,000 (30 June 2025: \$3,619,000). A corporate guarantee is also provided by the Company to the bank. The Company does not consider it probable that a claim will be made against the Company under the guarantee.
- (iii) The bank loan is secured over a travel lift located at the Group's service yard in Florida, USA which has a carrying amount of \$11,000 (30 June 2025: \$83,000). The travel lift is included in the Group's plant and machinery.
- (iv) During the year, the Group secured a new bank loan denominated in Malaysia Ringgit amounting to \$1,181,000 (30 June 2025: NIL) for the acquisition of machineries. The bank loan is secured over the machineries located at the Group's manufacturing yard in Pasir Gudang, Johor, Malaysia which has a carrying amount of \$1,222,000 (30 June 2025: \$1,255,000).
- (v) During the year, the Group has drawn down \$2,375,000 from the revolving credit facility denominated in Malaysia Ringgit to facilitate general working capital requirement.

## 2 (k) Deferred consideration

	<b>Group</b>	
	<b>As at 31-Dec-25 \$'000</b>	<b>As at 30-Jun-25 \$'000</b>
Secured promissory notes		
-Current	4,108	2,532
-Non-current	20,052	18,350
	<u>24,160</u>	<u>20,882</u>

On 15 December 2022, a subsidiary acquired land and building in USA which was partially financed by the seller through a deferred payment scheme. The note is denominated in US dollars repayable over a period of 15 years commencing from July 2024 and is secured over the freehold land and building in USA with carrying value of \$2,403,000 (30 Jun 2025: \$2,396,000). The note bears a fixed interest rate of 4% and is repayable between years 2026 to 2039.

In June 2025, a subsidiary acquired property, plant and equipment in USA, which was partially financed by the seller through deferred payment scheme. The note is denominated in US dollars repayable over a period of 5 years with first repayment in June 2026 and is secured over the freehold land and furniture and equipment in the USA with carrying value of \$26,618,000 and \$636,000 respectively (30 June 2025: \$26,463,000 and \$637,000). The note bears fixed interest rate of 1% above the applicable Federal Mid-Term Rate and is repayable between years 2026 to 2030.

During the year, a subsidiary acquired property, plant and equipment in USA, which was partially financed by the seller through deferred payment scheme. The note is denominated in US dollars repayable over a period of 5 years with first repayment in August 2026 and is secured over the freehold land and building in USA with carrying value of \$2,062,000 (30 June 2025: Nil). The note bears a fixed interest rate of 4.06% and is repayable between years 2026 to 2030.

During the year, a subsidiary acquired a sailing yacht in Australia to serve as a platform for international branding, marketing, and innovation for the Palm Beach Motor Yacht range of products. This was partially financed by the seller through deferred payment scheme without interest. The note is denominated in Australia dollars repayable over a period of 2 years between years 2026 to 2027 with first repayment in June 2026.

## 2 (l) Share capital

	As at 31-Dec-2025		As at 30-Jun-2025	
	Number of shares '000	\$'000	Number of shares '000	\$'000
<b>Fully paid:</b>				
Beginning and end of the period/year	186,585	43,580	184,635	43,136
Issue of shares pursuant to share plans	–	–	1,950	444
End of the period/year	<u>186,585</u>	<u>43,580</u>	<u>186,585</u>	<u>43,580</u>

A holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per ordinary share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. The increase in share capital was due to employees exercising their share options during the year.

### *Capital management*

The Group considers capital to be its share capital. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group manages its capital structure and makes adjustment to it, in the light of changes in economic and financial market conditions. The Group may adjust the dividend pay out to shareholders, buy back or issue new shares to optimise capital structure within the Group. The Group is in a net cash position. Net cash is calculated as cash and cash equivalents less external borrowings, if any.

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

The Company and its subsidiaries are not subject to externally imposed capital requirements.

## 2 (m) Fair values of financial assets and financial liabilities

### *Fair values of financial assets and financial liabilities*

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	Note	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Fair value \$'000
<b>Group</b>					
<b>31 December 2025</b>					
Trade and other receivables	2(g)	7,767	–	7,767	7,767
Cash and fixed deposits	2(h)	24,161	–	24,161	24,161
		<u>31,928</u>	<u>–</u>	<u>31,928</u>	<u>31,928</u>
Trade and other payables*	2(i)	–	10,572	10,572	10,572
Interest-bearing loans and borrowings	2(j)	–	10,622	10,622	10,622
Deferred consideration	2(k)	–	24,160	24,160	24,160
		<u>–</u>	<u>45,354</u>	<u>45,354</u>	<u>45,354</u>
<b>30 June 2025</b>					
Trade and other receivables	2(g)	8,092	–	8,092	8,092
Cash and fixed deposits	2(h)	51,517	–	51,517	51,517
		<u>59,609</u>	<u>–</u>	<u>59,609</u>	<u>59,609</u>
Trade and other payables*	2(i)	–	8,694	8,694	8,694
Interest-bearing loans and borrowings	2(j)	–	7,182	7,182	7,182
Deferred consideration	2(k)	–	20,882	20,882	20,882
		<u>–</u>	<u>36,758</u>	<u>36,758</u>	<u>36,758</u>

\* Excludes advance from customers and employee benefits.

### Interest-bearing loans and borrowings

No fair value is calculated for the floating rate loans as the Group believes that the carrying amounts, which are repriced within the year, reflect their corresponding fair values.

### Deferred consideration

The carrying value based on the 4.1% interest rate from the secured promissory notes represents the market rate.

### Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity and where the effect of discounting is immaterial.

Accordingly, no fair value hierarchy information is disclosed for such financial assets and liabilities.

## **3 Operating Segments**

The Group engages predominantly in the manufacturing and sales of luxury yachts. The Group assessed its operating segment and determined that it has two (2025: two) operating and reporting segments.

Manufacturing & trading	:	Manufacturing and sales of yachts to end customers.
Others	:	Ancillary sales such as brokerage income, service income, berthing fees and sales of trade-in/pre-owned boats.

The operating segments contain various functions that are inter-dependent to support the Group's operating activities and performance. Based on the combined activities of these key functions, the Group's Chief Executive Officer ("CEO"), who is the chief operating decision maker ("CODM"), assesses performance against an approved Group's budget and makes resource allocation decisions that will maximise the utilisation of production capacity and operating efficiency of the operating segments, to achieve the Group's budget.

### 3. Segment reporting for the first half year ended 31 December

	← Reconciliation →									
	Manufacturing and trading segment		Others		Corporate		Adjustments		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue and expenses</b>										
External revenue	56,814	50,429	14,550	16,771	–	–	–	–	71,364	67,200
Inter-segment revenue	3,798	4,636	9,982	7,640	–	1,500	(13,780)	(13,776)	–	–
Total revenue	60,612	55,065	24,532	24,411	–	1,500	(13,780)	(13,776)	71,364	67,200
Segment results*	19,594	22,702	2,781	4,301	(569)	830	(13,780)	(13,776)	8,026	14,057
Depreciation and amortisation	(2,932)	(2,802)	(134)	(126)	–	–	–	–	(3,066)	(2,928)
Interest income	315	476	–	–	–	–	–	–	315	476
Interest expenses	(756)	(207)	–	–	–	–	–	–	(756)	(207)
Profit/(loss) before tax	16,221	20,169	2,647	4,175	(569)	830	(13,780)	(13,776)	4,519	11,398
Income tax expense	(1,359)	(3,835)	(222)	–	–	–	–	–	(1,581)	(3,835)
Segment profit	14,862	16,334	2,425	4,175	(569)	830	(13,780)	(13,776)	2,938	7,563

\* Segment results: Earnings before Interest, Taxation, Depreciation and Amortisation

3. Segment reporting for the first half year ended 31 December (cont'd)

	← Reconciliation →							
	Manufacturing and trading segment		Others		Corporate		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Other material non-cash items:</i>								
Allowance made for inventories obsolescence, net	(277)	(310)	–	–	–	–	(277)	(310)
Gain on disposal of property, plant and equipment	–	–	3	–	–	–	3	–
Provisions for warranty claims	(838)	(1,120)	–	–	–	–	(838)	(1,120)
<b>Assets and liabilities</b>								
Segment assets	157,502	136,353	22,553	3,080	4,428	8,649	184,483	148,082
Tax assets	2,762	1,909	29	50	–	–	2,791	1,959
Segment liabilities	78,402	51,084	420	143	350	383	79,172	51,610
Tax liabilities	2,221	3,027	–	119	–	–	2,221	3,146
Capital expenditures	17,425	7,570	–	–	–	–	17,425	7,570

#### 4. Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customer is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition.

	<b>Group</b>	
	<b>6-Month period ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue from construction contracts	56,774	54,502
Revenue from boat brokerage*	1,806	2,733
Rendering of services	4,445	3,588
Sales of trade-in boats	8,233	6,229
Sales of parts	106	148
	<u>71,364</u>	<u>67,200</u>

#### Timing of revenue recognition

	<b>Group</b>	
	<b>6-Month period ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Transferred at a point in time	14,590	12,698
Transferred over time	56,774	54,502
	<u>71,364</u>	<u>67,200</u>

#### Revenue contributed by primary geographical markets:

	<b>Group</b>	
	<b>6-Month period ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
United States of America	52,539	49,239
Europe	4,172	1,044
Australia	13,669	13,179
Asia	984	3,738
	<u>71,364</u>	<u>67,200</u>

(\*) The related brokerage costs included in selling and marketing expenses amounted to \$687,000 (FY2025: \$1,092,000)

## 5. Corporate information

Grand Banks Yachts Limited (the Company) is incorporated in the Republic of Singapore and has its registered office at 21 Bukit Batok Crescent, #06-74, Wcega Tower, Singapore 658065.

The principal activities of the Company are those of an investment holding company with significant subsidiaries in the business of manufacturing and selling luxury yachts worldwide.

The financial statements of the Group as at and for the six months ended 31 December 2025 comprise the Company and its subsidiaries.

## 6. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2025 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 10.

The condensed interim financial statements are presented in Singapore dollars which is the Company's functional currency.

## 7. Audit

The figures have not been audited or reviewed by auditors.

## 8. Auditors' report

Not applicable.

## 9. Accounting policies

Other than the adoption of the amendments to SFRS(I)s as mentioned in Note 10 below, there are no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 30 June 2025.

## 10. New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted the new or amended standards in preparing these financial statements.

### (i) SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18 will replace SFRS(I) 1-1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's income statement, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

(ii) Other accounting standards

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's financial statements.

- *Classification and Measurement of Financial Instruments (Amendments to SFRS (I) 9 and SFRS(I) 7;*
- *Annual improvements to SFRS(I)s-Volume 11*
- *SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures*

**11. Earnings per ordinary share**

	<u>Group</u>	
	<b>6-Month period ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
Earnings per ordinary share for the financial period based on net profit attributable to shareholders:		
- On weighted average number of ordinary shares in issue (cents)	<u>1.57</u>	<u>4.05</u>
- On a fully diluted basis (cents)	<u>1.54</u>	<u>3.96</u>

**12. Net asset value per ordinary share**

	<u>Group</u>		<u>Company</u>	
	<u>As at 31-Dec-25</u>	<u>As at 30-Jun-25</u>	<u>As at 31-Dec-25</u>	<u>As at 30-Jun-25</u>
Net asset value (for the issuer and group) per ordinary share based on issued share capital of the insurer at the end of the:				
(a) Current period reported on; and				
(b) Immediately preceding financial year				
- Net asset value per ordinary share based on existing issued share capital at the end of the respective financial period/year (cents)	<u>56.75</u>	<u>54.75</u>	<u>24.42</u>	<u>25.66</u>

## Other Information:

### 13. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- a) Any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors.

#### Revenue

Revenue for the six-month period ended 31 December 2025 ("1H FY2026") increased 6.2% to \$71.4 million from \$67.2 million for the same period ended 31 December 2024 ("1H FY2025"), primarily due to the sales of four trade-in/pre-owned boats and its higher level of boat-building activities at its facility in Pasir Gudang, Johor, Malaysia.

#### Gross profit

Gross profit for 1H FY2026 decreased to \$17.5 million from \$21.7 million in 1H FY2025, while gross profit margin decreased to 24.6% in 1H FY2026 compared to 32.4% a year ago. This was due to a higher proportion of lower-margin trade-in/pre-owned boats delivered, and less favourable foreign exchange rates during the period under review.

#### Other income

Other income in 1H FY2026 declined mainly from foreign exchange losses and lower interest income.

#### Operating expenses

Total operating expenses increased to \$12.4 million for 1H FY2026 from \$10.8 million for 1H FY2025, mainly due to higher boat show and event costs and higher payroll costs.

The increase in finance costs in 1H FY2026 was due to the interest costs arising from a loan to finance the recent factory expansion in Malaysia as well as deferred consideration to finance the purchase of the marina and properties in the USA.

#### Taxation

Tax expenses in 1H FY2026 and 1H FY2025 were due to the profits of certain subsidiary companies in the Group.

#### Profit

As a result of the above, the Group recorded a decrease of 61.2% in net profit after tax of \$2.9 million in 1H FY2026, from net profit after tax of \$7.6 million in 1H FY2025.

- b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### Review of Cash Flows

The Group recorded cash flows used in operating activities of \$14.2 million for 1H FY2026, compared to cash flows generated from operating activities of \$5.2 million for 1H FY2025. This was mainly due to increases in inventories and contract assets, as well as decreases in contract liabilities and provisions, partially offset by a decrease in trade receivables. The increase in inventories was due to a higher number of inventory boats held. These inventory boats, consisting of new demonstration boats as well as trade-in/pre-owned boats, when sold,

will contribute significantly and positively to the Group's profits and cash flows. The increase in contract assets was due to the timing of billing of instalment payments to customers in accordance with sale contracts.

Cash flows used in investing activities amounted to \$14.6 million in 1H FY2026, the result of the purchase of a sailing yacht with capital expenditures on upgrading and modifications, purchase of property in the USA, development of new toolings, building improvements and purchase of equipment. In comparison, cash flows used in investing activities were \$7.2 million in 1H FY2025, due to similar activities.

Drawdowns from bank facilities were partially offset by repayments of interest-bearing loans and borrowings, deferred consideration as well as payment of dividends resulted in S\$0.7 million of net cash generated from financing activities in 1H FY2026. The net cash used in financing activities of S\$1.9 million in 1H FY2025 was mainly due to the payment of dividend and interest. Most of the Group's deferred consideration and interest-bearing loans and borrowings in 1H FY2026 were used to partially finance its acquisition of the sailing yacht and the USA properties.

As a result of the above, cash and cash equivalents (excluding restricted cash) declined to \$19.5 million as at 31 December 2025 from \$35.3 million as at 31 December 2024. Borrowings, including deferred consideration increased to \$34.8 million as at 31 December 2025 from \$28.1 million as at 30 June 2025.

#### Review of Financial Position

Non-current assets increased to \$98.7 million as at 31 December 2025, compared to \$81.8 million as at 30 June 2025 due to an increase in property, plant and equipment, principally from the purchase of the sailing yacht with capital expenditures on upgrading and modifications, acquisition of the USA properties and building improvements. Current assets decreased to \$88.6 million as at 31 December 2025 from \$97.8 million as at 30 June 2025, mainly due to a decline in cash and fixed deposits as a result of higher capital expenditure and inventory boat holding.

Total liabilities increased to \$81.4 million as at 31 December 2025 from \$77.5 million as at 30 June 2025, mainly due to an increase in borrowings.

Contract liabilities of \$23.7 million (customer deposits and instalment payments) contributed to the cash and fixed deposits of \$24.2 million as at 31 December 2025.

**14. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**15. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group recorded twelve new boat orders, comprising eight build-to-order and four trade-in/pre-owned boats, in 1H FY2026, compared to eleven new orders in 1H FY2025. Net order book as at 31 December 2025 was \$144.7 million, compared to \$156.6 million as at 30 June 2025.

During FY2025, the Group completed several key initiatives, including the construction of its Composite Manufacturing facility in Pasir Gudang, Malaysia, as well as the acquisition of two parcels of land in Newport, Rhode Island, USA, which provides a strategic flagship marina in USA Northeast region. Backed by the expanded footprint and stronger production capabilities capable of manufacturing more and bigger boats with shorter lead times, the Group is well positioned to capitalise on the long-term growth of the luxury yacht market.

In line with its strategy to step up marketing and sales activities, the Group purchased the world-renowned sailing yacht, Wild Oats XI in October 2025. Renamed as Palm Beach XI, the 100-foot Supermaxi was transformed with a number of state-of-the-art hydrodynamic enhancements inclusive of redesigned keel, daggerboards and innovative foils, all of which have been engineered to optimize lift, minimise drag and improve efficiency. The investment in these innovations will directly inform the future direction of design innovation for the next generation of Palm Beach motor yachts, incorporating the latest in carbon fibre composite engineering which together will result in lighter, stronger, faster and more efficient vessels.

Even as the Group grows its sales pipeline, its robust order book will continue to serve as a strong buffer against macroeconomic headwinds and increased operating costs.

During the past year the company made significant investments in furthering operational excellence and global branding, thereby positioning the Group for continued growth.

## 16. Dividend

### a) Current Financial Period Reported on

Any distribution declared for the current period?

Yes.

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Amount per Share (in Singapore cent)	0.5 cent per ordinary share
Tax Rate	One-Tier Tax-Exempt

### b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period?

Yes.

Name of Dividend	Interim Dividend (paid on 27 March 2025)
Dividend Type	Cash
Dividend Amount per Share (in Singapore cent)	0.5 cent per ordinary share
Tax Rate	One-Tier Tax-Exempt

### c) Date of Payment

Friday, 27 March 2026

### d) Books Closure Date

5.00 p.m. Friday, 13 March 2026

## 17. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

- 18. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained from shareholders.

- 19. Negative confirmation by the Board pursuant to Rule 705(5).**

The Board of Directors of the Company hereby confirms to the best of its knowledge that nothing has come to its attention which may render the financial statements for the first half year ended 31 December 2025 to be false or misleading in any material respect.

- 20. Report of person occupying managerial positions who are related to a director, chief executive officer or substantial shareholder.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company wishes to confirm that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or substantial shareholders of the Company.

- 21. The status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use.**

Not applicable.

- 22. Confirmation that the issuer has procured undertakings from all directors and executive officers pursuant to Rule 720(1).**

The Company has procured undertakings from all its directors and executive officers as required by Rule 720(1).

By Order of the Board  
**GRAND BANKS YACHTS LIMITED**

Chiam Heng Huat  
Chief Financial Officer  
Date: 13 February 2026