



LEGACY OF LUXURY FUTURE OF COMFORT

ANNUAL REPORT 2024
GRAND BANKS YACHTS LIMITED

ABOUT GRAND BANKS YACHTS LIMITED

Grand Banks, a renowned manufacturer of luxury recreational motor yachts for more than 60 years, has designed and developed vessels that have become icons among boaters across the globe. While staying true to this heritage, Grand Banks continues to defy the expectations of yachtsmen with its timeless style, unique innovation and unyielding commitment to quality.

The Group manufactures yachts under the Grand Banks, Eastbay and Palm Beach brands out of its manufacturing yard at Pasir Gudang, Johor, Malaysia and provides customer support out of its service yards at Stuart, Florida, USA as well as Newport, New South Wales and Coomera, Queensland, Australia. The yachts, which range between 42 feet and 85 feet, have a reputation for impeccable quality that delivers unrivalled performance.

Grand Banks was listed on the Singapore Exchange Limited ("SGX") in 1987 and upgraded to the Main Board in 1993.



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SUSTAINABILITY
REPORT 2024

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present my report of Grand Banks Yachts Limited ("Grand Banks" or the "Group") for the financial year ended 30 June 2024 ("FY2024"). This is the first message that I am delivering for the Company, and I do so filled with mixed emotions.

On 15 July 2024, with great sadness, we announced the passing of our Non-Executive Chairman and Independent Director, Mr. Heine Askaer-Jensen. Heine, a Danish national who had lived many years in Singapore, was an avid yachtsman and a sailing enthusiast. He understood the luxury boat business deeply. His passion, insight and advice as a long-time Board member have, in no small part, contributed to the good performance of the Company for well over a decade.

With Heine's passing, I have taken on the role as Chairman on 1 August 2024, and look forward to continuing the good work started by Heine.

Financial Performance

On a less sombre note, I am delighted to report that Grand Banks has delivered a remarkable performance. Revenue reached an all-time high of S\$133.7 million for FY2024, propelled by increased boat-building activities at our manufacturing yard in Pasir Gudang, Malaysia. Gross profit improved to S\$50.7 million in FY2024 from S\$36.8 million in FY2023, while net profit more than doubled to a record-high S\$21.4 million, amid improved production efficiency.

Our net order book remains healthy at S\$120.0 million as of 30 June 2024 (S\$159.4 million as at 30 June 2023), and cushions us against short-term macroeconomic headwinds.

To reward our loyal shareholders, the Board of Directors has proposed a final dividend of 1.0 Singapore cent per ordinary share. Combined with the interim dividend of 0.5 Singapore cent per ordinary share, our proposed total dividend payout for FY2024, if approved by shareholders, will amount to 1.5 Singapore cents per ordinary share. This is the highest dividend payout in over 15 years. We thank

you, our shareholders, for your past support and are delighted to share with you the fruits of success of an outstanding year.

Outlook

Looking ahead, we remain optimistic about the longer-term growth potential of the luxury yacht market. We have overcome the challenges of the pandemic. Demand remains healthy long after the pent-up demand and restrictions on overseas travel have eased. We are closely monitoring short-term macroeconomic headwinds such as interest rates, higher operating costs, and possible supply chain disruptions arising from geopolitical developments such as the prolonged Russia-Ukraine war and conflicts in the Middle East.

In line with market demand for bigger, sleeker and more energy-efficient boat designs, our Palm Beach Motor Yachts brand is introducing its newest flagship model – the Palm Beach 107. The first model over 100 feet (30.5 meters) in our portfolio, the PB107 already secured its first order. The Group is also developing the Palm Beach GT50 RS Outboard model, an evolution from the classic GT50 model, designed to combine higher speed with better fuel efficiency. It also offers easier engine access while retaining Palm Beach's distinctive design features.

As shareholders are aware, we have made good progress in constructing a single-storey facility next to our present facility. This will expand our Malaysian yard floor space by more than 25%. Expected to be completed in December 2024, the expansion will allow us to shorten production times, and pave the way for larger yacht models, further cementing our position as one of the most advanced boat-building sites in Asia.

Board Renewal

Amid changes at multiple levels of our operations – new designs, improved workflow on the shop floor and improved customer engagement – our Board of Directors will itself undergo a renewal. Following the demise of Heine, and my re-designation to Chairman in accordance with our succession plans, the Board announced the appointment of Ms. Kay Pang Ker-Wei as an Independent Director ("ID") on 1 August 2024.

CHAIRMAN'S STATEMENT

Currently serving as Vice-President, APAC Legal, of global industrial software company AVEVA, Ms. Pang has over 25 years of legal and corporate governance experience in the technology sector. The first-ever female director on our Board, Ms. Pang's appointment will not only strengthen the board with her legal and governance knowledge but will also provide gender diversity.

In addition, the Board has nominated three other IDs for appointments as Board members at the forthcoming FY2024 Annual General Meeting ("AGM"):

- Mr. Philip William Forrest, a Certified Public Accountant in Australia and New Zealand with many years of experience;
- Mr. Brian Marshall Storms, a seasoned American professional with over 35 years of experience in financial services and a keen boater;
- Mr. Jeffrey Edward Fisher, an experienced businessman with extensive retail experience and a keen boater in Australia.

At the AGM, Mr. Gary James Weisman, having served 9 years as a board member, will be stepping down as Independent Director. I would personally like to thank Mr. Weisman for his guidance throughout

his nine-year tenure. His input to management on strategic boat-building matters has been invaluable. I wish him all the best in the future.

Following the AGM, the Board and respective committees will be reconstituted. We look forward to their combined experience and expertise in guiding us to navigate the operating environment in the years to come.

On behalf of the Board, I would like to extend our gratitude to our business associates and valued clients; your trust and support drive us to continue innovating and delivering quality yachts.

To the Group's management and employees, thank you for your dedication and efforts throughout the year. In particular, I would like to thank our CEO, Mark Richards, for his outstanding leadership in guiding us to achieve an exceptional performance.

Lastly, I would like to thank our shareholders for your support throughout our journey. We remain committed to delivering sustainable long-term value to you.

In appreciation,
BASIL CHAN
Chairman of the Board of Directors



THE EXPANSION IN FLORIDA HAS INCREASED OUR BERTHING CAPACITY, ALLOWING US TO SERVICE MORE BOATS CONCURRENTLY WHILE IMPROVING OUR SERVICE CAPABILITIES AND ALLOWING FOR NEW REVENUE STREAMS.

CEO'S MESSAGE

Dear Shareholders,

FY2024 has been a landmark year for Grand Banks Yachts Limited. Two years on from the pandemic-related challenges, and through hard work and determination to offer luxury boats that customers truly desire, we have emerged stronger than ever to deliver our best-ever financial performance.

However, before I share more about our financials, I would like to record my heartfelt gratitude for the immense contributions to the Group by the late Mr. Heine Askaer-Jensen, our previous Non-Executive Chairman and Independent Director. He was more than an exceptional corporate veteran. Like me, he was an avid sailor. He owned Grand Banks yachts and brought a deep understanding of what makes a luxury boat great, and how a boat-builder can achieve success despite immense challenges.

Financial Performance

With that, I know Heine and the entire Grand Banks team will be very proud of our performance this year. Revenue for FY2024 reached a record high of S\$133.7 million, a 17.1% increase from S\$114.2 million a year ago, lifted by higher boat-building activities. Even amid the higher production activities, we continued to improve operational efficiencies at our Malaysian

yard, boosting gross profit and gross profit margin to S\$50.7 million and 38.0%, respectively, which is a notable improvement compared with S\$36.8 million and 32.2%, respectively, in FY2023.

Even as we recorded higher revenue, we streamlined our cost structures, lowering our total operating expenses to S\$21.6 million in FY2024 from S\$22.2 million in FY2023 due to lower sales commissions and reclassification of goodwill services, partially offset by higher professional fees. As a result, FY2024 net profit more than doubled to S\$21.4 million (FY2023: S\$10.1 million), leading to us recording our highest ever profit.

The total dividend proposed for FY2024, as outlined by our Chairman, would amount to 1.5 Singapore cents per ordinary share for the year - a 50% increase from FY2023, and tripling that of FY2022.

Headwinds and Customer Expectations

While we are optimistic about the long-term outlook of the luxury yacht market, we remain vigilant about the short-term macroeconomic challenges that could slow the pace of growth. Our Chairman has cited short-term headwinds such as elevated interest rates and heightened economic uncertainty, higher operating costs, and potential supply chain disruptions.



CEO'S MESSAGE

To these, I want to add the ever-increasing expectations of our customers. Quality is a given, as is customer service. Added to that, they expect a relentless pursuit of excellence in design and fuel efficiency as many yachting enthusiasts care deeply about the environment and sustainability. Beyond the hard work on the shop floor, our marketing team has made exceptional efforts to deliver a total experience that resonates with the true attributes of our three boat brands. Indeed, these are brands that they trust, and know they can continue to trust.

The entire Grand Banks team is confident of overcoming challenges and meeting these expectations. Our net order book - at S\$120.0 million as at 30 June 2024 - remains healthy. During the year under review, we secured 20 new boat orders, compared to 19 new boat orders and one trade-in in FY2023. Notably, our new orders are for generally larger boat sizes which command higher average selling prices.

Pasir Gudang Yard Expansion and New Larger Yachts

To accelerate our boat-building activities and shorten wait times for our customers, we are finalising the expansion of our manufacturing yard in Pasir Gudang, Johor, Malaysia. Upon expected completion in December 2024, our floor space will have expanded by more than 25%, which will allow us to shorten production times. We will also be able to handle larger yacht models comfortably.

Subsequent to the reporting period, I am excited to introduce our largest yacht to date - the Palm Beach 107. This latest flagship model of our Palm Beach brand is in line with our customers' demands for bigger but sleeker models. Integrating our proprietary V-Warp® Technology hull, the PB107 will bring luxury to a different level, without compromising the speed and fuel efficiency that we are known for.

The Group is also introducing the Palm Beach GT50 RS Outboard model. Adding a new spin to the original GT50 model launched in 2019, we have added outboard propulsion, offering enhanced speed, increased ease of maintenance, and more interior space for amenities. These new models underscore our commitment to innovation and pushing the boundaries of what is possible in yacht design.



I would like to thank our valued customers and business partners for their support and trust in our ability to deliver quality luxury yachts. A big thank you to our Grand Banks staff for your hard work throughout the year - our success could not have been achieved without your contributions.

Having served 9 years, our Independent Director, Mr. Gary James Weisman, will be stepping down at the upcoming FY2024 AGM. I would like to express my heartfelt appreciation for his counsel and insights. Concurrently, I would like to warmly welcome aboard our new independent director, Ms. Kay Pang Ker-Wei who joined us on 1 August 2024 and our proposed new independent directors Mr. Jeffrey Edward Fisher, Mr. Brian Marshall Storms and Mr. Philip William Forrest whose backgrounds are described in the Chairman's message. I look forward to the support of an expanded board to achieve the goals of Grand Banks.

Finally, I would like to thank our shareholders for joining us throughout our journey. I am confident we will continue to grow from strength to strength to add long-term value to you.

MARK J RICHARDS

Chief Executive Officer & Executive Director

FY2024 FINANCIAL HIGHLIGHTS

REVENUE

S\$ MILLION



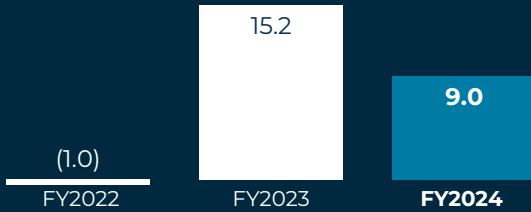
NET PROFIT

S\$ MILLION



OPERATING CASH FLOWS

S\$ MILLION



NET ORDER BOOK

S\$ MILLION



FY2024 FINANCIAL HIGHLIGHTS

The Group recorded a 17.1% increase in revenue to S\$133.7 million for the financial year ended 30 June 2024 ("FY2024") compared to S\$114.2 million in FY2023, driven by higher production activities compared to FY2023.

Higher production efficiency and the absence of lower-margin trade-in boat sales lifted FY2024 gross profit to S\$50.7 million, a 37.9% increase from S\$36.8 million, outpacing revenue growth. As a result, gross profit margin for FY2024 increased to 38.0% compared to 32.2% a year ago. Net profit before tax increased 98.5% to S\$29.2 million in FY2024 from S\$14.7 million.

The Group recognised tax expenses of S\$7.8 million in FY2024 (FY2023: S\$4.6 million) due to profitable subsidiaries. Net profit after tax for FY2024 more than doubled to S\$21.4 million from S\$10.1 million in FY2023.

Despite the higher topline, total operating expenses decreased to S\$21.6 million in FY2024 from S\$22.2 million in FY2023, mainly due to lower sales commissions and re-classification of goodwill services, partially offset by higher professional fees.

Cashflow from operating activities amounted to S\$9.0 million in FY2024, compared to S\$15.2 million a year ago, mainly due to profits for the year, coupled with decreases in contract assets and increases in provisions. This was partially offset by higher inventories, trade and other receivables, and lower trade and other payables.

The Group cashflow used in investing activities of S\$0.9 million in FY2024, compared to S\$11.9 million in FY2023, attributable to proceeds from longer-maturity fixed deposits, partially offset by capital expenditure on the expansion of the Group's factory in Pasir Gudang, Johor, Malaysia, development of new products and purchases of demo boats and machineries.

Repayments of borrowings resulted in negative cashflow used in financing activities of S\$4.3 million in FY2024 (FY2023: S\$3.1 million). The Group's borrowings were used to finance part of the lease renewal consideration for the Pasir Gudang yard in FY2016, partial financing of its acquisition of the U.S. yard in FY2018 and acquisition of a property directly opposite its U.S. headquarters in Stuart, Florida, in FY2023, and the expansion of the Pasir Gudang yard in FY2024.

As a result, cash and cash equivalents stood at S\$42.1 million (including fixed deposits with longer maturity of S\$1.4 million and restricted cash of S\$1.4 million) as at 30 June 2024, compared to S\$40.1 million (including fixed deposits with longer maturity of S\$4.5 million) as at 30 June 2023.

In FY2024, the Group recorded 20 new boat orders (of larger sizes relative to those in FY2023), compared to 19 new boats and one trade-in order for FY2023. The Group's net order book remained robust at S\$120.0 million as at 30 June 2024, compared to S\$159.4 million as at 30 June 2023.

BOARD OF DIRECTORS



BASIL CHAN

Independent and Non-Executive Chairman of the Board

Mr. Basil Chan was appointed to the Board on 14 November 2011. He was last re-elected to the Board on 26 October 2023 and was appointed as Chairman of the Board on 1 August 2024.

Mr. Chan holds a Bachelor of Science (Economics) Honours degree majoring in Business Administration from the University of Wales Institute of Science & Technology, U.K. and is a Fellow of the Institute of Chartered Accountants in England and Wales ("ICAEW") as well as a Fellow of the Institute of Singapore Chartered Accountants ("ISCA"). He is a Fellow of the Singapore Institute of Directors and is a Senior Accredited Board Director.

Mr. Chan was formerly a Council Member and Director of the Singapore Institute of Directors ("SID") where he had served 12 years, chairing its Professional Development Sub-committee and also as a Treasurer for a term of three years. He previously served on the Audit Committee Chapter of SID. He is a Chartered Accountant by training, having qualified in the U.K. with ICAEW. He was also a member of the Corporate Governance Committee in 2001 which published the Singapore Code of Corporate Governance. In addition, he previously sat on the Accounting Standards Committee and on the Audit

and Assurance Standards Committee of ISCA. He has currently been re-appointed to the Audit and Assurance Standards Committee of ISCA. He also previously sat on the Corporate Governance and Risk Management Committee of ISCA where he was its Deputy Chairman. He is the Founder and Managing Director of MBE Corporate Advisory Pte Ltd which provides corporate and financial advisory to listed and private companies. Mr. Chan is also an Independent Director of two other SGX-listed companies, namely Broadway Industrial Group Limited and Nera Telecommunications Ltd. In the last three years, he had previously sat on the Board of Memories Group Limited and AEM Holdings Ltd.



BOARD OF DIRECTORS



MARK JONATHON RICHARDS

*Chief Executive Officer
& Executive Director*

Mr. Mark Jonathon Richards was appointed Chief Executive Officer and Executive Director of Grand Banks Yachts Limited on 1 August 2014. He was last re-elected to the Board on 27 October 2022.

A qualified shipwright and successful professional yachtsman, Mr. Richards brings to the Group more than 30 years of hands-on experience in boatbuilding.

Mr. Richards is the founder of Palm Beach Motor Yacht ("Palm Beach"), which he set up in 1995 after a decade of open-water sailboat racing. Originally a bespoke boat manufacturer, Palm Beach now designs and markets a full range of award-winning yachts.

Under Mr. Richards' leadership, the Group has established a reputation for high-quality, fuel-efficient luxury yachts that incorporate the best features of Grand Banks, Eastbay and Palm Beach. He personally oversees production for all the brands and has been instrumental in modernising the Group's manufacturing processes, as well as revamping its sales model and yacht portfolio. His restructuring measures include, among others, a complete redesign and upgrade of the Group's manufacturing plant in Pasir Gudang, Johor, Malaysia.

Mr. Richards' sailing record includes two world championships and the yearly Rolex Sydney-Hobart Yacht Race, which he has won nine times as skipper of Wild Oats XI. He has represented Australia in dozens of international regattas, including two America's Cups and the 2003 Admiral's Cup in the U.K., where he led Australia to victory.



GERARD LIM EWE KENG

*Non-Executive
& Non-Independent Director*

Mr. Gerard Lim Ewe Keng was appointed to the Board on 21 February 2013. He was last re-elected to the Board on 28 October 2021.

Mr. Lim holds a Bachelor of Science in Chemical Engineering from the University of Birmingham and an MBA from University of Aston, U.K..

Mr. Lim is the General Manager and Director of Kien Huat Realty Sdn Bhd ("Kien Huat"), an investment holding company which is a substantial shareholder of Genting Berhad ("Genting"). Genting and its subsidiaries, Genting Malaysia Berhad and Genting Plantations Berhad are listed on the Main Market of Bursa Malaysia Securities Berhad and Genting Singapore Limited is listed on the Main Board of the Singapore Exchange Securities Trading Limited.

He is also a Director of Golden Hope Limited, acting as the trustee of the Golden Hope Unit Trust ("Golden Hope") which is primarily involved in investment holding.

He oversees the private investments of Kien Huat and Golden Hope which include investments in a ski resort near Beijing, casino resort in the U.S. and genomics. He is also currently a Director of Empire Resorts, Inc..

Prior to joining Kien Huat and Golden Hope, he was the Chief Financial Officer of Genting Hong Kong Limited responsible for finance, legal and IT and was involved in the setting up of the cruise division in Genting Hong Kong (formerly known as Star Cruises Limited). He started his career in corporate planning in the Genting Group and has worked in various companies in the Group.

BOARD OF DIRECTORS



GARY JAMES WEISMAN

Independent Director

Mr. Gary James Weisman was appointed to the Board on 28 October 2015. He was last re-elected to the Board on 27 October 2022.

Mr. Weisman holds a Bachelor of Science in Social Science from the California State University at San Diego. Mr. Weisman was President of North Sails, now the world's leading sail making company and the largest division in the North Technology Group ("NTG"). Mr. Weisman became President in 1998 and retired in 2013, having served with North Sails for almost 40 years since joining in 1974.

Mr. Weisman served as a Director of NTG from 1998 to 2013. Mr. Weisman also served as Director of the Edgewater Powerboat Company, an NTG portfolio company and Florida-based manufacturer of small luxury yachts and premium center console fishing boats from 2011 until the acquisition of NTG by Oakley Capital Group in 2014.

An expert yachtsman, Mr. Weisman has owned powerboats and sailboats for more than 25 years and has fished and cruised over 50,000 miles aboard his vessels. He has also raced hundreds of thousands of miles on the Grand Prix yachting circuit. His family has been cruising on their Grand Banks 60, named Iluka, since they took delivery of it in 2017.



Ms. KAY PANG KER-WEI

Independent Director

Ms. Kay Pang Ker-Wei was appointed to the Board on 1 August 2024.

Ms. Pang is a lawyer with more than 25 years of expertise in legal, corporate governance and technology. She is currently the Vice-President and APAC General Counsel at Aveva Software, part of Schneider Electric SE. Her previous roles include being the Senior Director and Global Compliance Officer at VMware Inc; Director and APAC General Counsel at Cloudera Inc; and Director and APAC General Counsel (Enterprise & Software) at Hewlett-Packard Enterprise.

She also serves as an Independent Director at Nera Telecommunications Ltd; Vice-Chair at Singapore Heart Foundation; Fellow at QED Changemakers, a private think tank in Singapore; and Mentor at the NUS Lee Kuan Yew School of Public Policy and the SMU Institute of Innovation and Entrepreneurship.

Ms. Pang holds an LLB (Hons), UK, and is qualified as a Barrister-at-law in England and Wales and as an Advocate & Solicitor in Singapore. She also attained prestigious business qualifications from Stanford, MIT, Oxford University and NUS, directorship and corporate governance certification from INSEAD, and is accredited by the Singapore Institute of Directors.



NOMINATED NEW DIRECTORS



PHILIP WILLIAM FORREST, AM

Lead Independent Director

Mr. Philip William Forrest has been nominated for appointment as an independent director at the Company's upcoming Annual General Meeting on 24 October 2024.

Philip is an Australian citizen with deep familiarity and appreciation of ASEAN business and cultures, having lived and worked in the region for more than 43 years.

In 2022, Philip was awarded a Member of the Order of Australia ("AM") for significant service to Australia-Singapore business relations. He has also received the Australian Chamber of Commerce Singapore President's Medal for his contribution to the Asia-Australia commercial relationship, and a Lifetime Achievement Award from Australian Alumni Singapore.

Philip is currently the Chairman of Readymix Holdings International, Independent Director of TCIG Resources Pte Ltd, and sits on the advisory boards of Velocity Ventures, James Cook University Singapore, and the Council of Australian Alumni Singapore.

He also sits on several private company boards, and previously was Independent Director of two ASX-listed companies: TerraCom Limited (also Audit Committee Chairman) and 8VI Limited.

Philip is a Fellow at the Australian Institute of Company Directors ("AICD"), Australian Institute of Business and Economics ("AIBE"), and Singapore Institute of Directors ("SID").

He was also formerly the President of the Australian Chamber of Commerce (2018), former President of the Australian-Thai Chamber of Commerce (1990-1991), and long-serving council member at the Association of Banks in Singapore, Singapore Business Federation, and Singapore Institute of Directors (2014-2023).

Philip holds an Accounting Degree from the University of Queensland, and is a Fellow of Certified Public Accountant ("CPA") and Chartered Accountants Australia and New Zealand ("CA ANZ"). During his days in the banking profession, Philip was the Asia Head for ANZ Bank, having previously spent 15 years prior with Citibank in Australia, USA, the Philippines, Indonesia and Thailand.



JEFFREY EDWARD FISHER

Independent Director

Mr. Jeffrey Edward Fisher has been nominated for appointment as an independent director at the Company's upcoming Annual General Meeting on 24 October 2024.

A successful entrepreneur, Mr. Fisher brings over 20 years of expertise in retail operations to the group along with his experience in mergers and acquisition.

Mr. Fisher was the Chief Executive Officer, a Director and an Equity Partner of Casual Dining Concepts, the owner of the Bondi Pizza branded restaurant Group. He exited the business in 2019 selling his shareholding to his business partners. He was also a Non-Executive Director of Traditional Therapy Clinics Limited, listed on the Australian Securities Exchange ("ASX") from 2014 to 2016. Mr. Fisher also held the position of Chief Executive Officer and was an Equity Partner of the Oporto franchised fast food chain business until the business was acquired by private equity in 2011.

Mr. Fisher has been an avid boater since his youth, and has been familiar with both Grand Banks and Palm Beach yachts for decades. He is extremely familiar with the Australian boat market and will be able to assist the Company in that market.

NOMINATED NEW DIRECTORS



BRIAN MARSHALL STORMS

Independent Director

Mr. Brian Marshall Storms has been nominated for appointment as an independent director at the Company's upcoming Annual General Meeting on 24 October 2024.

Mr. Storms holds a Bachelor of Science in Economics from the State University of New York, Stony Brook.

Mr. Storms worked in the financial services industry, helping to launch new businesses and driving growth and strategic change in existing businesses. His most recent appointment was with APX, Inc. where he was the Chairman and Chief Executive Officer until January 2020. Thereafter, he was named the Vice-Chairman and stepped down in February 2022 when the company was sold. His past appointments include being, the Chief Executive Officer of Liquid Holdings Inc., the Chairman and Chief Executive Officer of Marsh Inc. and a member of the executive committee of Marsh's public company parent, Marsh & McLennan (MMC). He had been President and Chief Executive Officer of Mercer Human Resource Consulting prior to his appointment at Marsh Inc. Prior to Mercer, Mr. Storms was the President and Chief Executive Officer of UBS Global Asset Management – Americas and a member of both the UBS Global Asset Management Executive Committee and the UBS Group Managing Board. From 1996 to 1999, he was President of the Prudential Investments mutual fund and annuity complex. From 1991 to 1996, he held various senior positions with Fidelity Investments.

Mr. Storms joined the Group and brought along with him the deep experience he gained from the financial services industry which will strengthen the Group strategy.

CORPORATE GOVERNANCE REPORT

The Directors of Grand Banks Yachts Limited (the “Company”) are committed to maintaining a high standard of corporate governance within the Company and its subsidiary companies (the “Group”). The Company has put in place various policies and practices to ensure greater transparency and to protect the interests of the Company’s shareholders as part of its efforts to maintain high standards of corporate governance.

This report outlines the corporate governance practices and procedures adopted by the Company with specific reference to the principles and guidelines set out in the Code of Corporate Governance 2018 (the “Code”) and the extent of its compliance with the Code during the financial year ended 30 June 2024 (“FY2024”).

The Board confirms that the Group has adhered to the principles and guidelines as set out in the Code. Where there are deviations from the Code, specific reference to the guidelines are made and appropriate explanations provided in this report.

BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: *The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

Guideline of the Code	Grand Banks Corporate Governance Practices
<p>1.1 Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.</p>	<p>Each Director, in the course of carrying out his duties, acts in good faith and considers at all times, the best interests of the Group.</p> <p>The Board views one of its primary functions as protecting and enhancing shareholder value and ensures accurate, adequate and timely reporting to, and communication with shareholders. It sets the overall strategies of the Group as well as policies covering various matters with an emphasis on values, ethics, code of conduct, standards, internal controls, financial performance, reporting and risk management as well as environmental, social and governance issues.</p> <p>The Board meets regularly to oversee and monitor the performance of Management and business affairs of the Group, including the Group’s compliance with the rules and regulation of the relevant regulatory bodies.</p>

CORPORATE GOVERNANCE REPORT

Each Director annually declares his independence/non-independence with regards to his directorship with the Group. He also recuses himself from discussions and decisions where he faces conflict of interest.

1.2 Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

All newly appointed Directors undergo an orientation program to provide them with background information on the Group and industry-specific knowledge. During the year under review, no new Director was appointed.

The Directors continuously update themselves on new laws, regulations and changing commercial risks. Each Director is also invited and encouraged to seek additional training to further their skills in performing their duties, including attending classes and/or events sponsored by the Singapore Institute of Directors ("SID"). Directors are also informed of upcoming conferences or seminars relevant to their roles as directors of the Group. Such training is funded by the Company.

The Directors may, at any time, visit the Group's production facilities and sales locations or attend dealer/sales meetings, trade shows and customer activities to gain a better understanding of the Group's business. If regulatory changes have a material impact on either the Group or the Directors, Management or professional advisors brief the Directors at the Board meetings.

CORPORATE GOVERNANCE REPORT

1.3 The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

The Board has adopted a "Delegation of Authority Matrix" for Management – setting thresholds/limits for transactions permitted to be undertaken by Management.

Matters which are specifically reserved for the Board's decision and approval include:

- material acquisitions and disposals of assets;
 - material new investments, divestments, borrowings, corporate or financial restructuring;
 - broad policies and the Company's Sustainability Report, including setting up the Group's values and standards (including ethical standards) and consider sustainability issues in relation to Economic, Environmental, Social and Governance ("ESG") matters;
 - share issuances, dividends and other returns to shareholders;
 - strategic plans and financial objectives;
 - the Group's annual operating budgets and financial plans;
 - the Group's overall financial and operational performances;
 - remuneration of key executives;
 - interested person transactions;
 - the Group's overall internal controls and risk management;
 - quarterly business updates, including half-year and full year financial results announcements, press releases and all other related announcements released via SGXNet;
 - overseeing compliance with bank covenants for banking facilities granted by financial institutions; and
 - corporate governance compliance, including any other transactions of a material nature requiring announcement under the Listing Manual Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").
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CORPORATE GOVERNANCE REPORT

1.4 Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

The Board delegates the implementation of business policies and day-to-day operations to the Chief Executive Officer ("CEO") and the Group's Management team but would amongst other things, oversee and assume responsibility for the Group's overall strategic plans, its overall performance and compliance with corporate governance practices. The Board is free to request for further clarification and information from Management on all matters within their purview.

In order to provide independent oversight and to discharge its responsibilities more efficiently, the Board has established a Nominating Committee ("NC"), a Remuneration Committee ("RC"), a Strategic Committee ("SC"), a Risk Management and Audit Committee ("RMAC"), a Sustainability Steering Committee ("SSC") and delegated specific areas of responsibilities to be discharged by each of these Board Committees.

More details of NC, RC and RMAC are mentioned in Principles 4, 6 and 9 respectively.

The SC was established to assist the Board in the following areas:

- to develop long-term strategic plans for the Group, including the evaluation and monitoring the implementation of the strategic plans by Management;
- to review areas identified by Management as having material impact on the Group's long-term strategies; and
- to review proposals made by Management and recommend strategic initiatives for the Group pertaining to any changes in business direction, new markets, new products and/or any major re-organisation or investment/divestment.

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The SSC was established under RMAC to assist the Board in the following areas:

- to develop strategies, policies, goals and targets to support the sustainable growth of the business;
- to review proposals and initiatives on sustainability efforts made by management; and
- to prepare sustainability reporting.

These Board Committees have been constituted with clearly defined Terms of Reference, which are reviewed on a regular basis to ensure their continued relevance and adequacy to meet the governance standards expected of the Board. The Board Committees are actively engaged and play an important role in ensuring corporate governance of the Group. Outcome of each Board Committee meeting and their recommendations are reported to the Board by the Chairman of the respective Board Committees and will be subsequently reviewed by the Board.

The Board acknowledges that while the various Board Committees have the authority to carry out their duties and make recommendations, the ultimate responsibility on all matters lies with the Board collectively.

Please refer to Table A.1 for Composition of Board and Board Committees. The profiles of the Directors are set out on pages 08 to 12 of this Annual Report.

CORPORATE GOVERNANCE REPORT

- 1.5 Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.
- The Board held five meetings in FY2024. Ad hoc Board meetings are held whenever the Board's guidance or approval is required, outside of the scheduled Board meetings. The number of Board and Board Committees meetings held and the attendance record of each director during FY2024 are set out in Table B. The Company's Constitution allows Board meetings to be conducted by way of audio-visual conference, telephone conference or other methods of simultaneous communications by electronic or telegraphic means. The Board held several audio-visual conference calls throughout the year to expedite decision-making on critical areas. Decisions of the Board and Board Committees were also obtained through circular resolutions in writing.
- All Directors have devoted sufficient time and attention to the affairs of the Group.
- Each director can hold a maximum of six directorships in listed companies concurrently.
- Dates of Board, Board Committees and Annual General Meetings are scheduled in advance in consultation with all of the Directors.
- All Board members who are non-committee members of the RMAC, NC, RC and SC would attend the Board Committee meetings via invitation.
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- 1.6 Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.
- The Directors have separate and independent access to the Group's Management team and all of the Group's records at all times in carrying out their duties.
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CORPORATE GOVERNANCE REPORT

Detailed Board papers and books are prepared and circulated in advance for each meeting. This is to give Directors sufficient time to review the matters to be discussed so that discussions can be more meaningful and productive. However, sensitive matters may be tabled at the meetings and discussed without papers being distributed. The Board meeting papers include sufficient information from the Management on significant developments or events relating to the Group's financial, operational and business updates in order for the Board and the Board Committees' members to brief the Directors properly on issues to be considered at both Board and Board Committee meetings. Such information may also be in the form of presentations made by the Management team in attendance at the meetings, or by external consultants engaged on specific projects.

The Board and the Board Committees' members are provided with complete, adequate and timely information prior to the respective Board and Board Committees' meetings to enable them to engage in full deliberation, make informed decisions on the issues being considered and fulfil their duties and responsibilities effectively. Management provides members of the Board with quarterly management accounts, as well as summary monthly data comparing key actual financial metrics relative to budget and results of prior periods.

1.7 Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

The Directors have separate and independent access to the Management, Company Secretary and external advisers, where necessary at Company's expense.

The Company Secretary helps to ensure that applicable rules and regulations are complied with and assists the Board in implementing and improving corporate governance practices and ensuring that proper procedures are observed and requirements of the Companies Act 1967 ("Companies Act") and the Listing Manual of the SGX-ST are complied.

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The Company Secretary attends all board meetings and prepares minutes of all meetings of the Board and Board Committees.

The appointment and the removal of the Company Secretary is subject to the Board's approval.

BOARD COMPOSITION AND GUIDANCE

Principle 2: *The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.*

Guideline of the Code	Grand Banks Corporate Governance Practices
<p>2.1 An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.</p>	<p>The NC is responsible for reviewing the independence of each Independent Director based on the guidelines set out in the Code. The NC conducts an annual review of the directors' independence and requires each independent director to confirm his independence by completing, signing and submitting a confirmation of independence declaration based on the guidelines provided in the Code and SGX Listing Rule 210(5)(d). For the year under review, the NC had reviewed the declarations submitted by the independent and non-executive directors, namely Messrs Heine Askaer-Jensen, Basil Chan and Gary James Weisman, and was satisfied that there are no relationships which would impair their independent judgement or would deem any of them to be non-independent.</p> <p>Each member of the NC had abstained from all discussions, deliberations and decisions in respect of assessment of their own independence.</p>
<p>2.2 Independent directors make up a majority of the Board where the Chairman is not independent.</p>	<p>The Chairman of the Board of Directors is an Independent Director and not related to the Chief Executive Officer. The NC confirms that the Independent Directors made-up a majority of the Board.</p>

CORPORATE GOVERNANCE REPORT

2.3 Non-executive directors make up a majority of the Board.

During the year, the Board comprises five members: three Independent Directors, one Non-Independent and Non-Executive Director and one Executive Director. Non-Executive Directors made up the majority of the Board.

The Board is able to exercise objective judgement on corporate affairs independently, objectively and constructively as independent directors comprise majority of the Board. Furthermore, all Board Committees are chaired by and comprised primarily of independent and non-executive directors.

2.4 The Board and board committees are of an appropriate size and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.

The NC has continuously reviewed the size and composition of the Board and Board Committees, including the skills and core competencies of each Director to ensure an appropriate balance and diversity of skills and experience for effective decision-making.

The NC also takes into consideration the environment the Group operates in, the size and complexity of its operations in determining the Board size and composition.

The NC is satisfied that the Board continues to operate effectively for the Group given the current Board size and composition.

The NC periodically reviews the existing attributes and competencies of the Board in order to determine the desired expertise or experience required to strengthen or supplement the Board. This assists the NC in identifying and nominating suitable candidates for appointment to the Board.

CORPORATE GOVERNANCE REPORT

The NC is satisfied that the Board, as a whole, consists of a good mix of individuals with appropriate skills, expertise, industry knowledge, and general commercial experience to lead and govern the Group effectively. The three independent directors and one non-independent and non-executive director are respected professionals drawn from a broad spectrum of expertise which enables them, in their collective wisdom, to contribute effectively and provide a balance of views at both the Board and the respective Board Committee meetings. Details of the Directors' academic and professional qualifications, including experiences, other directorships (both present and those held over the preceding three years in other listed companies) and other principal commitments are set out on pages 08 to 12 of this Annual Report.

The Board is of the view that the current Board size, composition, competency and diversity is appropriate, taking into account the nature and scope of the Group's operations.

The Board seeks diversity in Board composition and has members with accounting, financial background and from diverse industries and geographical markets, including the boat industry and the Group's key markets such as the USA, Australia, Europe and Asia. The Board recognises the need for gender diversity and has stated that it will consider favourably a female board member at the next board renewal exercise. A female independent and non-executive director was appointed to the Board on 1 August 2024.

CORPORATE GOVERNANCE REPORT

The NC has a formal Board diversity policy, including objectives, which the Board has adopted. The Board considers that its current Directors possess the necessary competencies, and knowledge and diversity to lead and govern the Group effectively. The Company recognises and embraces the importance and benefits of having a diverse Board to enhance the quality of its performance. The Board is committed to achieving an appropriate balance of diversity and mix of skills, experience, gender, age and core competencies of accounting, legal and regulatory, business or management experience and industry knowledge to avoid group-thinking and foster constructive debate.

Notwithstanding, the Company recognises that there are many dimensions to board diversity including gender diversity. The NC will seek to identify suitable female candidates to include for consideration whenever it seeks to identify a new director for the Board. In considering potential Board candidates or refreshment of Board members, the NC and the Board selection criteria would be on the basis of skills, experience, knowledge, insights and relevance to the Board.

A female independent and non-executive director was appointed to the Board on 1 August 2024.

The Board with the help of NC continuously evaluate the need for Board renewal, taking into account the length of service of each director and the environment the Group operates in.

2.5 Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

During FY2024, the independent and non-executive directors met or had calls informally throughout the year without the presence of the executive director and Management.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: *There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

Guideline of the Code	Grand Banks Corporate Governance Practices
<p>3.1 The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.</p>	<p>The role of the Chairman is separate from that of the CEO and they are separate and unrelated persons. There is adequate accountability and transparency as independent directors make up majority of the Board. The Board is able to exercise its powers objectively and independently from Management. No individual or small group of individuals dominates the Board's decision making.</p>
<p>3.2 The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.</p>	<p>The Company's Chairman plays a key role in promoting high standards of corporate governance, scheduling meetings that enable the Board to perform its duties, establishing the agenda for the Board meetings in consultation with the CEO and ensuring that the Board reviews and approves the Group's key strategies and policies. The Chairman also participates in communicating with key stakeholders, including shareholders, employees, independently-owned dealers, independent brokers and customers.</p> <p>The CEO's responsibilities encompass managing the day-to-day business activities of the Group, developing and executing the Group's strategies, reporting back to the Board on the performance of the Group, and providing guidance to the Group's employees. The CEO also encourages constructive relations between Management and the Board.</p>
<p>3.3 The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.</p>	<p>The Company is not required to appoint a lead independent director under the Code since the Group's Chairman and CEO are two separate and unrelated persons. The Chairman is an independent and non-executive director.</p>

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP

Principle 4: *The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

Guideline of the Code	Grand Banks Corporate Governance Practices
<p>4.1 The Board establishes a Nominating Committee (“NC”) to make recommendations to the Board on relevant matters relating to:</p> <p>(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;</p> <p>(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;</p>	<p>The NC, whose terms of reference are approved by the Board, comprises three members: two Independent Directors and one Non-Independent and Non-Executive Director. The NC Chairman is independent and not associated in any way with the substantial shareholders of the Company.</p> <p>The key functions of the NC in accordance with its terms of reference are to make recommendations to the Board on all new Board appointments, determine the size and composition of the Board, review the balance and effectiveness of the Board and identify the skills required at the Board level in ensuring that the Board remains effective and focused.</p> <p>The NC is responsible for making recommendations to the Board on all Board appointments and on the composition of executive, non-executive and independent directors of the Board.</p> <p>The NC met twice during FY2024.</p> <p>Please refer to Table A.1 for the composition of the NC.</p> <p>In the coming year, the NC will deliberate on succession plans for the Board, in particular the independent directors. A succession plan is in place and is tabled for shareholders’ approval at the forthcoming AGM.</p> <p>An annual evaluation of the performance of the Board and its Board committees is in place. Please refer to Guideline 5.1.</p>

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(c) the review of training and professional development programmes for the Board and its directors; and

The training and professional development programs for Board members are covered in Guideline 1.2.

(d) the appointment and re-appointment of directors (including alternate directors, if any).

The NC is responsible for making recommendations to the Board on all Board appointments and on the composition of executive, non-executive and independent directors of the Board. It also reviews and recommends on the nomination of directors who are retiring by rotation as well as determining annually whether or not a director is independent.

The Company does not have any alternate directors.

4.2 The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

The NC comprises three members: two Independent Directors and one Non-Independent and Non-Executive Director. The NC Chairman is independent and not associated in any way with the substantial shareholders of the Company. There is no lead independent director.

4.3 The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

When the need for a new director is identified, either to replace a retiring director or to enhance the Board's capabilities, the NC will make recommendations to the Board regarding the identification and selection of suitable candidates based on the desired qualifications, skill sets, competencies and experience, which are required to supplement the Board's existing attributes. If need be, the NC may seek assistance from external search consultants for the selection of potential candidates. Directors and Management may also put forward names of potential candidates, together with their curriculum vitae, for NC's consideration.

The NC, after completing its assessment, meets with the short-listed candidates to assess their suitability, before submitting their recommendations to the Board for approval.

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The NC reviews and recommends the nomination of each retiring Director to the Board after taking into consideration factors such as the individual Director's contribution, performance, attendance at the Board and/or Board Committee meetings, and adequate time and attention devoted to the affairs of the Group to discharge his duties as director of the Company, in particular directors with multiple board representations. Each member of the NC abstains from all discussions, deliberations and decisions in respect of their own performance assessment or re-election.

In accordance with Article 86 of the Constitution of the Company, one-third of the members of the Board (or, if the number is not three or a multiple of three, then the number nearest to one-third) shall retire from office by rotation at the Company's Annual General Meeting ("AGM"). The retiring directors are eligible to offer themselves for re-appointment.

The directors due to retire by rotation at the Company's forthcoming AGM for FY2024 pursuant to Article 86 of the Constitution and Rule 720(5) of the SGX-ST Listing Manual are Mr. Gerard Lim Ewe Keng (Non-independent non-executive director) and Mr. Mark Jonathon Richards (Executive director).

Mr. Gerard Lim Ewe Keng is an associate of Tan Sri Lim Kok Thay, a substantial shareholder of the Company by virtue of his role as the General Manager of Kien Huat Realty Sdn Bhd, a company ultimately owned by a discretionary trust, the beneficiaries of which are Tan Sri Lim Kok Thay and certain members of his family. Apart from the above disclosure there are no relationships including immediate family relationships between Mr. Gerard Lim Ewe Keng and the other Directors of the Company, the Company or its other substantial shareholders.

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There are no relationships including immediate family relationships between Mr. Mark Jonathon Richards and the other directors, the Company or its other substantial shareholders.

The Board has accepted the NC's nomination of the retiring directors who have given their consent for re-appointment at the forthcoming AGM of the Company. The Board recognises the contribution of its directors who over time have developed deep insight into the Group's operations and industry and who are therefore able to provide invaluable contributions to the Group. As such, the Board has not set a fixed term of office for any of its directors.

The replacement of a director, when it occurs, does not necessarily reflect the director's performance, but may be driven by the need to align the Board with the needs of the Group.

4.4 The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

A director who has no relationship with the Group or its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interest of the Group, is considered to be independent.

The NC conducts an annual review of directors' independence and is of the view that Mr. Heine Askaer-Jensen, Mr. Basil Chan and Mr. Gary James Weisman continue to be independent and that, no one individual or small group dominates the Board's decision-making process. The independent directors had also confirmed their independence in accordance with the Code.

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Independence of Directors who has served on the Board beyond Nine Years in line with SGX Listing Rule 210(5)(d)(iv)

The date of first appointment of each Independent Directors of the Company is set out in Table A.1 to this report. As at 30 June 2024, two (2) out of the three (3) Independent Directors, namely, Mr. Heine Askaer-Jensen and Mr. Basil Chan have served on the Board for an aggregate period of more than nine years from their respective date of first appointment, 14 November 2011. Mr. Gary James Weisman, who was appointed as Independent Director of the Company on 28 October 2015, will be reaching his ninth year of appointment as the Independent Director of the Company on 28 October 2024.

The Company had sought the shareholders' approval on the continued appointment of Mr. Heine Askaer-Jensen and Mr. Basil Chan as Independent Directors of the Company via the two-tier voting at the Company's Annual General Meeting ("AGM") held on 28 October 2021, respectively, pursuant to SGX Listing Rule 210(5)(d)(iii) (*which was removed with effect from 11 January 2023*). Accordingly, Mr. Heine Askaer-Jensen and Mr. Basil Chan continue to serve on the Board as Independent Directors of the Company until the earlier of their retirement or resignation as Directors of the Company, or at the conclusion of the Company's third AGM following the passing of the said resolution (i.e. the Company's AGM which will be held in 2024).

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The new SGX Listing Rule 210(5)(d)(iv) which comes into effect on 11 January 2023 and the SGX transitional Practice Note 4 states that during the transitional period between 11 January 2023 and the date of the issuer's next AGM for the financial year ended on or after 31 December 2023 (i.e. until the Company's AGM for FY2024), directors who have served on the Board for an aggregate of more than nine years (whether before or after listing) can remain as independent director of the issuer as long as they meet the requirements in Listing Rules 210(5)(d)(i) and 210(5)(d)(ii); and must resign or be designated as a non-independent director no later than the Company's AGM for FY2024 in October 2024.

The NC and Board has assessed the independence status of Mr. Heine Askaer-Jensen, Mr. Basil Chan and Mr. Gary James Weisman, individually, and have considered the feedbacks and assessment made by all other fellow directors. The Board concurred with the NC's view that they have demonstrated strong independence of character, viewpoint and judgement over the years in discharging their duties and responsibilities as independent directors with utmost commitment in upholding the interests of the Group and non-controlling shareholders.

The Board, having reviewed and considered the existence of relationships or circumstances, including those identified by the Code, resolved that Mr. Heine Askaer-Jensen, Mr. Basil Chan and Mr. Gary James Weisman met the independence definition/requirements in Listing Rules 210(5)(d)(i) and 210(5)(d)(ii) and can continue to be deemed independent until the conclusion of the Company's next AGM in October 2024.

SGX Listing Rule 210(5)(c) provides that the Independent Directors must comprise of at least one-third of the Board. Based on the current composition of Independent Directors, unless new Independent Directors are appointed before or at the Company's next AGM for FY2024 in October 2024, the Company will not be in compliance with Rule 210(5)(c) in the coming year.

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Mr. Heine Askaer-Jensen and Mr. Basil Chan had abstained from all discussion, deliberations and decisions in respect of their own independence.

Mr. Heine Askaer-Jensen ceased to be a Director on 15 July 2024 with his demise. On 1 August 2024, Mr. Basil Chan was designated as Independent Chairman of the Board and Ms. Kay Pang Ker-Wei was appointed as Independent and Non-Executive Director.

Mr. Basil Chan is transitioning from Independent and Non-Executive Director to Non-Independent and Non-Executive Director in accordance to Rule 210(5)(d)(iv) at the Company's FY2024 AGM in October 2024.

A board renewal plan is in place and is tabled for shareholders' approval at the forthcoming AGM. Three independent non-executive directors will stand for appointment at the AGM. With their appointments, if approved by the Shareholders, the Company will be in compliance with Rule 210(5)(c) in the coming year.

The profiles of the Directors, including details of their academic and professional qualifications, directorships and/or chairmanships for both present and those held over the preceding three years in other public listed companies, other principal commitments, and date of first appointment and date of last re-appointment as director of the Company are set out on pages 08 to 12 of this Annual Report and in Tables A.1 and A.2.

Information on each director's shareholdings in the Company and its related companies are set out in the "Directors' Statement" section on pages 62 to 67 of this Annual Report.

Information on each director's designation (i.e. executive or non-executive or independent) is set out in the "Board of Directors" section on pages 08 to 12 as well as Corporate Information of this Annual Report and in Table A.1.

There are no relationships including immediate family relationships among the directors, the Company, its related corporations, its substantial shareholders or its officers, other than that disclosed in Guideline 4.3.

CORPORATE GOVERNANCE REPORT

4.5 The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

All the non-executive Directors and the independent Directors of the Company are each issued an appointment letter by the Company which spells out the duties and responsibilities of the Directors. The duties and responsibilities of the Directors are mentioned in Guideline 1.1.

All directors declare their board memberships annually.

The NC recommends that each director can hold a maximum of six directorships in listed companies concurrently. The NC reviews each director on a case-to-case basis, taking into consideration any conflict of competing time commitments faced by directors with multiple board representations, including attendance and active participation during the Company's Board and Board Committee meetings when determining the capacity of the director.

The NC has reviewed and is satisfied that all directors have devoted sufficient time and attention to the affairs of the Group to adequately perform their duties as directors of the Company.

None of the directors hold more than six directorships in listed companies concurrently. Details of each director's present and past three years directorships or chairmanship in other listed companies, and other principal commitments are set out in Table A.2 of this Annual Report.

Notwithstanding that there is no formal guideline in place to address the conflict of competing time commitments that are faced by directors with multiple board representations, the NC and the Board is cognizant of the recommendations as set out under Guideline 4.5 of the Code. The NC will continue to review, on an on-going basis, and recommend appropriate changes to the Company's practices and disclosures as and when deemed feasible and appropriate for the Company.

CORPORATE GOVERNANCE REPORT

BOARD PERFORMANCE

Principle 5: *The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

Guideline of the Code	Grand Banks Corporate Governance Practices
<p>5.1 The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.</p>	<p>The NC assesses the effectiveness of the Board as a whole, and of each Board committee separately, as well as the contribution of each individual director to the effectiveness of the Board. It does so by requiring all directors to complete a board evaluation questionnaire to seek their view on Board's and Board committee's performance and effectiveness as well as areas for improvement.</p> <p>The results of the NC's assessment for FY2024 are communicated to and accepted by the Board. The Board is satisfied that it has met its performance and effectiveness objectives for FY2024.</p> <p>The criteria the Board's performance is evaluated include meeting financial performance targets, enhancement of shareholder value and good corporate governance practices.</p>
<p>5.2 The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.</p>	<p>Each director assesses the effectiveness of the Board as a whole as well as its Board committees by providing feedback to the NC through a board evaluation questionnaire. The results and feedback of the evaluation results are collated, reviewed and discussed by the NC and where necessary, recommendations are made to the Board to further enhance the effectiveness of the Board.</p> <p>The Chairman, in consultation with the NC, will, if necessary, propose steps to be undertaken to strengthen the Board's leadership so as to improve the effectiveness of the Board's oversight of the Company.</p>

CORPORATE GOVERNANCE REPORT

Due to the relative size of the Board, the NC is of the view that individual evaluation of each director is not required. There are, regular dialogues among the directors who are therefore familiar with the performance of their fellow directors. The NC and the Board are cognizant of the recommendation as set out under this Guideline and would continue to review the need of such evaluations, on an on-going basis, and recommend appropriate changes to the Company's practices and disclosures as and when deemed feasible and appropriate for the Company.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: *The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

Guideline of the Code	Grand Banks Corporate Governance Practices
<p>6.1 The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:</p>	<p>The RC, whose terms of reference are approved by the Board, comprises three members: two independent directors and one non-independent and non-executive director.</p> <p>The primary purpose of the RC in accordance with its terms of reference is to recommend to the Board a framework of compensation, and the specific compensation packages for each director and the CEO of the Company.</p> <p>The RC shall cover all aspects of compensation, including but not limited to directors' fees, salaries, allowances, bonuses, share options, performance shares and benefits-in-kind.</p> <p>The RC will also review the compensation of key management personnel.</p>

CORPORATE GOVERNANCE REPORT

If necessary, the RC can seek expert advice outside the Company on compensation of directors and/or key management personnel.

The RC met one time during FY2024.

Please refer to Table A.1 for composition of the RC.

- (a) a framework of remuneration for the Board and key management personnel; and
- (b) the specific remuneration packages for each director as well as for the key management personnel.

The RC reviews and makes recommendations to the Board on the framework of remuneration packages and policies applicable to the CEO, the directors and the Group's senior executives.

The RC reviews the remuneration packages and employment contracts in order to attract and retain capable executives through competitive compensation. The RC recommends for the Board's endorsement, a framework of compensation that covers aspects of remuneration including directors' fees, salaries, allowances, bonuses, share options, performance shares, benefits-in-kind and specific remuneration packages for each director, the CEO and selected senior executives.

The RC had reviewed and determined the remuneration packages and service contracts for the CEO and Directors' Fee for Non-Executive Directors.

6.2 The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

The RC comprises three members: two independent directors (including the Chairman) and one non-independent and non-executive director.

6.3 The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The RC regularly utilises external consultant's advice and data to assist in the evaluation of its compensation recommendations. No director is involved in any deliberation in respect of his own remuneration, including any other forms of compensation or benefits to be granted to him or someone related to him. Each member of the RC abstains from making any recommendation on or voting on any resolutions in respect of his own remuneration package, except for providing information and documents specifically requested by the RC.

CORPORATE GOVERNANCE REPORT

The RC reviews the Group's termination clauses and termination processes and is of the opinion that the clauses and processes are fair and reasonable. In the course of such review, the RC also considers the Group's obligations in the event of termination of the executive director and/or any of the key management personnel, to ensure that the termination clauses in the service agreements are not overly generous so as to avoid rewarding poor performance.

The Company has implemented contractual provisions allowing the Company to reclaim bonuses from the executive director and key management executives in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group.

6.4 The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

The Company's current remuneration consultant is Robinson Consulting Pte Ltd ("RCPL") which has an independent and objective relationship with the Group.

In FY2024, the Company had engaged RCPL for remuneration matters.

LEVEL AND MIX OF REMUNERATION

Principle 7: *The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

Guideline of the Code

7.1 A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

Grand Banks Corporate Governance Practices

In reviewing and determining the remuneration packages of the CEO and the Group's key management personnel, the RC considers the key management personnel's responsibilities, skills, expertise and contribution to the Group's performance when designing remuneration packages. An appropriate proportion of their remuneration is linked to individual and corporate performance and is aligned with the interests of shareholders.

CORPORATE GOVERNANCE REPORT

In line with this Guideline which encourages long-term incentive schemes, the RC currently administers the Group's Performance Share Plan 2014 (the "PSP") and Employee Share Option Scheme 2014 (the "ESOS") which was approved by Shareholders at the EGM held on 8 October 2014 with the objective of attracting and retaining key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group.

Each year, the Board seeks approval from the Group's shareholders to grant share awards and share options and to allot and issue shares in accordance with the provisions of the PSP and ESOS in order to align the interests of Management with shareholders.

7.2 The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The independent directors and the non-executive director are paid directors' fees, which are reviewed and determined by the RC annually based on the effort, time spent and responsibilities of the directors, as well as benchmarking data provided by external experts (where applicable). The directors' fees are then recommended by the RC with each Director abstaining from matters relating to his own fees for the Board's endorsement and approval by the shareholders at the Company's AGM.

Given the contributions of the non-executive directors and the financial performance of the Group in FY2024, the Company will be seeking shareholders' approval for additional directors' fees of S\$80,000 for the financial year ended 30 June 2024.

With the proposed board renewal and expansion of the Board, subject to approval by shareholders, the Company will be seeking shareholders' approval for directors' fee of S\$400,000 for the financial year ending 30 June 2025 (FY2024: S\$304,000), to be paid quarterly in arrears.

CORPORATE GOVERNANCE REPORT

The Company has and will seek shareholders' approval to allow non-executive directors to participate in both the PSP and the ESOS.

Please see Table D.1 for the detailed schedule of FY2024 directors' fees for independent and non-executive directors.

The ESOS and PSP schemes will expire on 7 October 2024. The Company plans to seek shareholders' approval for new ESOS and PSP schemes in FY2025.

7.3 Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

The RC continues to review and recommend appropriate changes to the Group's practices and disclosures as and when deemed feasible and appropriate for the Group.

The RC reviews the remuneration packages and employment contracts in order to attract and retain capable executives through competitive compensation. The RC recommends for the Board's endorsement, a framework of compensation that covers aspects of remuneration including directors' fees, salaries, allowances, bonuses, share options, performance shares, benefits-in-kind and specific remuneration packages for each director, the CEO and selected senior executives.

The annual reviews of the remuneration are carried out by the RC to ensure that the remuneration of the executive director and key management personnel ("KMP") commensurate with their performance and that of the Group, giving due regard to the financial and commercial health and business needs of the Group. The performance of the CEO (together with other KMP) is reviewed periodically by the RC and the Board.

CORPORATE GOVERNANCE REPORT

DISCLOSURE ON REMUNERATION

Principle 8: *The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

Guideline of the Code	Grand Banks Corporate Governance Practices
<p>8.1 The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:</p> <p>(a) each individual director and the CEO; and</p> <p>(b) at least the top five management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.</p>	<p>The Board has included a separate remuneration report to shareholders in the Annual Report, the remuneration of directors and the top five key management personnel (who are not Directors or the CEO).</p> <p>Please refer to Table D.1 for the actual remuneration for the directors (including the CEO) for FY2024.</p> <p>Please refer to Table D.2 for the top five management personnel's (who are not directors or CEO) remuneration disclosed in bands of S\$250,000 and the total aggregated remuneration paid to them for FY2024.</p>
<p>8.2 The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.</p>	<p>None of the Company's employees whose remuneration exceeds S\$100,000 during FY2024 are related to a director or the CEO.</p>

CORPORATE GOVERNANCE REPORT

8.3 The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.

Please refer to Note 27 of the Financial Statements and Tables D.1 and D.2.

The remuneration paid to the executive director and key management personnel comprises base/fixed salary component and variable components such as share plans (PSP and ESOS), bonus and other benefits. The individual's entitlement for the variable component is determined based on their personal performance and the Group's financial performance, principally the net profit before tax. These performance objectives are chosen for their objectivity and ease of measurement.

During the year, 8 million ESOS were granted on 6 September 2023. In the same year, 500,000 ESOS lapsed as they were not taken up by an employee.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: *The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

Guideline of the Code	Grand Banks Corporate Governance Practices
<p>9.1 The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.</p>	<p>The RMAC has the responsibility of overseeing the Group's risk management framework and policies. The terms of reference for the RMAC are in line with the Revised Guidelines for Audit Committees released by the Monetary Authority of Singapore in 2014.</p> <p>The RMAC conducts review of the Group's risk management framework and policies on a regular basis and reports all material updates/findings to the Board. Hence the Board is of the view that it would not be necessary to establish a separate risk committee to oversee and monitor the Group's risk management framework and policies as recommended under this Guideline.</p>

CORPORATE GOVERNANCE REPORT

With the support of an external firm, Virtus Assure Pte Ltd, serving as the independent Internal Auditor (“IA”), the Group has designed an Enterprise Risk Management (“ERM”) framework to monitor, manage and build awareness within the Group of the various risks to which the Group is exposed. The Board also reviews the Group’s business and operational activities to identify areas of significant business risk as well as appropriate measures to control and mitigate these risks within the Group’s policies and business strategies. The Board also determines the extent of significant risks which the Group is willing to take. The IA is retained to perform the Group’s internal audit function and continues to update the Group’s enterprise risk profile by facilitating management risk self-assessment to generate an updated risk register to be used by the RMAC to monitor measures implemented to mitigate the risks identified. The IA also reviews the manner in which the Group manages such risks. The objective of the risk assessment is to identify and assess risks which include key financial, operational, strategic, compliance and information technology risks as well as to evaluate the internal control systems.

The RMAC is regularly updated on the Group’s risk management program and internal control systems. The RMAC reports all material updates to the Board.

9.2 The Board requires and discloses in the company’s annual report that it has received assurance from:

- (a) the CEO and the Chief Financial Officer (“CFO”) that the financial records have been properly maintained and the financial statements give a true and fair view of the company’s operations and finances; and

The Board receives assurance annually from the CEO, the CFO and key management personnel.

The RMAC and the Board have received assurance from the CEO and the CFO in respect of FY2024 and are of the opinion that the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group’s operations and finances.

CORPORATE GOVERNANCE REPORT

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

The RMAC and the Board have received assurance from the CEO and CFO in respect of FY2024 that the Group's risk management and internal control systems are adequate, effective and provide reasonable assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

Reviews and tests of the internal control procedures and systems are carried out by the IA. A Control Self-Assessment review is also conducted by the IA to assist the Board and Management to obtain assurance on the adequacy and effectiveness of the system of internal controls during the year.

The IA is satisfied with reasonable assurance that the systems of internal controls and risk management in place were adequate and effective to achieve the internal control objectives, including the financial, operational, strategic, and information technology controls as well as address the compliance risks of the Group in FY2024.

Based on the foregoing, the RMAC and the Board are satisfied with the adequacy and effectiveness of the Group's risk management systems and internal control systems including financial, operational, strategic, information technology controls and compliance risks.

AUDIT COMMITTEE

Principle 10: *The Board has an Audit Committee ("AC") which discharges its duties objectively.*

Guideline of the Code

10.1 The duties of the AC include:

Grand Banks Corporate Governance Practices

The RMAC comprises four members: three independent directors and one non-independent non-executive director and functions under the RMAC's terms of reference approved by the Board.

CORPORATE GOVERNANCE REPORT

The RMAC has unrestricted access to information pertaining to the Group, to both internal and external auditors and the full co-operation from the Management team to enable it to properly discharge its responsibilities. The RMAC has full discretion to invite any executive officer to attend its meetings and has access to other outside resources to enable it to perform its duties. The RMAC has explicit authority to investigate any matter within its terms of reference.

The RMAC and Management have continuously kept themselves updated on the changes to accounting standards, Listing Manual of the SGX-ST and other regulations which could have a direct impact on the Group's business and financial statements by attending relevant seminars conducted by Singapore Institute of Directors, Institute of Singapore Chartered Accountants, the Big Four accounting firms, SGX and other organisations.

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;

The RMAC meets on a quarterly basis to review the quarterly financial results of the Group, the audited annual financial statements, SGXNET announcements and all related disclosures to shareholders before submission to the Board for approval. In the process, the RMAC reviews and discusses with Management the accounting principles, estimates and judgement that were applied for adequate provisioning and disclosure, including critical accounting policies and any significant changes that would have an impact on the Group's financials. The RMAC also considers the reports from the external auditors, including their findings on the key areas of audit focus.

The significant matters that were discussed with Management and the external auditors, have been included as key audit matters (KAMs) in the audit report for the financial year ended 30 June 2024. These significant matters were i) impairment of non-financial assets, including goodwill and other intangible assets, and ii) accounting for construction contracts. Please refer to pages 69 and 70 of this Annual Report. RMAC's comments on the KAMs are listed below.

CORPORATE GOVERNANCE REPORT

**KAM 1: Impairment of non-financial assets,
including goodwill and other intangible assets****RMAC's Comments**

The Group performs an annual impairment assessment on non-financial assets including goodwill, which requires determination of the recoverable amount of cash generating unit (CGU) based on value-in-use. This requires Management to make significant judgements and estimates with regards to the computation of future cash flows, use of discount rates and other assumptions.

The RMAC reviewed the assessment by Management and queried the appropriateness of the assumptions made, including the consistent application of Management's methodology, the achievability of the business plans, assumption in relation to terminal growth in the business and the discount rates used. Considerable judgement was required in the preparation of the business plans. Having completed several new yacht models in recent years, the Management has better grasp of the future revenue and expenses growth rates.

The RMAC also reviewed the stress testing of Management's value-in-use calculation to ensure there is sufficient headroom over the carrying value of the CGU. The RMAC was satisfied with the appropriateness of the analyses performed by Management and had concurred that as of 30 June 2024, no impairment of the non-financial assets including goodwill allocated to the CGU was required.

CORPORATE GOVERNANCE REPORT

KAM 2: Accounting for construction contracts

RMAC's Comments

The RMAC reviewed the Management's approach to the recognition of revenue, particularly revenue from sales of new yachts which is recognised progressively as construction progresses with reference to the percentage of completion method which involved the Management's assessment of the total budgeted cost of the yachts, which is a key input to determine the stage of completion of the yachts. Both the determination of the percentage of completion and the amount of profit to be recognised in the income statement involve judgement and are subject to estimation uncertainties.

Having built several new yacht models in recent years, the Management was able to estimate fairly accurately the labour, materials and overhead costs to build these new yachts. Management's estimates of these costs are continually being refined as more production data became available and had improved in accuracy.

The RMAC concurred with the Management's assessment on revenue recognition in the income statement.

CORPORATE GOVERNANCE REPORT

(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;

The RMAC evaluates the adequacy and effectiveness of the Group's risk management systems and internal control systems including financial, operational, strategic, compliance risk and information technology controls and regulatory compliance of the Group through discussion with Management and with both its internal and external auditors.

The RMAC also reviews the Group's compliance with the Listing Manual of the SGX-ST and Code of Corporate Governance including interested person transactions and whistle-blowing activities, if any.

(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

The RMAC reviews half-yearly the assurance from the CEO and the CFO that the financial records have been maintained properly and the financial statements give a true and fair view of the Group's operations and finances. The RMAC is satisfied with the assurance given.

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

The RMAC recommends to the Board the appointment, re-appointment and removal of external auditors, as well as the remuneration and terms of engagement of the external auditors.

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and

The RMAC reviews the following: the scope of the independent auditors' audit plan; the cost-effectiveness of the independent audit; the independent auditors' reports and the significant financial reporting issues and judgements to assess the integrity of the Group's financial statements.

The RMAC also reviews the independence and objectivity of the external auditors.

CORPORATE GOVERNANCE REPORT

The RMAC undertakes the review of the independence and objectivity of the external auditors through discussions with the external auditors as well as by reviewing the non-audit services provided and the fees paid to them. It is the opinion of the RMAC that the non-audit services provided by the external auditors do not affect the independence of the external auditors. The RMAC is satisfied with their independence and recommends the re-appointment of the external auditors, KPMG LLP, at the AGM of the Company.

The breakdown of the fees paid in total to the external auditors for audit and non-audit services is shown on page 124 of this Annual Report.

The internal audit ("IA") function is outsourced to an external firm, Virtus Assure Pte Ltd.

The RMAC reviews the adequacy and effectiveness of internal audit plans, determines the scope of audit examination and approves the internal audit budget. It discusses the significant internal audit observations, as well as Management's responses and actions to correct any deficiencies, with Management and the external auditors.

The RMAC has reviewed the effectiveness of the internal audit firm and is satisfied that the internal audit firm is adequately resourced and staffed with qualified and experienced professionals with the relevant experience to carry out the internal audit function of the Group effectively. The RMAC and the Board are satisfied that the internal audit function is independent, effective and adequately resourced.

CORPORATE GOVERNANCE REPORT

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- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The Group's employee handbook has sections on Ethics and Business Principles against Corruption that sets the guidelines regarding appropriate corporate behaviour and business ethics within the Group. The Group has also established a whistle-blowing policy which provides the channel for employees of the Group to raise, in good faith and in confidence, any concerns about improprieties in financial reporting or other matters, including those relating to its officers. Employees are encouraged to contact the directors (including independent directors) directly via phone or emails if they have any concerns. The directors have ensured the identities of all employees making such contacts will be kept confidential and they will not be penalised or be unfairly treated in any way. Contact details of the CEO, CFO and Chairman of RMAC have been made available to the employees. RMAC is responsible for the oversight and monitoring of whistle-blowing and will investigate all such incidents. There were no reported incidents pertaining to whistle-blowing in FY2024.

The RMAC has reviewed the Code of Ethics and Business Principles and the whistle-blowing policy and is satisfied with their appropriateness.

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- 10.2 The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The RMAC comprises four members: three independent directors and one non-independent and non-executive director, all of whom are appropriately qualified to discharge their responsibilities and functions. The RMAC Chairman is an independent director.

The RMAC met four times during FY2024.

Please refer to Table A.1 for composition of the RMAC.

The RMAC members are appropriately qualified to discharge their responsibilities. Three members are trained in accounting and financial management. All members are familiar with financial statements. In addition, the RMAC Chairman is a Chartered Accountant by training.

CORPORATE GOVERNANCE REPORT

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- 10.3 The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.
- None of the RMAC members is a former partner or director of the Company's existing auditing firm.
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- 10.4 The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.
- The IA reports directly to the RMAC.
- The RMAC approves the hiring, removal, evaluation and the fees of the IA. The IA has unfettered access to all the Group's documents, records, personnel and the RMAC.
- The internal audit function is outsourced to an external firm, Virtus Assure Pte Ltd.
- The IA is a Certified Internal Auditor and is guided by The Standards of The Institute of Internal Auditors in carrying out the internal audit functions of the Group.
- The RMAC has reviewed and determined that the internal audit firm has met or exceeded its obligations under the terms of engagement. It reviews and approves the annual internal audit plan as well as reviews the results of the regular audits including the monitoring of the implementation of the improvements required on internal control weaknesses identified. The Board is satisfied with the adequacy of the internal audit function and is confident it has an appropriate standing within the Group, is adequately resourced and is independent of the activities it audits.
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- 10.5 The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.
- The RMAC met with the internal auditors and the external auditors separately, at least once a year, without the presence of the Management to review any areas of audit concern that might have arisen in the course of their audit.
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CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: *The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

Guideline of the Code	Grand Banks Corporate Governance Practices
<p>11.1 The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.</p>	<p>The Company ensures that shareholders have the opportunity to participate effectively in and vote at the general meetings of shareholders. Copies of the Annual Report, the Circular and the Notices of the AGM and/or Extraordinary General Meetings ("EGM"), where applicable, are available to every shareholder of the Company, informing them of the rules and voting procedures that govern the general meetings. The Notices of the general meetings are also advertised in the newspapers and announced via SGXNET and made available on the Company's website http://grandbanks.listedcompany.com.</p> <p>For greater transparency and fairness in the voting process, voting at all the Company's general meetings are conducted by poll. This allows all shareholders to vote on a one-share-one-vote basis.</p> <p>The Company appoints a polling agent for general meetings. The polling agent explains the rules and voting procedures to shareholders at the general meetings.</p>

CORPORATE GOVERNANCE REPORT

All the Directors, external auditors and the internal auditors of the Company attended the AGM on 26 October 2023. No other Shareholders' meeting was held during the financial year under review. For FY2023, the Company had received questions in advance from Shareholders and published its responses to substantial and relevant questions via SGXNET prior to the AGM.

The Company's FY2024 AGM is being convened, and will be held physically on 24 October 2024 at York Hotel. Further details on the conduct of the upcoming AGM are set out in the Notice of AGM dated 7 October 2024 which have been made available on the Company's website and SGXNET.

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| 11.2 | The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting. | All the resolutions at general meetings are each separately tabled as single item resolutions. |
| | | The Company has employed electronic polling. All resolutions are put to vote by poll and the detailed results of the poll are announced at the meetings as well as in SGXNET. |
| 11.3 | All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report. | The Chairmen of the Board, RMAC, NC, RC and SC are present at AGM and/or EGM to assist the Directors in addressing all queries raised by shareholders at the general meetings. |
| | | The external auditors, KPMG LLP, and internal auditors, Virtus Assure Pte Ltd, are also invited to attend the AGM to address any shareholders' queries about the conduct of their audits. |
| 11.4 | The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders. | The Company's Constitution allows shareholders to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile. It does not place a limit on the number of proxies a shareholder can appoint. |

CORPORATE GOVERNANCE REPORT

The Company's Constitution allows any shareholder, who is unable to attend the general meetings in person, to appoint one or more proxies to attend and vote in his/her place at the general meetings via proxy forms submitted in advance (i.e. not less than 24 hours before the time appointed for poll). The proxy form is sent together with the notice of general meetings to all shareholders.

The Company will be sending printed copies its Notice of AGM and the accompanying Proxy Form for the FY2024 AGM to its shareholders. In our continuing sustainability efforts to protect our environment and reduce paper waste by choosing e-communication, printed copies of the FY2024 Annual Report will be sent to shareholders only upon request. Printed copy of the Request Form will also be sent to shareholders together with the Notice of AGM and Proxy Form.

Copies of the Company's Annual Report, Notice of AGM, the Proxy Form and Request Form are also made available on the SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://grandbanks.listedcompany.com>.

The voting results of all votes cast for or against each resolution (including the respective percentages) are disclosed during the general meetings and the same will be announced via SGXNET after the conclusion of the general meetings.

11.5 The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

Presentations made at general meetings, the results and the minutes of the general meetings are published via SGXNET and made available on the Company's website.

The minutes of the Company's AGM held last year on 26 October 2023 were announced via SGXNet within a month of the AGM, on 20 November 2023.

CORPORATE GOVERNANCE REPORT

11.6 The company has a dividend policy and communicates it to shareholders.

Payment of dividends depends on the Group's earnings, financial position, results or operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate.

For FY2024, the Company has paid out an interim dividend of \$0.005 per ordinary share and has proposed a final dividend of S\$0.01 per ordinary share, giving a total S\$0.015 per ordinary share for the year. (FY2023: S\$0.01 per ordinary share). The Board is working towards determining and adopting a dividend payment policy in future, and endeavours to pay dividends as and when the Group's profits are sustainable.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: *The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

Guideline of the Code	Grand Banks Corporate Governance Practices
<p>12.1 The company provides avenues for communication between the Board and all shareholders and discloses in its annual report the steps taken to solicit and understand the views of shareholders.</p>	<p>Both Executive and Non-Executive Board members meet or speak with key shareholders regularly to gather their views and address their concerns.</p> <p>The Company has engaged an investor relations firm, WeR1 Consultants Pte Ltd, to build relationship with shareholders, investor communities and other stakeholders and to organise analyst briefings, factory tours and other events for investors and press releases.</p> <p>Shareholders are also encouraged to share their views and feedback with the Company via its investor relation firm.</p>

CORPORATE GOVERNANCE REPORT

12.2 The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

In line with the Group's disclosure obligations pursuant to the SGX-ST Listing Rules and the Companies Act, the Board's policy is that all material and price sensitive information regarding the Company and the Group must be publicly released via SGXNET (in the form of notices, press releases, circulars and annual reports) and be accessible to all shareholders simultaneously in an accurate, comprehensive and timely manner. The Company does not practise selective disclosure of material information.

The Company has transitioned from reporting on a quarterly basis to reporting half-yearly and full year announcement of its financial results in accordance with the amended Rule 705(2) of the Mainboard Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual. The first such announcement was for the Half-Yearly and Full Year Financial Statements for the Year Ended 30 June 2020. However, the Company will continue to provide quarterly updates of its performance and businesses within 45 days of the quarter-ends and update shareholders on material developments relating to the Group as and when appropriate in accordance with SGX-ST Listing Manual. Full year announcement of its final results will be provided within 60 days of the year-end.

The annual reports, circulars and notices of general meetings are available to shareholders by way of electronic means at least 14 days prior to the general meetings. The notices of general meetings are also advertised in The Business Times. Please also refer to Guideline 11.1.

CORPORATE GOVERNANCE REPORT

The voting results of all votes cast for or against each resolution as disclosed during the general meetings are announced via SGXNET after the conclusion of the general meetings.

The Group also maintains a comprehensive website accessible to the public which describes the Group's products and business among other items.

12.3 The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

Shareholders are encouraged to liaise with the Directors or the officers of the Company as well as its investor relation firm with questions and concerns. The names and contact details of key officers and investor relation firm are set out in the Corporate Information section of its annual reports.

MANAGING STAKEHOLDERS RELATIONSHIPS ENGAGEMENT WITH STAKEHOLDERS

Principle 13: *The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

Guideline of the Code

Grand Banks Corporate Governance Practices

13.1 The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

Stakeholders are groups that are impacted by the Group's businesses and operations and who also similarly impact the Group's businesses and operations. These stakeholder groups have been identified through an assessment of their significance to the business operations. They are namely customers, employees, shareholders/investor fraternity, suppliers/contractors, industry/peers, government/regulators and community/media/NGOs.

The Group has regularly engaged its stakeholders through various medium and channels to ensure that its business interests are aligned with those of the stakeholders', to understand and address their concerns so as to improve the Groups' services and product standards, as well as to sustain business operations for long-term growth.

CORPORATE GOVERNANCE REPORT

13.2 The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

The strategy and key areas of focus in management of stakeholder relationships are outlined in its Sustainability Report on pages 169 to 171 of the Annual Report.

The company has undertaken a process to determine the Environmental, Social and Governance ("ESG") issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.

All Board members have completed SGX RegCo-endorsed sustainability training conducted by Singapore Institute of Directors and stay informed on ESG issues.

13.3 The company maintains a current corporate website to communicate and engage with stakeholders.

All material information on the performance and development of the Group is disclosed in a timely and comprehensive manner through SGXNET, press releases, the Company's website <http://grandbanks.listedcompany.com>. The Company does not practice selective disclosure of material information. The websites, which are updated regularly, contains various information on the Group and serve as important resources for all stakeholders.

CORPORATE GOVERNANCE REPORT

OTHER CORPORATE GOVERNANCE MATTERS

Adequacy and effectiveness of internal controls and risk management systems

(Listing Manual Rule 1207(10))

This is covered in Guideline 9.2

Dealing in securities

(Listing Manual Rule 1207(19))

The Company has adopted an internal code of best practices on dealings in securities, which has been disseminated and distributed to all officers and employees, to provide guidance to the officers, including directors of both the Company and its subsidiaries with regards to dealings in the Company's securities and to be mindful of the law on insider trading as prescribed by the Securities and Futures Act, the Companies Act and other appropriate authorities. It is an offence to deal in the Company's securities, while they are in possession of unpublished price-sensitive information of the Group.

Directors and officers of the Group are advised not to deal (whether directly or indirectly) in the Company's securities on short-term considerations or when they are in possession of unpublished price-sensitive information. The Directors and officers of the Group are prohibited from dealing in the Company's securities during the period commencing one month before the announcement of the Group's half-year and full year financial results and ending on the date of announcement of such results on the SGX-ST. The Directors and officers of the Group are also encouraged not to deal in the Company's securities during the two weeks before the Group's quarterly business updates and ending on the date of announcement of those quarterly updates on the SGX-ST. Such reminders include a computer-generated email sent to all directors and senior executives on a quarterly basis. Directors and senior executives are required to report to the Company Secretary whenever they deal in the Company's securities. The Company Secretary assists the RMAC and the Board in monitoring such shares transactions and making the necessary announcements.

"Directors and senior executives" include the following classes of employees:

- (1) All officers and directors;
- (2) All sales managers and those sales employees managing the independent dealers and brokers who sell the Group's yachts;
- (3) All significant participants in the financial consolidation process;
- (4) Others with significant management responsibility whose decisions can materially impact the Company's financial results; and
- (5) Certain administrative personnel who assist both the Company's Chief Financial Officer and Company Secretary in preparing all public announcements and materials distributed to the Board of Directors.

CORPORATE GOVERNANCE REPORT

Interested Person Transactions

(Listing Manual Rule 907 & 1207(17))

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Listing Manual Rule 920.

There were no interested person transactions of S\$100,000 and above during the year.

Material Contracts

(Listing Manual Rule 1207(8))

No material contracts of the Company or its subsidiaries involving the interests of the CEO or any Director or controlling shareholders existed at the end of the financial year or have been entered into since the end of the previous financial year other than that disclosed in Note 27 to the Financial Statements. In addition, no Director or a related company with a Director has received a benefit from any contract entered into by the Group since the end of the previous financial year.

Whistle-blowing Policy

(Listing Manual Rule 1207(18A) & (18B))

This is covered in Guideline 10.1(f)

Use of Proceeds

(Listing Manual Rule 1207(20))

Not applicable

Table A.1 – Composition of Board and Board Committees

Name of Directors	Designation	Date of Initial Appointment	Date of Last Re-Appointment Pursuant to Article 86	RMAC	NC	RC	SC
Heine Askaer-Jensen (Ceased to be a Director on 15 July 2024)	Chairman, Independent and Non-Executive Director	14 November 2011	26 October 2023	Member	Member	Chairman	Member
Basil Chan	Independent and Non-Executive Director	14 November 2011	26 October 2023	Chairman	Chairman	Member	–
Gerard Lim Ewe Keng	Non-Independent and Non-Executive Director	21 February 2013	28 October 2021	Member	Member	Member	–
Gary James Weisman	Independent and Non-Executive Director	28 October 2015	27 October 2022	Member	–	–	Chairman
Mark Jonathon Richards	Chief Executive Officer and Executive Director	1 August 2014	27 October 2022	–	–	–	Member

CORPORATE GOVERNANCE REPORT

Table A.2 – Details of each Director’s present and past three years directorships in other public listed companies and other Principal Commitments

Name of Directors	Present Directorship in other listed companies	Other Principal Commitments	Past Directorship in listed companies held over the preceding three years
Heine Askaer-Jensen	Nil	Nil	Nil
Basil Chan	Broadway Industrial Group Limited – Non-Executive Independent Director Nera Telecommunications Ltd – Non-Executive Independent Chairman	MBE Corporate Advisory Pte Ltd	Memories Group Limited – Non-Executive Independent Director
Gerard Lim Ewe Keng	Nil	Kien Huat Realty Sdn Bhd	Nil
Gary James Weisman	Nil	Nil	Nil
Mark Jonathon Richards	Nil	Nil	Nil

Table B – Number of Meetings held and Attendance by Directors at the General Meetings and meetings of the Board and Board Committees during FY2024

	Board of Directors Meetings	Board Committees Meetings				General Meetings
		RMAC	RC	NC	SC	AGM
Number of Meetings held	5	4	1	2	0	1
Name of Directors	No. of meetings attended*					
Heine Askaer-Jensen	4/5	3/4	1/1	2/2	0	1/1
Basil Chan	5/5	4/4	1/1	2/2	NA	1/1
Gerard Lim Ewe Keng	5/5	4/4	1/1	2/2	NA	1/1
Gary James Weisman	5/5	4/4	NA	NA	0	1/1
Mark Jonathon Richards	5/5	NA	NA	NA	0	1/1

NA – Not applicable as he is not a member of the Committee.

* – The numerator denotes the number of meetings the director attended while the denominator denotes the number of meetings held.

For example, 5/5 means the director attended five meetings out of five meetings he could have attended i. e. 100% attendance.

CORPORATE GOVERNANCE REPORT

Table C – Directors subject for re-appointment

The Directors named below are retiring by rotation pursuant to Article 86 of the Company's Constitution and being eligible, the retiring Directors have given their consent for re-appointment at the Company's forthcoming AGM on 24 October 2024:

Board Members	Date of appointment	Date of last re-appointment pursuant to Article 86
Gerard Lim Ewe Keng	21 February 2013	28 October 2021
Mark Jonathon Richards	1 August 2014	27 October 2022

Table D.1 – Remuneration of Directors and CEO

The table below shows the breakdown of remuneration for each Director (including the CEO) for FY2024.

Remuneration of Directors (including the CEO)

Remuneration Band & Name of Directors	Base/Fixed Salary ⁽¹⁾ S\$	Share Plan S\$	Bonus S\$	Directors' Fees S\$	Other Benefits S\$	Total S\$
S\$1,750,001 to S\$2,000,000						
Mark Jonathon Richards	1,026,400	62,890	640,000	–	79,800	1,809,090
Below S\$250,000						
Heine Askaer-Jensen	–	7,861	–	107,000	–	114,861
Basil Chan	–	7,861	–	97,500	–	105,361
Gerard Lim Ewe Keng	–	7,861	–	75,000	–	82,861
Gary James Weisman	–	7,861	–	76,000	–	83,861

Note:

(1) Inclusive of Central Provident Fund contributions, other defined contribution plans and other fixed monthly payments.

CORPORATE GOVERNANCE REPORT

	(before proposed additional fees)	Proposed for
	FY2024	FY2025
Directors' fees schedule for:		
Board members:	S\$42,000	S\$42,000
Chairman of the Board: additional	S\$15,500	S\$25,000
Member of the RMAC:	S\$11,000	S\$11,000
Chairman of the RMAC: additional	S\$13,000	S\$11,000
Member of other Committees:	S\$5,500	S\$5,500
Chairman of other Committees: additional	S\$6,500	S\$6,500

Table D.2 – Remuneration of Top Five Management Personnel

The table below shows the remuneration bands for the top five key management personnel (who are not Directors or the CEO) for FY2024.

Remuneration of Top Five Management Personnel (who are not Directors or the CEO)

Remuneration Band & Name of Management Personnel	Base/Fixed Salary ⁽¹⁾	Share Plan	Bonus	Commission	Other Benefits ⁽²⁾	Total
S\$750,001 to S\$1,000,000						
Samuel Henry Compton	76.4%	3.4%	10.8%	–	9.4%	100%
S\$500,001 to S\$750,000						
Chiam Heng Huat	60.7%	6.1%	28.6%	–	4.6%	100%
S\$250,001 to S\$500,000						
James David Craig	87.5%	3.9%	8.6%	–	–	100%
Robert Gilmour	78.7%	5.5%	12.3%	–	3.5%	100%
David Smith	75.2%	5.6%	12.5%	–	6.7%	100%

Total aggregate remuneration paid to the top five management personnel (who are not Directors or the CEO) for FY2024 was S\$2,420,651 (FY2023: S\$2,492,874).

Notes:

- (1) Inclusive of Central Provident Fund contributions, other defined contribution plans and other fixed monthly payments.
- (2) Inclusive of benefits-in-kind.

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 30 June 2024.

In our opinion:

- (a) the financial statements set out on pages 74 to 140 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Basil Chan
Gerard Lim Ewe Keng
Mark Jonathon Richards
Gary James Weisman
Kay Pang Ker-Wei (Appointed on 1 August 2024)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 ("the Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

	Ordinary Shares		Share Options	
	Holdings at beginning of year	Holdings at end of year	Holdings at beginning of year	Holdings at end of year
The Company				
Heine Askaer-Jensen* (ceased as a Director on 15 July 2024)	701,500	701,500	–	250,000
Basil Chan*	301,500	301,500	–	250,000
Gerard Lim Ewe Keng*	212,000	212,000	–	250,000
Mark Jonathon Richards*	11,025,400	11,025,400	1,350,000	3,350,000
Gary James Weisman*	275,000	275,000	–	250,000

* The Company's Articles of Association require each director to hold at least 1,000 shares.

DIRECTORS' STATEMENT

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There was no change in any of the above mentioned interests in the Company between the end of the financial year and 21 July 2024.

Except as disclosed under the “Share awards and share options” section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share awards and share options

Grand Banks Performance Share Plan 2014 (“PSP”) and Grand Banks Employee Share Option Scheme 2014 (“ESOS”) were approved and adopted by its members at an Extraordinary General Meeting of the Company held on 8 October 2014. The PSP and the ESOS are based on the principle of pay for performance and is designed to enable the Company to reward, retain and motivate employees whose contributions are essential to the well-being and prosperity of the Group, to give recognition to outstanding employees who have contributed to the Group and to align the interests of the participants with the interests of shareholders.

The PSP and ESOS are administered by the Company’s Remuneration Committee, which comprises two independent directors and one non-independent non-executive director. The Plan and the Scheme shall continue in force, at the discretion of the Remuneration Committee, subject to a maximum of ten years commencing 8 October 2014. Any awards and options made to participants prior to such expiry or termination will continue to remain valid.

The members of the Remuneration Committee during the year and at the date of this statement are as follows:

- Heine Askaer-Jensen (Chairman) – ceased as a Director on 15 July 2024
- Kay Pang Ker-Wei (Chairman) – appointed on 1 August 2024
- Basil Chan
- Gerard Lim Ewe Keng

Other information regarding the PSP and ESOS are set out below:

- (i) 3,450,000 ESOS granted by the Company to five executives (including executive director) and four non-executive directors on 2 March 2015 to take up unissued shares in the Company upon the vesting of two years’ service condition from the grant date.
- (ii) 300,000 ESOS granted by the Company to one executive on 5 July 2017 to take up unissued shares in the Company upon the vesting of two years’ service condition from the grant date.
- (iii) During the year, 8,000,000 ESOS was granted by the Company to nine executives (including executive director) and four non-executive directors on 6 September 2023 to take up unissued shares in the Company upon the vesting of three years’ service condition from the grant date. In the same year, 500,000 ESOS granted were forfeited as they were not taken up by an employee.

DIRECTORS' STATEMENT

At the end of the year, details of the ESOS plan on unissued ordinary shares of the Company are as follow:

Date of grant of options	Exercise price per share	Options			Options expired	Options outstanding at 30 June 2024	Options exercisable at 30 June 2024	Exercise period
		outstanding at 1 July 2023	Options exercised	Options granted				
2/3/2015(A)	\$0.228	2,400,000	-	-	-	2,400,000	2,400,000	2/3/2017 to 1/3/2025
5/7/2017(B)	\$0.280	300,000	-	-	-	300,000	300,000	5/7/2019 to 4/7/2027
6/9/2023(C)	\$0.253	-	-	8,000,000	(500,000)	7,500,000	-	6/9/2026 to 5/9/2033
		<u>2,700,000</u>	<u>-</u>	<u>8,000,000</u>	<u>(500,000)</u>	<u>10,200,000</u>	<u>2,700,000</u>	

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

The information regarding ESOS are set out as follow:

(A)

- The exercise price of the options can be set at a discount to the market price not exceeding 20% of the market price in respect of options granted at the time of grant. The exercise price of the option is \$0.228 per share.
- The 3,450,000 options granted on 2 March 2015 were issued at market price which was the average of the last dealt prices of the Company's shares over the five consecutive market days immediately preceding the grant date. Options granted previously of 250,000 and 200,000 were forfeited in 2016 and 2020 respectively, due to the cessation of employment of one executive director and one non-executive director.
- The options can be exercised two years after the date of grant, and all options have vested as at 30 June 2024.
- All options are to be settled by physical delivery of shares.
- The options granted to key management personnel expire after ten years and options granted to non-executive directors expire after five years.

DIRECTORS' STATEMENT

(B)

- The exercise price of the options can be set at a discount to the market price not exceeding 20% of the market price in respect of options granted at the time of grant. The exercise price of the option is \$0.28 per share.
- The 300,000 options granted on 5 July 2017 were issued at market price which was the average of the last dealt prices of the Company's shares over the five consecutive market days immediately preceding the grant date.
- The options can be exercised two years after the date of grant, and all options have vested as at 30 June 2024.
- All options are to be settled by physical delivery of shares.
- The options granted to key management personnel expire after ten years and options granted to non-executive directors expire after five years.

(C)

- The exercise price of the options can be set at a discount to the market price not exceeding 20% of the market price in respect of options granted at the time of grant. The exercise price of the option is \$0.253 per share.
- The 8,000,000 options granted on 6 September 2023 were issued at 20% discount of the market price which was the average of the last dealt prices of the Company's shares over the five consecutive market days immediately preceding the grant date. Options granted previously of 500,000 had lapsed during the year as they were not taken up by an employee.
- The options can be exercised three years after the date of grant.
- All options are to be settled by physical delivery of shares.
- The options granted to executive director and employees expire after ten years and options granted to non-executive directors expire after five years.

DIRECTORS' STATEMENT

Details of options granted to directors of the Company under the Scheme outstanding as at reporting date are as follow:

Director	Exercise period	Aggregate options granted since commencement to 1 July 2023	Options granted for financial year ended 30 June 2024	Aggregate options granted since commencement to 30 June 2024	Aggregate options exercised since commencement to 30 June 2024	Aggregate options forfeited/ expired since commencement to 30 June 2024	Aggregate options outstanding as at 30 June 2024
Heine Askaer-Jensen (ceased as a Director on 15 July 2024)	6/9/2026 to 5/9/2033	200,000	250,000	450,000	(200,000)	-	250,000
Basil Chan	6/9/2026 to 5/9/2033	200,000	250,000	450,000	(200,000)	-	250,000
Mark Jonathon Richards	2/3/2017 to 6/9/2026 to 5/9/2033	1,350,000	-	1,350,000	-	-	1,350,000
		-	2,000,000	2,000,000	-	-	2,000,000
Gerard Lim Ewe Keng	6/9/2026 to 5/9/2033	200,000	250,000	450,000	(200,000)	-	250,000
Gary James Weisman	6/9/2026 to 5/9/2033	-	250,000	250,000	-	-	250,000
		1,950,000	3,000,000	4,950,000	(600,000)	-	4,350,000

Size of the PSP and ESOS

The total number of new shares which may be allotted and issued to the participants shall not exceed 15% of the total number of issued shares of the Company.

No individual recipients of awards or options have been granted more than 5% of the total number of awards or options that can be granted under the PSP and the ESOS.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

Risk Management and Audit Committee

The members of the Risk Management and Audit Committee during the year and at the date of this statement are as follows:

Basil Chan	(Chairman, Independent and Non-Executive Director)
Heine Askaer-Jensen (ceased as a Director on 15 July 2024)	(Independent and Non-Executive Director)
Gerard Lim Ewe Keng	(Non-Independent and Non-Executive Director)
Gary James Weisman	(Independent and Non-Executive Director)

DIRECTORS' STATEMENT

The Risk Management and Audit Committee performs the functions specified by section 201B of the Companies Act, the SGX Listing Manual and the Code of Corporate Governance.

The Risk Management and Audit Committee has held four meetings since the last directors' statement. In performing its functions, the Risk Management and Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Risk Management and Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- interim financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Risk Management and Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Risk Management and Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Risk Management and Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing the auditors for the Company and subsidiaries, the Company has complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

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

On behalf of the Board of Directors

Mark Jonathon Richards

Director

Basil Chan

Director

1 October 2024

INDEPENDENT AUDITORS' REPORT

Members of the Company
Grand Banks Yachts Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Grand Banks Yachts Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2024, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 74 to 140.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 current period. 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.

INDEPENDENT AUDITORS' REPORT

Impairment of non-financial assets, including goodwill and other intangible assets

Refer to Note 2.4 Key sources of estimation uncertainties (a): Valuation of non-financial assets, including goodwill and other intangible assets and Note 7 – Intangible assets.

Risk	Our response:
<p>The Group recorded goodwill of \$6.0 million that arose from the acquisition of Palm Beach Motor Yacht Co Pty Ltd in prior years. The goodwill was allocated to the manufacturing and trading segment, which represents the lowest level within the Group at which goodwill is monitored.</p> <p>In addition, as at 30 June 2024, the Group's market capitalisation was below its net assets. This is an indication that the Group's non-financial assets may be impaired.</p> <p>Non-financial assets relate to the same cash generating unit (CGU) to which the goodwill is allocated to. They are included and assessed concurrently in the annual goodwill impairment testing.</p> <p>Management applies the value-in-use (VIU) method to determine the recoverable amount of the CGU. Key assumptions and estimates used in the value-in-use calculations include revenue and expenses growth rates, terminal growth and discount rate. The determination of these assumptions involve judgement and is subject to estimation uncertainties.</p>	<ul style="list-style-type: none"> • We evaluated management's basis of determination and identification of the CGU within the Group. • We assessed management's process for assessing impairment risk over the manufacturing and trading segment. • We compared management's historical forecasts against actual performance as part of our assessment over management's forecasts. • We challenged management's estimates of revenue and expenses growth rates by comparing them with the Group's historical performance, secured customers orders, board approved budgets and externally derived data where available. • We independently derived applicable discount rate and compared it to the discount rate used by management. • We assessed the related disclosures on key assumptions applied in determining the recoverable amounts of the CGU.
<p>Our findings:</p> <p>We found the methodology used to be appropriate and the key assumptions used in the value-in-use calculation to be within the reasonable range of outcomes.</p>	

INDEPENDENT AUDITORS' REPORT

Accounting for construction contracts

Refer to Note 2.4 Key sources of estimation uncertainties (b): Recognition of revenue using percentage of completion method, Note 3.11 Revenue recognition, Note 21 – Revenue.

Risk	Our response:
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<p>The Group's largest revenue stream is derived from construction contracts. Revenue for such contracts are accounted for based on the stage of completion of individual contracts. The stage of completion is determined using cost-to-cost method (i.e., actual cost installed and incurred over estimated total cost to complete each contract).</p> <p>The determination of the percentage of completion for revenue recognition, forecast project costing and margin involve judgement and are subject to estimation uncertainties. Such estimates include budgeted total costs (labour, materials and overhead costs) of delivering the entire contract.</p>	<ul style="list-style-type: none"> · We reviewed the Group's process over the preparation and authorisation of budgeted costs, absorption of the labour, materials and overhead costs, and accuracy and completeness over the actual cost installed and incurred. · We assessed the reliability of management's estimation of the budgeted costs by comparing the final outcomes of the contracts completed during the year to previous estimates of costs for those contracts. · For on-going construction contracts, we assessed the reasonableness of revenue recognised with reference to the percentage of completion determined and enquired with management on the progress of construction to identify possible delays or cost overruns that may require revision in budgeted contract costs or provision for foreseeable losses. · Reviewed the adequacy of the Group's disclosure in the financial statements.
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Our findings:

The Group has a process over the preparation and authorisation of budgeted costs, absorption of the labour, materials and overheads costs, and accuracy and completeness over the actual cost installed and incurred.

We found management's estimates of the budgeted costs and the revenue recognised with reference to percentage of completion to be reasonable.

INDEPENDENT AUDITORS' REPORT

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does 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, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 SSAs 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.

INDEPENDENT AUDITORS' REPORT

As part of an audit in accordance with SSAs, 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, 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 controls.
- Obtain an understanding of internal controls 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 internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. 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 controls 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, related safeguards.

INDEPENDENT AUDITORS' REPORT

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 current period 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.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by a subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Loo Kwok Chiang, Adrian.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

1 October 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Non-current assets					
Property, plant and equipment	4	34,243	30,549	–	–
Right-of-use assets	5	5,839	5,509	–	–
Subsidiaries	6	–	–	36,948	38,016
Intangible assets	7	6,783	6,886	–	–
Deferred tax assets	8	2,297	2,193	–	–
		49,162	45,137	36,948	38,016
Current assets					
Inventories	9	29,900	18,204	–	–
Contract assets	21	10,041	16,346	–	–
Trade and other receivables	10	11,720	6,918	1,552	8,271
Prepayments	11	1,521	1,805	27	23
Other investment	12	–	1,008	–	–
Cash and fixed deposits	13	42,076	40,063	9,360	1,064
		95,258	84,344	10,939	9,358
Total assets		144,420	129,481	47,887	47,374
Current liabilities					
Trade and other payables	14	15,811	25,311	649	527
Contract liabilities	21	23,523	22,546	–	–
Provisions	15	7,120	4,378	–	–
Interest-bearing loans and borrowings	16	377	525	–	–
Deferred consideration	17	94	565	–	–
Lease liabilities	26	280	210	–	–
Current tax payables		3,457	2,348	–	–
		50,662	55,883	649	527
Non-current liabilities					
Deferred tax liabilities	8	952	830	–	–
Interest-bearing loans and borrowings	16	3,266	1,707	–	–
Deferred consideration	17	1,807	1,898	–	–
Lease liabilities	26	492	40	–	–
		6,517	4,475	–	–
Total liabilities		57,179	60,358	649	527
Capital and reserves					
Share capital	18	43,136	43,136	43,136	43,136
Share-based compensation reserve	19	617	381	617	381
Foreign currency translation reserve	20	(4,831)	(4,101)	–	–
Accumulated profits		48,319	29,707	3,485	3,330
Total equity		87,241	69,123	47,238	46,847
Total equity and liabilities		144,420	129,481	47,887	47,374

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

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
Revenue	21	133,653	114,171
Cost of sales		(82,928)	(77,386)
Gross profit		50,725	36,785
Other income	22	452	291
Selling and marketing expenses		(11,506)	(13,267)
Administrative expenses		(8,058)	(7,841)
Other operating expenses, net		(2,018)	(1,064)
Profit from operations		29,595	14,904
Finance cost		(396)	(194)
Profit before tax	22	29,199	14,710
Tax expense	23	(7,818)	(4,602)
Profit for the year attributable to owners of the Company		21,381	10,108
		2024	2023
		Cents	Cents
Earnings per share			
– Basic	25	11.58	5.47
– Diluted	25	11.41	5.46

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2024

	2024 \$'000	2023 \$'000
Profit for the year	21,381	10,108
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Translation differences relating to financial statements of foreign subsidiaries	(730)	(3,547)
Other comprehensive income for the year, net of income tax	(730)	(3,547)
Total comprehensive income for the year attributable to owners of the Company	20,651	6,561

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2024

	Share capital \$'000	Share-based compensation reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000
Group					
At 1 July 2022	43,136	381	(554)	20,522	63,485
Total comprehensive income for the year					
Profit for the year	–	–	–	10,108	10,108
Other comprehensive income					
Translation differences relating to financial statements of foreign subsidiaries	–	–	(3,547)	–	(3,547)
Total other comprehensive income	–	–	(3,547)	–	(3,547)
Total comprehensive income for the year	–	–	(3,547)	10,108	6,561
Transactions with owners, recorded directly in equity					
Tax exempt (one-tier) dividend paid (Note 18)	–	–	–	(923)	(923)
Total transactions with owners	–	–	–	(923)	(923)
At 30 June 2023	43,136	381	(4,101)	29,707	69,123
At 1 July 2023	43,136	381	(4,101)	29,707	69,123
Total comprehensive income for the year					
Profit for the year	–	–	–	21,381	21,381
Other comprehensive income					
Translation differences relating to financial statements of foreign subsidiaries	–	–	(730)	–	(730)
Total other comprehensive income	–	–	(730)	–	(730)
Total comprehensive income for the year	–	–	(730)	21,381	20,651
Transactions with owners, recorded directly in equity					
Share-based payments	–	236	–	–	236
Tax exempt (one-tier) dividends paid (Note 18)	–	–	–	(2,769)	(2,769)
Total transactions with owners	–	236	–	(2,769)	(2,533)
At 30 June 2024	43,136	617	(4,831)	48,319	87,241

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2024

	Note	Group	
		2024 \$'000	2023 \$'000
Cash flows from operating activities			
Profit for the year		21,381	10,108
Adjustments for:			
Depreciation of property, plant and equipment	4	5,044	4,296
Depreciation of right-of-use assets	5	492	364
Amortisation of intangible assets	7	114	118
Loss on disposal of property, plant and equipment	22	30	–
Allowance for inventories obsolescence, net	22	435	118
Interest income	22	(1,171)	(549)
Share-based payment expenses	22	236	–
Interest expense		156	194
Tax expense	23	7,818	4,602
Unrealised foreign exchange loss		(437)	(400)
		34,098	18,851
Changes in:			
– Inventories		(14,495)	(4,975)
– Trade and other receivables		(4,688)	(399)
– Prepayments		294	(722)
– Contract assets		6,311	(9,472)
– Contract liabilities		954	(547)
– Trade and other payables		(9,557)	11,770
– Provisions		2,751	753
Cash generated from operations		15,668	15,259
Net income taxes paid		(6,647)	(97)
Net cash from operating activities		9,021	15,162
Cash flows from investing activities			
Interest received		1,099	498
Placement of longer fixed deposits		(1,358)	(4,541)
Proceeds from longer fixed deposits		4,519	–
Restricted cash		(1,413)	–
Purchase of other investment		–	(1,014)
Proceeds from other investment		989	–
Proceeds from disposal of property, plant and equipment		25	–
Purchase of property, plant and equipment		(4,742)	(6,806)
Net cash used in investing activities		(881)	(11,863)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2024

	Note	Group	
		2024 \$'000	2023 \$'000
Cash flows from financing activities			
Interest paid	16	(156)	(194)
Dividends paid	18	(2,769)	(923)
Repayment of lease liabilities	16	(290)	(203)
Repayment of interest-bearing loans and borrowings	16	(514)	(1,178)
Repayment of deferred consideration	16	(561)	(552)
Net cash used in financing activities		(4,290)	(3,050)
Net increase in cash and cash equivalents		3,850	249
Cash and cash equivalents at beginning of year		35,522	36,337
Effect of exchange rate changes on balances held in foreign currency		(67)	(1,064)
Cash and cash equivalents at end of year	13	39,305	35,522

Significant non-cash transaction

In 2024, additions to property, plant and equipment relating to expansion of the factory in Malaysia was partially financed through a bank loan amounting to \$1,926,000 and paid directly by the bank. Included in additions to property, plant and equipment relates to a reclassification of a completed stock boat from inventory amounting to \$2,169,000.

In 2023, addition to property, plant and equipment relating to purchase of land under a promissory note financing arrangement amounted to \$1,898,000 (see Note 17).

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 1 October 2024.

1 DOMICILE AND ACTIVITIES

Grand Banks Yachts Limited (the 'Company') is incorporated in Singapore. The address of the Company's registered office is 21 Bukit Batok Crescent, Wcega Tower, #06-74, Singapore 658065.

The financial statements of the Group as at and for the year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

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. See Note 6 for additional information on the subsidiaries.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The changes to material accounting policies are described in Note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

a. Valuation of non-financial assets, including goodwill and other intangible assets

When value-in-use calculations are undertaken, the Group estimates the expected future cash flows from the CGU and choose a suitable discount rate and growth rates in order to compute the present value of these cash flows. The Group's estimates of future cash flows requires the use of judgement and contains estimation uncertainties. Actual results may be different from forecasts if anticipated events do not occur as expected. Unfavourable deviation to key assumptions could lead to lower cash flows derived from the CGU and may result in impairment of the Group's non-financial assets.

Further details of the key assumptions applied in the Group's valuation of non-financial assets are disclosed in Note 7.

b. Recognition of revenue using percentage of completion method

The Group recognises revenue on construction contracts based on the percentage of completion method in proportion to the stage of completion. The percentage of completion for each construction project is determined using the cost-to-cost method by reference to the actual costs installed and incurred to date over the estimated total cost to complete. Judgement is required in determining if revenue recognition should be suspended when it is no longer probable that inflow of economic benefits associated with the contracts will occur. Such considerations include the Group's assessment of the credit-worthiness of customers and the Group's ability to continually enforce and collect payments.

The Group monitors and reviews the progress of all construction contracts taking into consideration inputs from its project managers and customers. The Group evaluates potential risks and factors which may affect the timely completion of construction contracts. The Group's review includes the evaluation of actual costs incurred and future costs to complete for all construction contracts.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continued)

Measurement of fair values (Continued)

Significant valuation issues are reported to the Risk Management and Audit Committee. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Further information about the assumptions made in measuring fair values is included in Note 28.

2.5 Changes in material accounting policies

New accounting standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 July 2023:

- SFRS(I) 17: *Insurance Contracts*
- Amendments to SFRS(I) 1-12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

2 BASIS OF PREPARATION (CONTINUED)

2.5 Changes in material accounting policies (Continued)

Deferred tax related to assets and liabilities arising from a single transaction

The Group adopted Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities.

For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases by applying the ‘integrally linked’ approach resulting in deferred tax asset or liability to be recognised on a net basis. Following the amendments, the Group recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. There was no impact on the opening retained earnings as at 1 July 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (see Note 8).

Material accounting policy information

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5 which addresses changes in material accounting policies.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

Business combinations (Continued)

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Note 3.7). Any gain on a bargain purchase is recognised in income statement immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in income statement.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in income statement.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

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.

Subsidiaries in the separate financial statements

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

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in income statement and presented within "Other income".

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income ("OCI") and presented in the foreign currency translation reserve in equity.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the foreign currency translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in income statement.

Subsequent costs

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

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in income statement on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. No depreciation is provided on freehold land or in respect of assets under construction.

The estimated useful lives are as follows:

Buildings on freehold land	–	15 to 39 years
Buildings on leasehold land	–	Shorter of remaining lease period or 28 years
Plant and machinery	–	10 years
Furniture, fixtures and equipment	–	3 to 5 years
Toolings and moulds	–	3 to 5 years
Motor vehicles	–	5 to 10 years
Demo boats	–	5 years

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Intangible assets and goodwill

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3.1.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

Trademarks

Trademarks with finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation of trademarks are recognised in income statement on a straight-line basis over their estimated useful life of 20 years.

Other intangible assets

Other intangible assets pertains to order backlog and club membership that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

3.5 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investment are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (Continued)

(ii) **Classification and subsequent measurement** (Continued)

Non-derivative financial assets (Continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes 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 in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is 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.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The business model of the Group is as follows:

Held to collect

The Group holds financial assets which arise from its business. The objective of the business model for these financial instruments is to collect the amounts due from the Group's receivables.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (Continued)

(ii) *Classification and subsequent measurement* (Continued)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI")

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition. The Group had no financial assets held outside trading business model that failed the SPPI assessment.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in income statement. Any gain or loss on derecognition is recognised in income statement.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (Continued)

(ii) **Classification and subsequent measurement** (Continued)

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement.

The Group's non-derivative financial liabilities comprised trade and other payables and interest-bearing loans and borrowings and deferred consideration.

(iii) **Derecognition**

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (Continued)

(iii) **Derecognition** (Continued)

Financial liabilities (Continued)

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in income statement.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

(iv) **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) **Cash and fixed deposits**

Cash and fixed deposits comprise cash balances and fixed deposits that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (Continued)

(vi) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

(vii) Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that requires the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

3.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of office and factory, leasehold building and land the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (Continued)

As a lessee (Continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property 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. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

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 lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments and lease payment in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the Group's assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in income statement if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases relating to rental of berths. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment

- (i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised costs and contract assets (as defined in SFRS(I) 15).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers 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 historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (Continued)

- (i) Non-derivative financial assets and contract assets (Continued)

General approach (Continued)

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset remains outstanding beyond management's expected range of past due days taking into consideration past payment trends, macroeconomic and industry conditions.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default (as defined above);
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (Continued)

- (i) Non-derivative financial assets and contract assets (Continued)

General approach (Continued)

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines 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 procedures for recovery of amounts due.

- (ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then, to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (Continued)

(ii) Non-financial assets (Continued)

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

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average costing principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

The amount of any allowance for inventories obsolescence are recognised as an expense in the period the loss occurs. The amount of any reversal of any allowance for inventories obsolescence is recognised as a reduction against the expense in the period in which the reversal occurs.

3.9 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for warranty claims

The warranty provision represents the best estimate of the Group's obligations at the reporting date. Under the terms of the revenue contracts with customers, the Group is obligated to make good, by repair or replacement, engineering or manufacturing defects that become apparent within the warranty period from the date of delivery. The Group's experience of the proportion of its products sold that requires repair or replacement differs from year to year as every contract is customised to the specification of the customers. The estimation of the provision for warranty expenses is based on the Group's past claim experience in relation to warranty exposures and represents the best estimates of the costs expected to incur per dollar of sales.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Provisions (Continued)

Provision for restoration

A provision for restoration of offices under lease agreement is recognised as the Group has obligation to restore the offices back to its original condition as per the lease agreement. See Note 3.6.

3.10 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in income statement in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payment transactions

The grant date fair value of equity-settled share-based payment award granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity presented in share-based compensation reserve, over the vesting period of the award. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service conditions at the vesting date.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11 Revenue recognition

Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (“PO”) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price for the satisfied PO.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

3.12 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.12 Income tax (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits adjusted for reversals of existing temporary differences are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

3.13 Interest income

Interest income is recognised as it accrues in income statement, under "Other income" using the effective interest method.

3.14 Foreign currency gains and losses

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis under "Other income" depending on whether foreign currency movements are in a net gain or net loss position.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Finance cost

Finance costs comprise interest expense on borrowings and lease liabilities. These are recognised in income statement.

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

3.16 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share 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 dilutive potential ordinary shares, which comprise of share options grant to employees.

3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets other than goodwill.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.18 New standards and interpretations not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 July 2023 and earlier application is permitted. However, the Group has not early adopted the new or amended accounting standards in preparing these financial statements.

- (i) Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The amendments as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024.

The application of these amendments is not expected to have a significant effect on the Group's financial statements.

- (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.

- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	Buildings on freehold land		Buildings on leasehold land		Plant and machinery [#]		Furniture, fixtures and equipment		Toolings and moulds		Motor vehicles and work boats		Demo Boat [^]		Assets under construction		Total	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
Accumulated depreciation and impairment losses																			
At 1 July 2022		233	-	6,111	-	2,366	3,850	16,667	184	-	-	-	-	-	-	-	-	29,411	
Charge for the year	22	34	-	149	-	474	717	2,893	29	-	-	-	-	-	-	-	-	4,296	
Translation adjustment		(15)	-	(524)	-	(248)	(304)	(1,495)	(14)	-	-	-	-	-	-	-	-	(2,600)	
At 30 June 2023		252	-	5,736	-	2,592	4,263	18,065	199	-	-	-	-	-	-	-	-	31,107	
At 1 July 2023		252	-	5,736	-	2,592	4,263	18,065	199	-	-	-	-	-	-	-	-	31,107	
Charge for the year	22	30	-	339	-	469	1,046	2,874	33	253	-	-	-	-	-	-	-	5,044	
Disposal		-	-	(18)	-	-	(6)	-	(6)	-	-	-	-	-	-	-	-	(30)	
Translation adjustment		1	-	(36)	-	(16)	(16)	(93)	-	2	-	-	-	-	-	-	-	(158)	
At 30 June 2024		283	-	6,021	-	3,045	5,287	20,846	226	255	-	-	-	-	-	-	-	35,963	
Carrying amounts																			
At 1 July 2022		1,821	3,736	7,004	-	2,396	1,401	7,718	71	-	-	-	-	-	-	-	-	27,852	
At 30 June 2023		1,719	5,551	7,239	-	1,988	2,123	6,425	69	-	-	-	-	-	-	-	-	30,549	
At 30 June 2024		1,694	5,563	10,372	-	2,106	3,984	4,688	184	1,932	-	-	-	-	-	-	-	34,243	

* Included in freehold land is a land with carrying amount of \$3,902,000 (2023: \$3,923,000) charged against bank borrowings (see Note 16).

Included in plant and machinery are travel lifts with carrying amount of \$400,000 (2023: \$574,000) that are charged against bank borrowings (see Note 16).

^ During the year, the Group reclassified stock boat from inventories to property, plant and equipment at carrying cost of \$2,169,000.

Assets under construction

Assets under construction relate mainly to expenditures incurred for on-going enhancements to overseas facilities, expansion of factory in Malaysia and development of new products.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

5 RIGHT-OF-USE ASSETS

	Note	Office, hostel and factory	Buildings on leasehold	Leasehold	Total
		lease \$'000	land \$'000	land* \$'000	
Group					
Cost					
At 1 July 2022		611	482	5,958	7,051
Additions		178	–	–	178
Translation adjustment		(19)	(40)	(494)	(553)
At 30 June 2023		770	442	5,464	6,676
At 1 July 2023		770	442	5,464	6,676
Additions		1,008	–	–	1,008
De-recognition of lease [#]		(519)	–	–	(519)
Translation adjustment		14	(3)	(35)	(24)
At 30 June 2024		1,273	439	5,429	7,141
Accumulated depreciation					
At 1 July 2022		312	33	511	856
Depreciation charge for the year	22	212	18	134	364
Translation adjustment		(2)	(3)	(48)	(53)
At 30 June 2023		522	48	597	1,167
At 1 July 2023		522	48	597	1,167
Depreciation charge for the year	22	309	17	166	492
De-recognition of lease [#]		(356)	–	–	(356)
Translation adjustment		2	2	(5)	(1)
At 30 June 2024		477	67	758	1,302
Carrying amounts					
At 1 July 2022		299	449	5,447	6,195
At 30 June 2023		248	394	4,867	5,509
At 30 June 2024		796	372	4,671	5,839

* Charged against bank borrowings (see Note 16).

De-recognition is related to early termination of leases.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

6 SUBSIDIARIES

	Company	
	2024 \$'000	2023 \$'000
Unquoted ordinary shares, at cost	21,726	21,726
Unquoted preference shares, at cost	15,222	15,222
Equity investments, at cost	36,948	36,948
Amounts due from a subsidiary (non-current)	-	1,068
Total	36,948	38,016

The non-current amounts due from a subsidiary was fully settled during the year (2023: \$1,068,000). Upon settlement, there was no change in the Company's equity interest in the subsidiary.

Details of the subsidiaries

The subsidiaries directly held by the Company are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity interest held by the Company	
			2024 %	2023 %
+ GB Yachts Pte. Ltd. ("GBS")	The subsidiary carries out the Group's sales activities and provides certain management services to the Malaysia, United States of America ("USA") and Australia subsidiaries.	Singapore	100	100
@ Grand Banks Yachts Sdn. Bhd.	The subsidiary operates the manufacturing plant in Malaysia and sells the manufactured yachts to the Singapore, USA and Australia subsidiaries.	Malaysia	100	100
# Grand Banks Yachts Australia Pty Ltd	The subsidiary carries out the Group's sales and marketing activities in Australia. It also sells new and previously owned yachts.	Australia	100	100
∞ Palm Beach Motor Yacht Co Pty Ltd ("PBM")	The subsidiary carries out the Group's sales and marketing activities in Australia. It also sells new and previously owned yachts as well as being involved in service and brokerage business in Australia.	Australia	100	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

6 SUBSIDIARIES (CONTINUED)

The significant subsidiaries held by the Company's subsidiary companies are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity interest held by the Company	
			2024 %	2023 %
Subsidiary of GBS				
∞ Grand Banks Marine Group, Ltd. ("GBMG")	The subsidiary is an investment holding company with significant subsidiaries carrying out sales, marketing and service activities in USA.	United States of America	100	100
Subsidiaries of GBMG				
∞ Grand Banks Yachts Sales, LLC ("GBYS")	The subsidiary carries out the Group's sales and marketing activities, including sales of new and previously owned yachts and also involved in brokerage sales in USA.	United States of America	100	100
∞ Grand Banks Yachts Services, LLC	The subsidiary carries out the Group's service activities in USA.	United States of America	100	100
∞ Grand Banks Yachts Employment Service, LLC	The subsidiary carries out the Group's employment activities in USA.	United States of America	100	100
∞ Stuart Yacht Corporation ("SYC")	Owner and landlord of the property and marina.	United States of America	100	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

6 SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity interest held by the Company	
			2024 %	2023 %
Subsidiaries of GBYS				
∞ Grand Banks Yachts Sales California, Inc.	The subsidiary carries out the Group's sales and marketing activities, including sales of new and previously owned yachts and also involved in brokerage sales in California.	United States of America	100	100
∞ Grand Banks Yachts Sales Florida, LLC	The subsidiary carries out the Group's sales and marketing activities, including sales of new and previously owned yachts and also involved in brokerage sales in Florida.	United States of America	100	100
∞ Grand Banks Yachts Sales Rhode Island, LLC	The subsidiary carries out the Group's sales and marketing activities, including sales of new and previously owned yachts in Rhode Island.	United States of America	100	100
∞ Grand Banks Yachts Sales Michigan, LLC	The subsidiary carries out the Group's sales and marketing activities, including sales of new and previously owned yachts in Michigan.	United States of America	100	100
Subsidiary of PBMV				
# GB Marine Group Pty Ltd	Dormant	Australia	100	100

Not required to be audited by law of country of incorporation.

@ Audited by overseas affiliates of KPMG LLP, Singapore.

+ Audited by KPMG LLP, Singapore.

∞ Audited by KPMG LLP, Singapore for consolidation purpose and not required to be audited by law of country of incorporation.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

7 INTANGIBLE ASSETS

	Note	Goodwill \$'000	Trademarks \$'000	Others \$'000	Total \$'000
Group					
Cost					
At 1 July 2022		6,430	2,263	68	8,761
Translation adjustment		(407)	(129)	–	(536)
At 30 June 2023		6,023	2,134	68	8,225
At 1 July 2023		6,023	2,134	68	8,225
Translation adjustment		11	4	–	15
At 30 June 2024		6,034	2,138	68	8,240
Accumulated amortisation					
At 1 July 2022		–	1,218	68	1,286
Amortisation	22	–	118	–	118
Translation adjustment		–	(65)	–	(65)
At 30 June 2023		–	1,271	68	1,339
At 1 July 2023		–	1,271	68	1,339
Amortisation	22	–	114	–	114
Translation adjustment		–	4	–	4
At 30 June 2024		–	1,389	68	1,457
Carrying amounts					
At 1 July 2022		6,430	1,045	–	7,475
At 30 June 2023		6,023	863	–	6,886
At 30 June 2024		6,034	749	–	6,783

The Group holds trademarks for Grand Banks, Eastbay and Palm Beach on a worldwide basis.

Impairment tests for cash-generating units containing goodwill

Goodwill arose from the acquisition of Palm Beach Motor Yacht Co Pty Ltd. For the purpose of impairment testing, goodwill of \$6,034,000 (2023: \$6,023,000) is allocated to the manufacturing and trading segment which represent the lowest level within the Group at which goodwill is monitored for internal management purposes. Non-financial assets such as property, plant and equipment and right-of-use assets are included in the CGU and are assessed concurrently in the annual goodwill impairment testing.

The recoverable amount of a cash-generating unit is determined based on value-in-use determined by discounting the future cash flows to be generated from the continuing use of the cash-generating unit. Cash flows projection used in the value-in-use calculation was based on a five-year (2023: five-year) financial budget approved by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

7 INTANGIBLE ASSETS (CONTINUED)

Impairment tests for cash-generating units containing goodwill (Continued)

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the industry and have been based on historical data from both external and internal sources.

	Group	
	2024	2023
	%	%
Compounded annual revenue growth rate	3.4	2.9
Compounded annual expenses growth rate	3.6	5.9
Terminal value growth rate	3.0	3.0
Discount rate (pre-tax)	16.7	17.5

Based on the assumptions above, the estimated recoverable amount of the cash-generating unit exceeded its carrying amount. Accordingly, no impairment is required at the reporting date.

Management identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for the carrying amount to equal the recoverable amount	
	2024	2023
	%	%
Compounded annual revenue growth rate	(0.8)	(1.1)
Compounded annual expenses growth rate	0.9	1.3

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

8 DEFERRED TAX ASSETS AND (LIABILITIES)

Deferred tax assets and (liabilities) are attributable to the following:

	Assets		Liabilities	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
	Restated*		Restated*	
Group				
Property, plant and equipment and intangible assets	53	99	(1,852)	(1,383)
Right-of-use assets	–	–	(688)	(176)
Lease liabilities	680	180	–	–
Inventories	509	456	–	–
Trade receivables	8	8	–	–
Provisions and accruals	2,635	1,855	–	–
Tax losses and capital allowances	–	324	–	–
Deferred tax assets/(liabilities)	3,885	2,922	(2,540)	(1,559)
Set off of tax	(1,588)	(729)	1,588	729
Net deferred tax assets/ (liabilities)	2,297	2,193	(952)	(830)

* See Note 2.5

Movements in temporary differences of deferred tax assets and liabilities during the year:

	Recognised			Recognised			At 30 June 2024 \$'000
	At 1 July 2022 \$'000	in income statement (Note 23) \$'000	Translation adjustment \$'000	At 1 July 2023 \$'000	in income statement (Note 23) \$'000	Translation adjustment \$'000	
	Restated*	Restated*	Restated*	Restated*			
Group							
Deferred tax assets/ (liabilities)							
Property, plant and equipment and intangible assets	(825)	(555)	96	(1,284)	(547)	32	(1,799)
Right-of-use assets	(65)	(114)	3	(176)	(488)	(6)	(670)
Lease liabilities	68	115	(3)	180	476	6	662
Inventories	616	(116)	(44)	456	55	(2)	509
Trade receivables	–	8	–	8	–	–	8
Provisions and accruals	952	1,016	(113)	1,855	784	(4)	2,635
Tax losses and capital allowances	2,232	(1,787)	(121)	324	(286)	(38)	–
Tax incentives	679	(651)	(28)	–	–	–	–
Net deferred tax assets/ (liabilities)	3,657	(2,084)	(210)	1,363	(6)	(12)	1,345

* See Note 2.5

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

8 DEFERRED TAX ASSETS AND (LIABILITIES) (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024	2023
	\$'000	\$'000
Unutilised tax losses and capital allowances	603	632

The unutilised tax losses and capital allowances are subject to agreement by the tax authorities and do not expire under current tax legislation. Deferred tax assets have been recognised in respect of these items to the extent that it is probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

9 INVENTORIES

	Group	
	2024	2023
	\$'000	\$'000
Raw materials and components	15,722	17,343
Allowance for inventory obsolescence	(2,406)	(2,340)
	13,316	15,003
Completed stock boats	10,439	2,274
Work-in-progress	6,145	927
	29,900	18,204

In 2024, changes in inventories included in cost of sales amounted to \$68,030,293 (2023: \$65,432,404).

During the year, the Group reclassified a completed stock boat from inventories to property, plant and equipment (see Note 4) with carrying cost of \$2,169,000. The Group designated the stock boat to be used as a demo boat for marketing purpose.

Usage of raw materials, changes in work-in-progress and changes in finished goods are main components of the cost of sales shown in income statement. Cost of sales also includes an allowance for inventory 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

9 INVENTORIES (CONTINUED)

During the year, the Group agreed to the termination of two construction contracts. Consequently, the stock boat under construction with carrying cost of \$2,040,000 was de-recognised from cost of sales and classified as inventories in the current year.

Allowance for inventory obsolescence

	Group	
	2024 \$'000	2023 \$'000
At 1 July	(2,340)	(3,233)
Allowance made during the year	(435)	(401)
Written-back during the year	–	283
Utilised during the year	358	786
Translation adjustment	11	225
At 30 June	(2,406)	(2,340)

10 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables	11,564	6,793	–	–
Refundable deposits from customers	156	125	–	–
Amounts due from subsidiaries (non-trade)	–	–	1,552	8,271
	11,720	6,918	1,552	8,271

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.

The Group's credit and currency risks for trade and other receivables are disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

11 PREPAYMENTS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Payments in advance for purchases of raw materials and components	737	1,057	-	-
Prepaid operating expenses	784	748	27	23
	1,521	1,805	27	23

12 OTHER INVESTMENT

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Debt investment, at amortised cost	-	1,008	-	-

13 CASH AND FIXED DEPOSITS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash and bank balances	4,478	10,842	160	264
Fixed deposits	37,598	29,221	9,200	800
Cash and fixed deposits in the statements of financial position	42,076	40,063	9,360	1,064
Fixed deposits with longer maturity	(1,358)	(4,541)	-	-
Restricted cash	(1,413)	-	-	-
Cash and cash equivalents in the statement of cash flows	39,305	35,522	9,360	1,064

Bank balances earn interest at floating rates based on the daily bank deposits rates. Fixed deposits are placed for varying periods between 4 and 365 days (2023: 7 and 365 days) and earn interest at rates averaging from 2.38% to 6.00% (2023: 0.7% to 5.2%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

14 TRADE AND OTHER PAYABLES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade payables	5,053	6,330	-	-
Other payable	99	3,953	-	-
Refundable deposits from customers	750	1,008	-	-
Accrued operating expenses	9,909	14,020	649	527
	15,811	25,311	649	527

15 PROVISIONS

	Warranties \$'000	Restoration \$'000	Total \$'000
Balance at 1 July 2022	3,905	18	3,923
Changes during the year			
Provisions made during the year	1,746	1	1,747
Claims expended during the year	(995)	-	(995)
Translation adjustment	(296)	(1)	(297)
Balance at 30 June 2023	4,360	18	4,378
Balance at 1 July 2023	4,360	18	4,378
Changes during the year			
Provisions made during the year	5,386	43	5,429
Claims expended during the year	(2,403)	-	(2,403)
Write-back	(258)	(18)	(276)
Translation adjustment	(9)	1	(8)
Balance at 30 June 2024	7,076	44	7,120

Warranties

The provision for warranty is set up to cover the estimated liability in respect of warranty claims for the sale of completed yachts. The provision recognised represents management's best estimate of the future cost required in the event that warranty claims arise. The provision recognised are periodically reviewed and updated based on the facts and circumstances available at the time. The provision is based on historical warranty claims.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

16 INTEREST-BEARING LOANS AND BORROWINGS

	Group	
	2024 \$'000	2023 \$'000
Secured bank loan		
– Current	377	525
– Non-current	3,266	1,707
	3,643	2,232

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

	Currency	Nominal interest rate	Year of maturity	Group	
				2024 \$'000	2023 \$'000
Secured bank loan ⁽ⁱ⁾	MYR	5.20%	2025	57	117
Secured bank loan ⁽ⁱⁱ⁾	MYR	5.20%	2024	–	263
Secured bank loan ⁽ⁱⁱⁱ⁾	MYR	5.20%	2025-2033	1,926	–
Secured bank loan ^(iv)	USD	5.25%	2025-2026	1,364	1,478
Secured bank loan ^(v)	USD	4.25%	2025-2027	296	374
				3,643	2,232

- (i) The outstanding bank loan is secured over a travel lift located at the Group's manufacturing yard in Pasir Gudang, Johor, Malaysia, which has a carrying amount of \$161,000 (2023: \$185,000). The travel lift is included in the Group's plant and machinery (see Note 4).
- (ii) The outstanding bank loan secured over the leasehold land of the Group's manufacturing yard in Pasir Gudang, Johor, Malaysia was fully paid during the year.
- (iii) During the year, the Group secured a new bank loan denominated in Malaysia Ringgit amounting to \$1,926,000 (2023: \$Nil) for the building extension in Pasir Gudang, Johor, Malaysia and the building is still under construction at reporting date. 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 \$4,671,000 (2023: \$4,867,000). 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.
- (iv) The bank loan is secured over freehold land of the Group's service yard in Florida, USA which has a carrying amount of \$3,902,000 (2023: \$3,923,000). 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.
- (v) The bank loan is secured over a travel lift located at the Group's service yard in Florida, which has a carrying amount of \$239,000 (2023: \$389,000). The travel lift is included in the Group's plant and machinery (see Note 4).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

16 INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			Total \$'000
	Interest-bearing loans and borrowings \$'000	Deferred consideration (Note 17) \$'000	Lease liabilities (Note 26) \$'000	
Balance at 1 July 2022	3,526	1,137	319	4,982
Changes from financing cash flows				
Repayment of interest-bearing loans and borrowings	(1,178)	–	–	(1,178)
Repayment of deferred consideration	–	(552)	–	(552)
Payment of lease liabilities	–	–	(203)	(203)
Interest paid	(144)	(35)	(15)	(194)
Total changes from financing cash flows	(1,322)	(587)	(218)	(2,127)
The effect of changes in foreign exchange rates				
	(116)	(20)	(42)	(178)
Other changes				
Acquisition of land and building	–	1,898	–	1,898
New lease	–	–	176	176
Finance cost	144	35	15	194
Total liability-related other changes	144	1,933	191	2,268
Balance at 30 June 2023	2,232	2,463	250	4,945
Balance at 1 July 2023	2,232	2,463	250	4,945
Changes from financing cash flows				
Repayment of interest-bearing loans and borrowings	(514)	–	–	(514)
Repayment of deferred consideration	–	(561)	–	(561)
Repayment of lease liabilities	–	–	(290)	(290)
Interest paid	(103)	(12)	(41)	(156)
Total changes from financing cash flows	(617)	(573)	(331)	(1,521)
The effect of changes in foreign exchange rates				
	(1)	(1)	6	4
Other changes				
New loan	1,926	–	–	1,926
New lease	–	–	969	969
De-recognition of leases	–	–	(163)	(163)
Finance cost	103	12	41	156
Total liability-related other changes	2,029	12	847	2,888
Balance at 30 June 2024	3,643	1,901	772	6,316

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

17 DEFERRED CONSIDERATION

	Group	
	2024 \$'000	2023 \$'000
Secured promissory notes		
– Current	94	565
– Non-current	1,807	1,898
	1,901	2,463

On 9 May 2018, a subsidiary issued a promissory note to the seller for the acquisition of assets of Stuart Yacht Corporation. The promissory note was denominated in United States dollars and was secured over the shares of Stuart Yacht Corporation. The secured promissory note has been fully paid during the year.

On 15 December 2022, a subsidiary acquired land and building in the United States and this was partially financed by the seller through a deferred payment scheme. The note is denominated in United States dollars repayable over a period of 15 years commencing from July 2024 and is secured over the freehold land and building in United States with carrying value of \$2,568,000 (2023: \$2,580,000). The note bears a fixed interest rate of 4% and is repayable between years 2024 to 2039.

18 SHARE CAPITAL

	2024		2023	
	Number of shares '000	\$'000	Number of shares '000	\$'000
Fully paid:				
Beginning of the year and end of the year	184,635	43,136	184,635	43,136

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.

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 payout 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 fixed deposits less external borrowings, if any.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

18 SHARE CAPITAL (CONTINUED)

Capital management (Continued)

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.

Dividends

The following exempt (one-tier) dividends were declared and paid by the Group and Company:

For the year ended 30 June

	Group and Company	
	2024	2023
	\$'000	\$'000
Paid by the Company to owners of the Company		
Interim dividends of \$0.005 per ordinary share in respect of financial year ended 30 June 2024 (2023: Nil)	923	–
Final dividends of \$0.01 per ordinary share in respect of financial year ended 30 June 2023 (2023: \$0.005 – 30 June 2022)	1,846	923
	2,769	923

After the reporting date, the following exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for.

	Group and Company	
	2024	2023
	\$'000	\$'000
Final dividends of \$0.01 per ordinary share in respect of financial year ended 30 June 2024 (2023: \$0.01 – 30 June 2023)	1,846	1,846

19 SHARE-BASED COMPENSATION RESERVE

The share-based compensation reserve comprises the cumulative value of services received from employees recorded on grant of equity settled share options and share awards. The expense for service received was recognised over the vesting period.

20 FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

21 REVENUE

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Revenue from construction contracts

Nature of goods or services	The Group manufactures and sell luxury yachts worldwide.
When revenue is recognised	Revenue is recognised over time as the Group has enforceable right to payments for performance completed till date. Revenue is recognised with reference to the stage of completion of the contract activity at the reporting date. The stage of completion is determined using cost-to-cost method (i.e., actual cost installed and incurred over estimated total cost to complete each contract).
Significant payment terms	Progress billings to the customer are based on a payment schedule in the contract that is dependent on the achievement of specified construction milestones. If the value of the construction services rendered exceeds progress billings to the customer, a contract asset is recognised. Conversely, a contract liability is recognised when progress billings to the customer exceeds the value of the construction services rendered. Payment is due within seven days from date of progress billings.
Obligations for warranties	The Group is obligated to make good, by repair or replacement, engineering or manufacturing defects that become apparent within the warranty period from the date of delivery.

Revenue from boat brokerage

Nature of goods or services	The Group generates brokerage revenue through facilitating the sale of boats between interested buyers and sellers. The Group earns commission income from the brokerage deals.
When revenue is recognised	Revenue is recognised when the brokerage deal is completed.
Significant payment terms	Invoice is issued when brokerage boat is delivered to the end customer. Payment is due within seven to fourteen days from date of invoice.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

21 REVENUE (CONTINUED)

Rendering of services

Nature of goods or services	The Group provides boat servicing to its customers. Services sold are separate from the construction contracts and the Group accounts for the services separately.
When revenue is recognised	Revenue is recognised when services are completed.
Significant payment terms	Invoice is issued when services have been performed. Payment is due within seven days from date of invoice.

Sale of stock boats, trade-in boats and parts

Nature of goods or services	The Group generates revenue from the sale of stock boats, trade-in boats and other spare parts of boats.
When revenue is recognised	Revenue is recognised when control have been transferred to the buyer. Revenue excludes goods and services taxes and other sales taxes, and is derived at after deduction of trade discounts.
Significant payment terms	Invoice is issued when parts are delivered to the customer. Parts payment is due within seven days from date of invoice. For stock and trade-in boats, payment is required before delivery.
Obligations for warranties	In cases of sales of stock boats and trade-in boats that were manufactured by the Group, the Group is obligated to make good, by repair or replacement, engineering or manufacturing defects that become apparent within the warranty period from the date of delivery.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

21 REVENUE (CONTINUED)

Disaggregation of revenue from contracts with customers

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

	Group	
	2024 \$'000	2023 \$'000
Revenue from construction contracts	120,686	93,720
Revenue from boat brokerage*	4,763	4,112
Rendering of services	8,029	7,361
Sales of stock boat	–	2,768
Sales of trade-in boats	–	6,032
Sales of parts	175	178
	133,653	114,171

Timing of revenue recognition

Transferred at a point in time	12,967	20,451
Transferred over time	120,686	93,720
	133,653	114,171

	Group	
	2024 \$'000	2023 \$'000
Revenue contributed by primary geographical markets:		
United States of America	104,876	69,964
Australia	18,206	30,792
Europe	5,704	11,787
Asia	4,867	1,628
	133,653	114,171

* The related brokerage costs included in selling and marketing expenses amounted to \$2,100,000 (2023: \$1,758,000).

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2024 \$'000	2023 \$'000
Trade receivables	11,564	6,793
Contract assets	10,041	16,346
Contract liabilities	(23,523)	(22,546)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

21 REVENUE (CONTINUED)**Contract balances** (Continued)

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract liabilities primarily relate to advance consideration received from customers for which the performance obligations have not been satisfied.

These assets and liabilities are reported in the statements of financial position on a contract by contract basis at the end of each reporting period. If the value of services rendered exceeds progress billings to the customers, a contract asset is recognised and presented separately in the statements of financial position. The contract asset is transferred to trade receivables when the entitlement to payment becomes unconditional. If the progress billings to the customer or advance payments received or receivable exceeds the value of services rendered, a contract liability is recognised and separately presented in the statements of financial position.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	Contract assets		Contract liabilities	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	-	-	17,709	21,457
Increase due to cash received, excluding amounts recognised as revenue during the year	-	-	(18,686)	(20,080)
Contract asset reclassified to trade receivables	(16,346)	(7,281)	-	-
Changes in measurement of progress	(10,041)	16,346	-	-

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

22 PROFIT BEFORE TAX

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

		Group	
	Note	2024 \$'000	2023 \$'000
Wages, salaries and other employee benefits		32,718	31,280
Contributions to defined contribution plans, included in wages and salaries related costs		1,811	1,674
Share-based payment expenses		236	–
Allowance for inventories obsolescence, net	9	435	118
Depreciation of property, plant and equipment	4	5,044	4,296
Depreciation of right-of-use assets	5	492	364
Amortisation of intangible assets	7	114	118
Provision for warranty claims, net	15	5,128	1,746
Brokerage commission expenses		2,100	1,758
Auditors' remuneration:			
– auditors of the Company		386	323
– overseas affiliates of KPMG LLP		64	61
Non-audit fees paid to:			
– auditors of the Company		33	31
Short-term lease expenses		132	160
Other income			
Foreign exchange loss		(1,567)	(347)
Interest income from bank		1,171	549
Loss on disposal of property, plant and equipment		(30)	–
Government grants		134	–
Sundry income		73	99
Compensation fee from a customer		674	–
Others		(3)	(10)
		452	291

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

23 TAX EXPENSE

	Group	
	2024	2023
	\$'000	\$'000
Current tax		
Current year	7,909	2,518
Changes in estimate related to prior years	(97)	–
	7,812	2,518
Deferred tax		
Origination and reversal of temporary differences	63	1,054
Changes in estimate related to prior years	(57)	1,030
	6	2,084
Tax expense	7,818	4,602

Reconciliation of effective tax rate

	Group	
	2024	2023
	\$'000	\$'000
Profit before tax	29,199	14,710
Tax at the domestic rates applicable to profits in the countries where the Group operates	7,182	3,328
Adjustments:		
Non-deductible expenses	540	258
Tax-exempt income	(27)	(91)
Changes in estimate related to prior years	(154)	1,030
Withholding tax	150	85
Others	127	(8)
	7,818	4,602

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

24 SHARE-BASED COMPENSATION

Grand Banks Performance Share Plan 2014 (“PSP”) and Grand Banks Employee Share Option Scheme 2014 (“ESOS”) were approved and adopted by its members at an Extraordinary General Meeting of the Company held on 8 October 2014. The PSP and the ESOS are based on the principle of pay for performance and is designed to enable the Company to reward, retain and motivate employees whose contributions are essential to the well-being and prosperity of the Group, to give recognition to outstanding employees who have contributed to the Group and to align the interests of the participants with the interests of shareholders.

The Group has the following share-based payment arrangements:

ESOS (equity-settled)

On 2 March 2015, the Group granted 3,450,000 share options to eligible employees and directors to take up unissued shares in the Company which will vest after a two years-service period. The exercise period of the options is five years from the date of grant for non-executive directors and ten years from the date of grant for key management personnel.

The Group further granted 300,000 share options to one executive on 5 July 2017 to take up unissued shares in the Company with similar terms as the grant on 2 March 2015.

On 6 September 2023, the Group granted 8,000,000 share options to eligible employees and directors to take up unissued shares in the Company which will vest after a three years-service period. The exercise period of the options is five years from the date of grant for non-executive directors and ten years from the date of grant for executive director and employees. Options granted previously of 500,000 had lapsed during the year as they were not taken up by an employee.

At the end of the year, details of the ESOS plan on unissued ordinary shares of the Company are as follow:

Date of grant of options	Exercise price per share	Options outstanding at 1 July 2023	Options exercised	Options granted	Options forfeited/ expired	Options outstanding at 30 June 2024	Options exercisable at 30 June 2024	Exercise period
2024								
2/3/2015	\$0.228	2,400,000	-	-	-	2,400,000	2,400,000	2/3/2017 to 1/3/2025
5/7/2017	\$0.280	300,000	-	-	-	300,000	300,000	5/7/2019 to 4/7/2027
6/9/2023	\$0.253	-	-	8,000,000	(500,000)	7,500,000	-	6/9/2026 to 5/9/2033
		2,700,000	-	8,000,000	(500,000)	10,200,000	2,700,000	
2023								
2/3/2015	\$0.228	2,400,000	-	-	-	2,400,000	2,400,000	2/3/2017 to 1/3/2025
5/7/2017	\$0.280	300,000	-	-	-	300,000	300,000	5/7/2019 to 4/7/2027
		2,700,000	-	-	-	2,700,000	2,700,000	

No share options were exercised in 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

24 SHARE-BASED COMPENSATION (CONTINUED)

ESOS (equity-settled) (Continued)

Measurement of fair values

The fair value of the ESOS has been measured using binomial method at the grant date. Service conditions attached to the scheme were not taken into account in measuring fair value. Expected volatility is estimated by considering historical share price volatility particularly over the historical period commensurate with the expected term of the ESOS. The inputs used in the measurement of the fair values at grant date of the ESOS are as follows:

Fair value of ESOS and assumptions

	ESOS			
	5 or 10 years 6 September	10 years	5 years	10 years
Date of grant of options	2023	5 July 2017	2 March 2015	2 March 2015
Fair value at grant date	\$0.1132	\$0.0705	\$0.0703	\$0.0704
Share price at grant date	\$0.315	\$0.280	\$0.230	\$0.230
Exercise price	\$0.253	\$0.280	\$0.228	\$0.228
Expected volatility	47%	46%	56%	56%
Option life (expected exercise period)	3.00 years	2.90 years	2.56 years	3.33 years
Expected dividends	3.2%	1%	1%	1%
Risk-free interest rate (based on government bonds)	3.46%	1.32%	1.14%	1.29%

During the year, the Group charged \$236,000 (2023: \$Nil) to the income statement based on the fair value of the share options at the grant date being expensed over the vesting period.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

25 EARNINGS PER SHARE

	Group	
	2024	2023
<i>Basic earnings per share</i>		
Basic earnings per share is based on:		
Profit for the year (\$'000)	21,381	10,108
Number of shares outstanding at beginning of the year ('000)	184,635	184,635
Weighted average number of ordinary shares at the end of the year ('000)	184,635	184,635
<i>Diluted earnings per share</i>		
Diluted earnings per share is based on:		
Profit for the year (\$'000)	21,381	10,108
Number of shares outstanding at beginning of the year ('000)	184,635	184,635
Effects of ESOS on issue ('000)	2,735	575
Weighted average number of ordinary shares at the end of the year ('000)	187,370	185,210

26 LEASES

	2024	2023
	\$'000	\$'000
Current	280	210
Non-current	492	40
	772	250

Leases as lessee

The Group leases land, office space, factory and hostel. The lease for land has a remaining lease period of 28 years (2023: 29 years). The leases for offices, factory and hostel space typically run for two to five years.

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstance within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of \$862,000 (2023: \$592,000).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

27 SIGNIFICANT RELATED PARTY TRANSACTIONS

Key management personnel of the Group are those having the authority and responsibility for planning, directing and controlling the activities of the Group. The Chief Executive Officer, Chief Financial Officer, Managing Director of Malaysia factory and the Board of Directors are considered as key management personnel of the Group.

	Group	
	2024	2023
	\$'000	\$'000
Short-term benefits	3,523	3,472
Contribution to defined contribution plans	77	87
Share-based payments	157	–
	3,757	3,559

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group has established its general risk management philosophy to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risks to ensure that an appropriate balance between risk and control is achieved and to reflect changes in market conditions.

Risk management framework

The Risk Management and Audit Committee oversees how management monitors compliance with the Group's risk management framework and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Risk Management and Audit Committee is assisted in its oversight role by an independent Internal Audit organisation. This independent Internal Audit organisation undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Risk Management and Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The carrying amounts of financial assets and contract assets represent the Group's maximum exposures to credit risk.

The Group manages its credit risk through the application of credit approvals and monitoring procedures. Management considers the demographics of its customer base including the default risk associated with the customers' profile and background, and the industry and country in which customer, operate as these factors may impact the Group's credit risk profile.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

The Group's credit review includes the consideration of historical loss rates, financial status and industry information.

The Group reduces its exposure to credit risks by obtaining advances from customers and tight management of billings and collections. In the case of customers' defaults, the Group retains a right to re-possess the constructed boats.

Exposure to credit risk

Trade receivables and contract assets

As at 30 June 2024, there were no significant concentrations of credit risk. A summary of the Group's exposures to credit risk for trade receivables and contract assets is as follows:

	2024	2023
	Not credit- impaired	Not credit- impaired
	\$'000	\$'000
<i>Receivables measured at lifetime ECL</i>		
Trade receivables	11,564	6,793
Contract assets	10,041	16,346
	21,605	23,139

Expected credit loss assessment

The Group uses ECL model for the impairment of trade receivables and contract assets. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to applying experienced credit judgement), these exposures are considered to have low credit risk. Impairment on these balances have been measured on the lifetime expected credit loss basis. The amount of the allowance on trade receivables and contract assets are insignificant.

Non-trade amount due from subsidiaries

Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections), these exposures are considered to have low credit risk. The amount of allowance is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Other receivables

Other receivables are short-term in nature. Impairment on other receivables has been measured on the 12-month expected loss basis and reflects the short maturities of exposures. The Group considers its receivables to have low credit risk and the amounting allowance on other receivables is insignificant.

Cash and fixed deposits

Cash and fixed deposits are placed with financial institutions, which are regulated. The amount of the allowance on cash and fixed deposits is insignificant.

Guarantees

The risk to which the Company is exposed is credit risk in connection with guarantee contract it has issued for bank loans obtained by subsidiaries (see Note 16). The credit risk represents the loss that would be recognised upon a default by the subsidiaries to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the subsidiary it is providing the guarantee on behalf of. There are no terms and conditions attached to the guarantee contract that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows.

Estimates of the Company's obligation arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The Company has assessed that the subsidiary has strong financial capacity to meet the contractual cash flow obligations in the near future and hence does not expect significant credit loss from the guarantee. The Company's assessment is based on qualitative and quantitative factors that are indicative of the risk of default. The assumptions made may well vary from actual experience so that the actual liability may vary considerably from the best estimates. As of reporting date, there is no provision made in respect of the obligations (see Note 16).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and fixed deposits deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following are the contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Note	Carrying amount \$'000	Cash flows			
			Contractual cash flows \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
Group						
30 June 2024						
Trade and other payables*	14	11,611	11,611	11,611	–	–
Interest-bearing loans and borrowings	16	3,643	4,237	507	2,911	819
Deferred consideration	17	1,901	2,532	169	675	1,688
Lease liabilities	26	772	924	372	552	–
30 June 2023						
Trade and other payables*	14	21,024	21,024	21,024	–	–
Interest-bearing loans and borrowings	16	2,232	2,465	614	1,851	–
Deferred consideration	17	2,463	3,105	578	674	1,853
Lease liabilities	26	250	360	282	78	–
Company						
30 June 2024						
Trade and other payables	14	649	649	649	–	–
Intra-group financial guarantees		–	3,918	3,918	–	–
30 June 2023						
Trade and other payables	14	527	527	527	–	–
Intra-group financial guarantees		–	1,937	1,937	–	–

* Excludes refundable deposits from customers and accrued employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to interest-earning cash and fixed deposits.

	Note	Group Carrying amount		Company Carrying amount	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Fixed rate instruments					
Fixed deposits	13	37,598	29,221	9,200	800
Deferred consideration	17	(1,901)	(2,463)	–	–
		35,697	26,758	9,200	800

	Note	Group Carrying amount		Company Carrying amount	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Variable rate instruments					
Cash and bank balances	13	4,478	10,842	160	264
Interest-bearing loans and borrowings	16	(3,643)	(2,232)	–	–
		835	8,610	160	264

The Group does not account for any fixed rate financial assets and liabilities at FVTPL. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date will not affect profit or loss. For variable rate instruments, the sensitivity analysis as follow:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
100 bp increase				
Increase in profit before tax	8	86	2	3

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk

The foreign currency exposure arising from transactions denominated in foreign currencies is mainly the United States Dollar (“USD”), Singapore Dollar (“SGD”), Australia Dollar (“AUD”), Euro (“EUR”) and British Pound Sterling (“GBP”).

The Group’s gross exposure to foreign currencies is as follow:

	USD \$'000	SGD \$'000	AUD \$'000	EUR \$'000	GBP \$'000
Group					
30 June 2024					
Financial assets					
Trade and other receivables	9	5	1	–	–
Cash and fixed deposits	7,666	813	3,657	1,092	–
Financial liabilities					
Trade and other payables	(1,145)	(2,263)	(501)	(1,271)	(64)
Net currency exposure	6,530	(1,445)	3,157	(179)	(64)
30 June 2023					
Financial assets					
Trade and other receivables	–	5	1	–	–
Cash and fixed deposits	7,621	1,683	4,416	113	–
Financial liabilities					
Trade and other payables	(1,725)	(2,956)	(379)	(1,789)	–
Net currency exposure	5,896	(1,268)	4,038	(1,676)	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk (Continued)

The Company's exposure to foreign currency risk is not significant.

Sensitivity analysis

A 1% strengthening of USD, SGD, AUD, EUR and GBP against the functional currencies of its subsidiaries at the reporting date would increase/(decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Group	2024	2023
	Profit or loss \$'000	Profit or loss \$'000
USD	65	59
SGD	(14)	(13)
AUD	32	40
EUR	(2)	(17)
GBP	(1)	–

A 1% weakening of USD, SGD, AUD, EUR and GBP against the functional currencies of the Company and its subsidiaries at the reporting date would have the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

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
Group					
30 June 2024					
Trade and other receivables	10	11,720	–	11,720	11,720
Cash and fixed deposits	13	42,076	–	42,076	42,076
		53,796	–	53,796	53,796
Trade and other payables*	14	–	11,611	11,611	11,611
Interest-bearing loans and borrowings	16	–	3,643	3,643	3,643
Deferred consideration	17	–	1,901	1,901	1,901
		–	17,155	17,155	17,155

* Excludes refundable deposits from customers and accrued employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair values of financial assets and financial liabilities (Continued)

	Note	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Fair value \$'000
Group					
30 June 2023					
Trade and other receivables	10	6,918	–	6,918	6,918
Other investment	12	1,008	–	1,008	1,008
Cash and fixed deposits	13	40,063	–	40,063	40,063
		<u>47,989</u>	<u>–</u>	<u>47,989</u>	<u>47,989</u>
Trade and other payables*	14	–	21,024	21,024	21,024
Interest-bearing loans and borrowings	16	–	2,232	2,232	2,232
Deferred consideration	17	–	2,463	2,463	2,463
		<u>–</u>	<u>25,719</u>	<u>25,719</u>	<u>25,719</u>
Company					
30 June 2024					
Trade and other receivables	10	1,552	–	1,552	1,552
Cash and fixed deposits	13	9,360	–	9,360	9,360
		<u>10,912</u>	<u>–</u>	<u>10,912</u>	<u>10,912</u>
Trade and other payables	14	<u>–</u>	649	649	649
30 June 2023					
Trade and other receivables	10	8,271	–	8,271	8,271
Cash and fixed deposits	13	1,064	–	1,064	1,064
		<u>9,335</u>	<u>–</u>	<u>9,335</u>	<u>9,335</u>
Trade and other payables	14	<u>–</u>	527	527	527

* 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% interest rate per annum from the secured promissory note which approximates the market rate.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair values of financial assets and financial liabilities (Continued)

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 fixed deposits, other investment 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.

29 OPERATING SEGMENTS

The Group engages predominantly in the manufacturing and sale of luxury yachts. The Group assessed its operating segment and determined that it has two (2023: two) operating and reporting segments.

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

The operating segments contains 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

29 OPERATING SEGMENTS (CONTINUED)

	Reconciliation									
	Manufacturing and trading segment		Others		Corporate		Adjustments		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and expenses										
External revenue	120,894	100,259	12,759	13,912	-	-	-	-	133,653	114,171
Inter-segment revenue	9,164	7,305	27,227	1,548	4,016	3,159	(40,407)	(12,012)	-	-
Total revenue	130,058	107,564	39,986	15,460	4,016	3,159	(40,407)	(12,012)	133,653	114,171
Segment results*	67,363	25,722	4,194	3,254	2,924	2,169	(40,407)	(12,012)	34,074	19,133
Depreciation and amortisation	(5,650)	(4,778)	-	-	-	-	-	-	(5,650)	(4,778)
Interest income	1,171	549	-	-	-	-	-	-	1,171	549
Interest expense	(396)	(194)	-	-	-	-	-	-	(396)	(194)
Operating profit before tax	62,488	21,299	4,194	3,254	2,924	2,169	(40,407)	(12,012)	29,199	14,710
Income tax expense	(7,818)	(4,602)	-	-	-	-	-	-	(7,818)	(4,602)
Segment profit	54,670	16,697	4,194	3,254	2,924	2,169	(40,407)	(12,012)	21,381	10,108

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

29 OPERATING SEGMENTS (CONTINUED)

	Reconciliation							
	Manufacturing and trading segment		Others		Corporate		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Other material non-cash items:</i>								
Allowance for inventories obsolescence, net	(435)	(118)	-	-	-	-	(435)	(118)
Provision for warranty claims, net	(5,128)	(1,746)	-	-	-	-	(5,128)	(1,746)
Assets and liabilities								
Segment assets	116,822	123,310	15,914	2,891	9,387	1,087	142,123	127,288
Tax assets	2,243	2,074	54	119	-	-	2,297	2,193
Segment liabilities	51,271	56,251	850	402	649	527	52,770	57,180
Tax liabilities*	4,379	3,178	30	-	-	-	4,409	3,178
Capital expenditures	6,668	8,704	-	-	-	-	6,668	8,704

* Tax liabilities comprise of current tax payables and deferred tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

29 OPERATING SEGMENTS (CONTINUED)

Geographical segments

Geographical segment information is analysed by the principal geographical locations of the customers where the yachts are sold. See Note 21 for details.

The Group manufactures yachts and holds its corporate treasury, administrative and marketing functions at locations different from the principal geographical locations in which it sells its yachts as described above in Note 21. The non-current assets, primarily the manufacturing facilities of \$46,865,000 (2023: \$42,944,000) are substantially located in Malaysia (2023: Malaysia).

30 COMMITMENTS

	Group	
	2024	2023
	\$'000	\$'000
Capital expenditures	5,708	7,297

The capital expenditure contracted by the Group relates mainly to the expansion of factory in Malaysia.

31 SUBSEQUENT EVENTS

On 13 September 2024, 1,950,000 ESOS were exercised by key management personnel and following the allotment of issuance of new ordinary shares, the total number of issued shares of the Company increased to 186,584,649.

STATISTICS OF SHAREHOLDINGS

As at 21 July 2024

Issued Share Capital : 184,634,649 ordinary shares
Voting Rights : 1 vote per ordinary share

Director's Shareholdings

Name of Directors	No. of Shares
Mark Jonathon Richards	11,025,400
Basil Chan	301,500
Gerard Lim Ewe Keng	212,000
Gary James Weisman	275,000

As at 18 September 2024

Issued Share Capital : 186,584,649 ordinary shares
Voting Rights : 1 vote per ordinary share

Director's Shareholdings

Name of Directors	No. of Shares
Mark Jonathon Richards	12,375,400
Basil Chan	301,500
Gerard Lim Ewe Keng	212,000
Gary James Weisman	275,000

Substantial Shareholders

As at 18 September 2024, shown in Register of Substantial Shareholders

Name of Substantial Shareholders	Shareholdings registered in the name of the Substantial Shareholders	Shareholdings in which the Substantial Shareholders are deemed to have an interest		Percentage of Issued Shares %
			Total	
Tan Sri Lim Kok Thay	52,609,994	–	52,609,994	28.20
Willimbury Pty Ltd ⁽¹⁾	28,583,162	–	28,583,162	15.32
Arminella Pty Ltd ⁽²⁾ (as trustee for SJHA Investment Trust)	18,645,612	–	18,645,612	9.99
Mark Jonathon Richards	12,375,400	–	12,375,400	6.63

Notes:

- (1) 28,583,162 shares are held by Citibank Nominees Singapore Pte Ltd.
(2) 18,645,612 shares are held by Raffles Nominees (Pte) Limited.

STATISTICS OF SHAREHOLDINGS

As at 18 September 2024

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	98	6.59	1,133	0.00
100 – 1,000	267	17.96	145,283	0.08
1,001 – 10,000	744	50.03	3,290,493	1.76
10,001 – 1,000,000	369	24.81	27,106,641	14.53
1,000,001 and above	9	0.61	156,041,099	83.63
TOTAL	1,487	100.00	186,584,649	100.00

As at 18 September 2024, approximately 39.1% of the Company's shares were held in the hands of the public. Therefore, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Tan Sri Lim Kok Thay	52,609,994	28.20
2	Citibank Nominees Singapore Pte Ltd	36,589,382	19.61
3	Phillip Securities Pte Ltd	21,079,901	11.30
4	Raffles Nominees (Pte) Limited	20,167,462	10.81
5	Mark Jonathon Richards	12,375,400	6.63
6	DBS Nominees (Private) Limited	7,903,748	4.24
7	Asdew Acquisitions Pte Ltd	2,166,200	1.16
8	United Overseas Bank Nominees (Private) Limited	1,959,912	1.05
9	ABN AMRO Clearing Bank N.V.	1,189,100	0.64
10	Lim Geck Chin Mavis	1,000,000	0.54
11	Est of Mrs Lim Nancy Nee Tan Nancy, Dec'd	1,000,000	0.54
12	OCBC Nominees Singapore Private Limited	969,640	0.52
13	Seah Chye Ann (Xie Cai'an)	935,000	0.50
14	Teo Chin Yee (Zhang Jinyi)	790,000	0.42
15	Chua Cheow Chuan	750,000	0.40
16	Heine Askaer-Jensen	701,500	0.38
17	Samuel Henry Compton III	507,000	0.27
18	Lim Seng Chiang	450,000	0.24
19	Tan Wey Ling	433,000	0.23
20	Seah Jim Hong Gerard	423,500	0.23
	TOTAL	164,000,739	87.91

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company (the “AGM”) will be held at **York Hotel Singapore (Rose Room II – Upper Lobby Level), 21 Mount Elizabeth, Singapore 228516** on **Thursday, 24 October 2024 at 10.00a.m.** to transact the following business:

ORDINARY BUSINESS

- 1) To receive and adopt the Directors’ Statement and Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Auditors’ Report thereon.
(Resolution 1)
- 2) To declare a final one-tier tax exempt dividend of 1.0 Singapore cent per ordinary share for the financial year ended 30 June 2024. *(2023: 1.0 Singapore cent per ordinary share).*
(Resolution 2)
- 3) To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 3)
- 4) To approve the payment of additional Directors’ fees of S\$80,000 for the financial year ended 30 June 2024.
(Resolution 4)
- 5) To approve the payment of Directors’ fees of S\$400,000 for the financial year ending 30 June 2025, to be paid quarterly in arrears. *(2024: S\$304,000 before Resolution 4 above).*
(Resolution 5)
- 6) To note the redesignation of Mr. Basil Chan from Independent and Non-Executive Director to Non-Independent and Non-Executive Director with effect from the conclusion of the AGM.
[see Explanatory Note (i)]
- 7) To re-appoint Mr. Gerard Lim Ewe Keng, who is retiring pursuant to Article 86 of the Constitution of the Company and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), and who, being eligible, offers himself for re-election as a Non-Independent and Non-Executive Director.
[see Explanatory Note (ii)(a)]
(Resolution 6)
- 8) To re-appoint Mr. Mark Jonathon Richards, who is retiring pursuant to Article 86 of the Constitution of the Company and Rule 720(5) of the Listing Manual of the SGX-ST, and who, being eligible, offers himself for re-election as an Executive Director.
[see Explanatory Note (ii)(b)]
(Resolution 7)
- 9) To re-appoint Ms. Kay Pang Ker-Wei, who is retiring pursuant to Article 92 of the Constitution of the Company and who, being eligible, offers herself for re-election as an Independent and Non-Executive Director.
[see Explanatory Note (iii)]
(Resolution 8)
- 10) To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

- 11) To appoint Mr. Philip William Forrest as an Independent and Non-Executive Director of the Company.
[see Explanatory Note (iv)(a)] **(Resolution 9)**
- 12) To appoint Mr. Jeffrey Edward Fisher as an Independent and Non-Executive Director of the Company.
[see Explanatory Note (iv)(b)] **(Resolution 10)**
- 13) To appoint Mr. Brian Marshall Storms as an Independent and Non-Executive Director of the Company.
[see Explanatory Note (iv)(c)] **(Resolution 11)**
- 14) **Authority to issue shares**

That pursuant to Section 161 of the Companies Act, 1967 (the “**Companies Act**”) and Rule 806 of the Listing Manual of the SGX-ST and notwithstanding the provisions of the Constitution of the Company, authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
(ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this resolution may have ceased to be in force), issue shares in pursuance of any Instruments made or granted by the Directors while this resolution was in force,

provided that:

1. the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of the Instruments made or granted pursuant to this resolution) does not exceed fifty per centum (50%) of the total number of issued shares, excluding treasury shares and subsidiary holdings (if any), in the capital of the Company (as calculated in accordance with sub-paragraph 2 below), of which the aggregate number of shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including shares to be issued in pursuance of the Instruments made or granted pursuant to this resolution) does not exceed twenty per centum (20%) of the total number of issued shares, excluding treasury shares and subsidiary holdings (if any), in the capital of the Company (as calculated in accordance with sub-paragraph 2 below);

NOTICE OF ANNUAL GENERAL MEETING

2. (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph 1 above, the percentage of the total number of issued shares, excluding treasury shares and subsidiary holdings (if any), shall be based on the total number of issued shares, excluding treasury shares and subsidiary holdings (if any), in the capital of the Company at the time that this resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities;
 - (ii) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares;
3. in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
4. unless revoked or varied by the Company in general meeting, the authority conferred by this resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
[see Explanatory Note (v)]

(Resolution 12)

BY ORDER OF THE BOARD

Ler Ching Chua
Company Secretary

Singapore
7 October 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) The agenda item 6 above, relates to Mr. Basil Chan, who has served on the Board as Independent Director for an aggregate period of more than 12 years and pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, he is deemed independent until the conclusion of the Company's AGM on 24 October 2024. In accordance with SGX-ST transitional Practice Note 4, Mr. Basil Chan will be transitioning from Independent and Non-Executive Director to a Non-Independent and Non-Executive Director with effect from the conclusion of the Company's Annual General Meeting on 24 October 2024.

Mr. Basil Chan will, upon re-designated as Non-Independent and Non-Executive Director, remain as the Chairman of the Board, a member of the Remuneration Committee ("**RC**") and the Strategic Committee ("**SC**") of the Company. Mr. Basil Chan will step down as the Chairman of the Risk Management and Audit Committee ("**RMAC**") and the Nominating Committee ("**NC**"), and remain as a member of the RMAC, and the NC of the Company with effect from the conclusion of the Company's AGM to be held on 24 October 2024.

There are no relationships including immediate family relationships between Mr. Basil Chan and the other Directors, the Company or its substantial shareholders. The necessary information on Mr. Basil Chan's re-designation as Non-Independent and Non-Executive Director in the format as set out in the Appendix 7.4.1 of the Listing Manual of the SGX-ST had been announced via SGXNet on 7 October 2024.

- (ii) The Ordinary Resolutions 6 and 7 above, relates to the re-appointment of the following Directors retiring by rotation pursuant to Article 86 of the Company's Constitution and Rule 720(5) of the Listing Manual of the SGX-ST:

- (a) Mr. Gerard Lim Ewe Keng will, upon re-appointment as a Non-Independent and Non-Executive Director, remain as a member of the RMAC, NC and RC of the Company, and will be considered non-independent.

Mr. Gerard Lim Ewe Keng is an associate of Tan Sri Lim Kok Thay, a substantial shareholder of the Company by virtue of his role as the General Manager of Kien Huat Realty Sdn Bhd, a company ultimately owned by a discretionary trust, the beneficiaries of which are Tan Sri Lim Kok Thay and certain members of his family. Apart from the above disclosure there are no relationships including immediate family relationships between Mr. Gerard Lim Ewe Keng and the other Directors of the Company, the Company or its other substantial shareholders.

- (b) Mr. Mark Jonathon Richards will, upon re-appointment as an Executive Director of the Company, remain as the Chief Executive Officer of the Company and a member of the SC of the Company.

There are no relationships including immediate family relationships between Mr. Mark Jonathon Richards and the other Directors, the Company or its substantial shareholders.

- (iii) The Ordinary Resolution 8 above, relates to the re-appointment of Ms. Kay Pang Ker-Wei ("**Ms. Kay Pang**"), who is retiring pursuant Article 92 of the Company's Constitution. Ms. Kay Pang will, upon re-appointment as an Independent and Non-Executive Director, remain as the Chairman of the RC, and a member of the NC of the Company. She will also be appointed as a member of the RMAC of the Company with effect from the conclusion of the Company's Annual General Meeting on 24 October 2024, and will be considered independent for the purpose of Rule 210(5)(d) and Rule 704(8) of the Listing Manual of the SGX-ST.

Additional information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, in the format as set out in the Appendix 7.4.1 of the Listing Manual of the SGX-ST, on Mr. Gerard Lim Ewe Keng, Mr. Mark Jonathon Richards and Ms. Kay Pang Ker-Wei, who are subject to retirement and re-appointment at the Annual General Meeting can be found under "Board of Directors", "Corporate Governance" and "Additional Information on Directors Seeking Re-Appointment at Annual General Meeting on 24 October 2024" sections of the FY2024 Annual Report of the Company.

- (iv) Mr. Gary James Weisman will step down as an Independent and Non-Executive Director, the Chairman of the SC and a member of the RMAC of the Company with effect from the conclusion of the Company's Annual General Meeting on 24 October 2024. The necessary information on Mr. Weisman's cessation in the format as set out in the Appendix 7.4.2 of the Listing Manual of the SGX-ST had been announced via SGXNet on 7 October 2024.

The Ordinary Resolutions 9 to 11 above, relates to the appointment of the following new Independent and Non-Executive Directors of the Company with effect from the Company's Annual General Meeting on 24 October 2024:

- (a) Mr. Philip William Forrest ("**Philip Forrest**") will, subject to shareholders' approval of Ordinary Resolution 9, be appointed as the Lead Independent Director, the Chairman of the RMAC, and a member of the NC and RC of the Company with effect from the conclusion of the Company's Annual General Meeting on 24 October 2024.

- (b) Mr. Jeffrey Edward Fisher ("**Jeffrey Fisher**") will, subject to shareholders' approval of Ordinary Resolution 10, be appointed as the Chairman of the NC and a member of the RMAC and SC of the Company with effect from the conclusion of the Company's Annual General Meeting on 24 October 2024.

NOTICE OF ANNUAL GENERAL MEETING

- (c) Mr. Brian Marshall Storms ("**Brian Storms**") will, subject to shareholders' approval of Ordinary Resolution 11, be appointed as the Chairman of the SC and a member of the RMAC and RC of the Company with effect from the conclusion of the Company's Annual General Meeting on 24 October 2024.

Information on the appointment of the three new Independent Directors, namely, Messrs Philip Forrest, Jeffrey Fisher and Brian Storms, in the format as set out in the Appendix 7.4.1 of the Listing Manual of the SGX-ST, had been announced via SGXNet on 7 October 2024.

Messrs Philip Forrest, Jeffrey Fisher and Brian Storms will be considered independent for the purpose of Rule 210(5)(d) and Rule 704(8) of the Listing Manual of the SGX-ST. Their profiles can be found under "Board of Directors" section of the FY2024 Annual Report of the Company.

- (v) The Ordinary Resolution 12, if passed, authorises the Directors from the date of the Annual General Meeting up to the date of the next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by law to be held or by which this authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding 50% of the issued shares, excluding treasury shares and subsidiary holdings (if any), in the capital of the Company on a *pro-rata* basis to shareholders (of which up to 20% of the issued shares, excluding treasury shares and subsidiary holdings (if any), in the capital of the Company, may be issued on a non *pro-rata* basis to shareholders). For determining the aggregate number of shares that may be issued, the percentage of issued shares, excluding treasury shares and subsidiary holdings (if any), will be calculated based on the total number of issued shares, excluding treasury shares and subsidiary holdings (if any), in the capital of the Company at the time that this resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that this resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

1. The Annual General Meeting of the Company ("**AGM**") is being convened, and will be held physically. Printed copies of the Company's FY2024 Annual Report will not be mailed to members. However, printed copies of this Notice, the accompanying Proxy Form and the Request Form will be sent by post to members.

Copies of the Company's FY2024 Annual Report, Notice of AGM, Proxy Form and the Request Form will also be made available to members on the Company's website at the URL <http://grandbanks.listedcompany.com>; and the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

Members who wish to request for a printed copy of the FY2024 Annual Report may do so by completing and submitting the Request Form to the Company **by Wednesday, 16 October 2024**, in the following manner:

- (a) by email to GBYAGM@boardroomlimited.com; or
 - (b) by post to the registered office of the Company at 21 Bukit Batok Crescent, #06-74 Wcega Tower, Singapore 658065.
2. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote on his/her/its behalf at the AGM. Where such member appoints two (2) proxies, the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy shall be specified in the Proxy Form.
 3. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy is being appointed shall be specified in the Proxy Form. Failing which, the appointments shall be invalid.

"**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967:

- (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF ANNUAL GENERAL MEETING

4. CPF and SRS Investors who wish to attend and vote at the AGM or appoint proxy/proxies for the AGM should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00p.m. on 14 October 2024**, being seven (7) working days prior to the date of the AGM.
5. A proxy need not be a member of the Company.
6. If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the Proxy Form appointing the Chairman of the AGM as proxy. If no specific direction is given as to voting (whether to vote in favour of or against), or abstentions from voting in respect of a resolution in the Proxy Form, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
7. The Proxy Form must be signed by the appointor or his/her attorney duly authorised in writing.
8. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. If the appointor is a corporation, the Proxy Form must be executed either under its common seal or under the hand of its duly authorised officer or attorney. A copy of the power of attorney or such other authority must be submitted together with the instrument appointing a proxy.
9. The duly completed and executed Proxy Forms appointing proxy(ies) or corporate representative(s) must be submitted in the following manner **no later than 10.00a.m. on 21 October 2024**, being seventy-two (72) hours before the time appointed for the taking of the poll of the AGM pursuant to Article 76 of the Company's Constitution:
 - (a) **if submitted by post**, be deposited at the Registered Office of the Company at 21 Bukit Batok Crescent, #06-74 Wcega Tower, Singapore 658065; or
 - (b) **if submitted electronically**, be submitted via email to the Company's share registrar at GBYAGM@boardroomlimited.com by enclosing a signed PDF copy of the Proxy Form.

Failing which, the Proxy Form shall be treated as invalid.

SUBMISSION OF QUESTIONS PRIOR TO THE ANNUAL GENERAL MEETING

- (a) A member of the Company may submit questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations no later than 10.00a.m. on 16 October 2024 by email to GBYAGM@boardroomlimited.com or by post to the Company's registered office at 21 Bukit Batok Crescent, #06-74 Wcega Tower, Singapore 658065.
- (b) The Company will upload the responses to the substantial and relevant questions from shareholders on the SGXNET and Company's website by 10.00a.m. on 18 October 2024.
- (c) The Company endeavours to address (i) subsequent clarifications sought (ii) follow-up questions or (iii) subsequent substantial and relevant questions which are received after its responses referred to at (b) above, at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF RECORD DATE AND PAYMENT DATE FOR FINAL DIVIDEND

NOTICE IS HEREBY GIVEN that, subject to the approval by the shareholders of the proposed a final one-tier tax exempt dividend of 1.0 Singapore cent per ordinary share in respect of the financial year ended 30 June 2024 ("**Proposed Final Dividend**") at the Company's Annual General Meeting to be held on 24 October 2024 ("**AGM**"), the Share Transfer Books and Register of Members of the Company will be closed on Friday, 8 November 2024 at 5.00p.m. ("**Record Date**") for the purpose of determining shareholders' entitlements and preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 up to the Record Date will be registered to determine shareholders' entitlements to the Proposed Final Dividend. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares as at the Record Date will be entitled to the Proposed Final Dividend.

The Proposed Final Dividend, if approved by the shareholders at the AGM, will be paid on Monday, 18 November 2024.

BY ORDER OF THE BOARD

Ler Ching Chua
Company Secretary
7 October 2024

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING ON 24 OCTOBER 2024

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the information as set out in the Appendix 7.4.1 of the Listing Manual of the SGX-ST on **Messrs Mark Jonathon Richards and Gerard Lim Ewe Keng** who are seeking re-appointment as Directors of the Company pursuant to Article 86 of the Constitution of the Company and Rule 720(5) of the Listing Manual of the SGX-ST and **Ms. Kay Pang Ker-Wei** who is seeking re-appointment as Director of the Company pursuant to Article 92 of the Constitution of the Company at the Company’s forthcoming Annual General Meeting on **24 October 2024**, are set out below:

Name Of Directors	Mark Jonathon Richards <i>Chief Executive Officer and Executive Director</i>	Gerard Lim Ewe Keng <i>Non-Independent and Non-Executive Director</i>	Kay Pang Ker-Wei <i>Independent and Non-Executive Director</i>
Date of Appointment	1 August 2014	21 February 2013	1 August 2024
Date of last re-appointment	27 October 2022	28 October 2021	Not Applicable
Age	59	65	48
Country of principal residence	Australia	Malaysia	Singapore
The Board’s comments on this re-appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	The NC had recommended to the Board the re-appointment of Mr. Mark Jonathon Richards as a Director and took into account his attendance at meetings, contributions and performance in its assessment and recommendation. The Board concurred with the NC’s recommendation on Mr. Richards’ re-appointment as a Director of the Company.	The NC had recommended and the Board had approved the re-appointment of Mr. Gerard Lim Ewe Keng as a Non-Independent and Non-Executive Director of the Company after reviewing and taking into account his expertise, attendance and participation at the Board and Board Committees’ meetings, and overall contribution to the effectiveness of the Board as a whole.	The NC had recommended to the Board the re-appointment of Ms. Kay Pang Ker-Wei as a Director and took into account her attendance at meetings, contributions and performance in its assessment and recommendation. The Board concurred with the NC’s recommendation on Ms. Kay Pang Ker-Wei’s re-appointment as a Director of the Company.
Whether re-appointment is executive, and if so, the area of responsibility	Yes	Non-Independent and Non-Executive	Independent and Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chief Executive Officer and Executive Director	Non-Independent and Non-Executive Director. A member of the Risk Management and Audit Committee, the Remuneration Committee and the Nominating Committee.	Independent Director Chairman of Remuneration Committee Member of Nominating Committee
Professional qualifications	Please refer to the “Board of Directors” section on page 9 of the Annual Report.	Please refer to the “Board of Directors” section on page 9 of the Annual Report.	Please refer to the “Board of Directors” section on page 10 of the Annual Report.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING ON 24 OCTOBER 2024

Name Of Directors	Mark Jonathon Richards <i>Chief Executive Officer and Executive Director</i>	Gerard Lim Ewe Keng <i>Non-Independent and Non-Executive Director</i>	Kay Pang Ker-Wei <i>Independent and Non-Executive Director</i>
Working experience and occupation(s) during the past 10 years	<p>2014 to Present Lot 50 NewBridge Road Pty Ltd – Director Palm Beach Motor Yacht Co Pty Ltd – Managing Director GB Marine Group Pty Ltd – Director Grand Banks Yachts Australia Pty Ltd – Director</p>	<p>General Manager of Kien Huat Realty Sdn Berhad since February 2009.</p>	<p>2024 to Present Vice-President, APAC General Counsel AVEVA Software, part of Schneider Electric SE</p> <p>2023 to Present Vice-Chair SINGAPORE HEART FOUNDATION</p> <p>2022 to Present NERA TELECOMMUNICATIONS LTD Chairman of Remuneration and Nominating Committees Member of Audit Committee</p> <p>2018 to 2024 Senior Director, Global Compliance Officer VMWARE INC</p> <p>2016 to 2018 Director, APAC General Counsel CLOUDERA INC</p> <p>2008 to 2016 Director, APAC General Counsel (Enterprise & Software) HEWLETT PACKARD ENTERPRISE</p>
Shareholding interest in the listed issuer and its subsidiaries	<p>12,375,400 Ordinary Shares (in Grand Banks Yachts Limited)</p> <p>2,000,000 Share Options (in Grand Banks Yachts Limited)</p>	<p>212,000 Ordinary Shares (in Grand Banks Yachts Limited)</p> <p>250,000 Share Options (in Grand Banks Yachts Limited)</p>	<p>No</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING ON 24 OCTOBER 2024

Name Of Directors	Mark Jonathon Richards <i>Chief Executive Officer and Executive Director</i>	Gerard Lim Ewe Keng <i>Non-Independent and Non-Executive Director</i>	Kay Pang Ker-Wei <i>Independent and Non-Executive Director</i>
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the issuer or of any of its principal subsidiaries	Nil	<p>Mr. Gerard Lim Ewe Keng is an associate of Tan Sri Lim Kok Thay, a substantial shareholder of the Company, by virtue of his role as the General Manager of Kien Huat Realty Sdn Bhd, a company ultimately owned by a discretionary trust, the beneficiaries of which are Tan Sri Lim Kok Thay and certain members of his family.</p> <p>Apart from the above disclosure, Mr. Gerard Lim has no relationships including immediate family relationships with the Company's existing Directors, existing executive officers, the Company, any of the other substantial shareholders of the Company and any of its principal subsidiaries.</p>	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING ON 24 OCTOBER 2024

Name Of Directors	Mark Jonathon Richards <i>Chief Executive Officer and Executive Director</i>	Gerard Lim Ewe Keng <i>Non-Independent and Non-Executive Director</i>	Kay Pang Ker-Wei <i>Independent and Non-Executive Director</i>
Other Principal Commitments¹ including Directorships²	<p>Past Directorships (for the last 5 years):</p> <p>Nil</p> <p>Present/Existing Directorship:</p> <p>Lot 50 Newbridge Road Pty Ltd – Director</p> <p>Palm Beach Motor Yacht Co Pty Ltd – Managing Director</p> <p>GB Marine Group Pty Ltd – Director</p> <p>Grand Banks Yachts Australia Pty Ltd – Director</p>	<p>Past Directorships (for the last 5 years):</p> <p>Nil</p> <p>Present/Existing Directorships, and Other Principal Commitments:</p> <p>Golden Hope Limited – Director</p> <p>Kien Huat Realty Sdn Bhd – Director</p> <p>Empire Resorts, Inc. – Director</p>	Nil
Disclosures as set out in paragraphs (a) to (k) of the Appendix 7.4.1	Mr. Mark Jonathon Richards has provided a negative confirmation to each of the paragraphs (a) to (k).	Mr. Gerard Lim Ewe Keng has provided a negative confirmation to each of the paragraphs (a) to (k).	Ms. Kay Pang Ker-Wei has provided a negative confirmation to each of the paragraphs (a) to (k).

¹ “Principal Commitments” has the same meaning as defined in the 2018 Code of Corporate Governance (i.e. includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments).

² Not applicable for announcements of appointment pursuant to Rule 704(9) of the Listing Manual of the SGX-ST (i.e. appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the Company to a managerial position in the Company or any of its principal subsidiaries).

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GRAND BANKS YACHTS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 197601189E)

IMPORTANT

- For investors who have used their CPF monies to buy shares of Grand Banks Yachts Limited, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF/SRS Investors who wish to attend and vote at the AGM or appoint proxy/proxies, should contact their respective CPF Agent Bank/SRS Operators to submit their votes by **5.00p.m.** on **14 October 2024**, being seven (7) working days prior to the date of the AGM.
- This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- Please read the notes to the Proxy Form.**

PROXY FORM

ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

I/We*, _____
(Name and NRIC/Passport/Company Registration Number(s))

of _____ (Address)

being a member/members* of Grand Banks Yachts Limited (the "Company"), hereby appoint(s):

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her/them*, the Chairman of the Meeting as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the Annual General Meeting (the "Meeting") of the Company to be held at **York Hotel Singapore (Rose Room II – Upper Lobby Level), 21 Mount Elizabeth, Singapore 228516 on Thursday, 24 October 2024 at 10.00a.m.** and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion.

Ordinary Resolutions relating to:	Number of Votes		
	For ⁽¹⁾	Against ⁽¹⁾	Abstain ⁽¹⁾
Resolution 1 To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Auditors' Report thereon.			
Resolution 2 To declare a final one-tier tax exempt dividend of 1.0 Singapore cent per ordinary share for the financial year ended 30 June 2024. (2023: 1.0 Singapore cent per ordinary share).			
Resolution 3 To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.			
Resolution 4 To approve the payment of additional Directors' fees of S\$80,000 for the financial year ended 30 June 2024.			
Resolution 5 To approve the payment of Directors' fees of S\$400,000 for the financial year ending 30 June 2025, to be paid quarterly in arrears. (2024: S\$304,000 before Resolution 4 above).			
Resolution 6 To re-appoint Mr. Gerard Lim Ewe Keng, who is retiring pursuant to Article 86 of the Constitution of the Company and Rule 720(5) of the Listing Manual of the SGX-ST, and who, being eligible, offers himself for re-election as a Non-Independent and Non-Executive Director.			
Resolution 7 To re-appoint Mr. Mark Jonathon Richards, who is retiring pursuant to Article 86 of the Constitution of the Company and Rule 720(5) of the Listing Manual of the SGX-ST, and who, being eligible, offers himself for re-election as an Executive Director.			
Resolution 8 To re-appoint Ms. Kay Pang Ker-Wei, who is retiring pursuant to Article 92 of the Constitution of the Company and who, being eligible, offers herself for re-election as an Independent and Non-Executive Director.			
Resolution 9 To appoint Mr. Philip William Forrest as an Independent and Non-Executive Director of the Company.			
Resolution 10 To appoint Mr. Jeffrey Edward Fisher as an Independent and Non-Executive Director of the Company.			
Resolution 11 To appoint Mr. Brian Marshall Storms as an Independent and Non-Executive Director of the Company.			
Resolution 12 Authority to issue shares.			

(1) Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" or "Abstain" the relevant resolution, please indicate your vote with a tick (✓) within the relevant boxes provided. Alternatively, if you wish to exercise your votes "For" and "Against" or "Abstain" the relevant resolution, please indicate the number of votes as appropriate in the boxes provided above. **If you appoint the Chairman of the Meeting as proxy and in the absence of specific directions in respect of a resolution, the Chairman of the Meeting as proxy for that resolution will be treated as invalid.**

Dated this _____ day of _____ 2024.

Total Number of Shares held in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or,
Common Seal of Corporate Shareholder(s)

* Delete where inapplicable

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW



Notes:

1. Printed copy of this Proxy Form **will** be mailed to members. This Proxy Form is also available to members on the Company's website at the URL <http://grandbanks.listedcompany.com>, and on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
2. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
3. A proxy need not be a member of the Company.
4. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend and vote on his/her/its behalf at the Meeting of the Company. Where such member appoints two (2) proxies, the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy shall be specified in the Proxy Form.
5. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy is been appointed shall be specified in the Proxy Form. Failing which, the appointments shall be invalid.

Pursuant to Section 181 of the Companies Act 1967 a "relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
6. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy to the Meeting.
 7. The instrument appointing a proxy or proxies must be submitted in the following manner **no later than 10.00a.m. on 21 October 2024**, being seventy-two (72) hours before the time appointed for the taking of the poll of the Meeting pursuant to Article 76 of the Company's Constitution:
 - (a) **If submitted by post**, be deposited at the Registered Office of the Company at 21 Bukit Batok Crescent, #06-74 Wcega Tower, Singapore 658065; or
 - (b) **If submitted electronically**, be submitted via email to the Company's share registrar at GBYAGM@boardroomlimited.com by enclosing a signed PDF copy of the Proxy Form.

Failing which, the Proxy Form shall be treated as invalid.

8. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is signed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 October 2024.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his names in the Depository Register as at **72 hours** before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

SUSTAINABILITY REPORT



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SUSTAINABILITY REPORT 2024

ABOUT THIS REPORT

This is the eighth annual Sustainability Report (“Report”) from Grand Banks Yachts Limited (“Grand Banks” or “the Company”), which outlines our ongoing sustainability efforts, with a focus on managing material Environmental, Social, and Governance (“ESG”) impacts, risks and opportunities. Alongside our Annual Report, it provides stakeholders with a comprehensive overview of the Company’s overall performance.

This Report is part of our FY2024 Annual Report, which, per SGX-ST Listing Rules, must be published within four months from the financial year-end. Our FY2023 report was published on 10 Oct 2023.

Headquartered in Singapore, Grand Banks manufactures yachts under the Grand Banks, Eastbay, and Palm Beach brands. Our manufacturing facility is in Pasir Gudang, Johor, Malaysia, with customer support provided from service yards in Stuart, Florida, USA, as well as Newport, New South Wales, and Coomera, Queensland, Australia. There have been no significant changes to the Company’s size, structure, ownership, or supply chain during the reporting period.

This Report has been prepared with reference to the GRI Standards 2021, recognised globally for their comprehensive coverage of sustainability topics. It also complies with the SGX-ST Listing Rules (711A and 711B) for Sustainability Reporting. In addition, we have aligned with the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations to provide stakeholders with insights into climate-related risks and opportunities relevant to Grand Banks.

As in previous years, we have incorporated the UN Sustainable Development Goals (“SDGs”) into our reporting to demonstrate our contribution to sustainable development.

In view of the emerging stakeholder expectations, our plans include incorporating the IFRS Sustainability Disclosure Standards (“ISSB Standards”) and relevant SASB Standards into our sustainability reporting. This includes ISSB-aligned climate-related disclosures from FY2025 as recommended by Sustainability Reporting Advisory Committee, jointly constituted by SGX-ST and Accounting and Corporate Reporting Authority (“ACRA”).

Standards, Frameworks and Guidelines

GRI Standards

SGX-ST Listing Rules (711A and 711B) – Sustainability Reporting

TCFD Recommendations

UN SDGs

Greenhouse Gas (“GHG”) Protocol

Reporting Scope

The Report covers Grand Banks’ ESG performance for FY2024 (1 July 2023 to 30 June 2024). Where relevant, we have included historical data from FY2022 and FY2023 for comparison. There are no discrepancies between the entities in the financial and sustainability reports.

All data in this Report is sourced from official primary records, ensuring accuracy and verifiability. Where data is incomplete or unavailable, we have provided full disclosure along with explanations and rationales. To facilitate comparison, we use internationally accepted measurement units throughout, with financial figures reported in Singapore dollars unless stated otherwise.

SUSTAINABILITY REPORT 2024

Environmental and social performance data includes our Singapore head office, the manufacturing facility in Malaysia, and operations in the USA and Australia. Data on non-hazardous and hazardous waste, as well as water consumption, covers our Malaysia facility, USA and Australia operations where it is a material issue.

References to Grand Banks yachts in this Report include the Grand Banks, Eastbay, and Palm Beach brands.

Reporting Principles

This Report addresses material ESG topics identified through a materiality assessment based on GRI Standards 2021. We have followed GRI principles to ensure accurate, balanced, clear, comparable, complete, and timely reporting. The Report details policies, practices, performance, and targets for each material ESG topic, along with Grand Banks' strategies, operating environment, risks, opportunities, impacts and overall outlook.

Exclusions

This Report excludes the ESG performance of vendors and suppliers, as we do not have control over or access to their ESG data. However, primary suppliers conduct independent sustainability self-assessments, and the results are included in this Report.

Restatements

There are no material restatements of prior years' data in this Report.

Assurance

Our consolidated financial statements have been independently audited. Grand Banks used internal verification processes to ensure the accuracy of the sustainability data in this report. While we did not seek external assurance for the sustainability information, we conducted an internal audit review of our sustainability reporting processes during this period. External assurance remains under consideration for future reports.

Availability

This Report forms part of Grand Banks' Annual Report and is available for download as a PDF document on our website <http://grandbanks.listedcompany.com>.

Feedback

Questions or feedback on the content of this report can be sent to: csr@gbmarinegroup.com.

SUSTAINABILITY REPORT 2024

PERFORMANCE HIGHLIGHTS

ESG PERFORMANCE (FY ended on 30 June) ¹			
ESG FACTORS	FY2022	FY2023	FY2024
ENVIRONMENTAL			
CO ₂ emissions (t)	1,732	2,252	2,569
Carbon emission intensity per labour hour (kgCO ₂)	1.6	1.5	1.5
Electricity consumption (kWh)	2,730,591	3,804,073	4,080,939
Energy intensity per labour hour (MJ ²)	11.8	10.9	8.4
Water consumption (ML)	42	61	40
Water consumption per labour hour (m ³)	0.04	0.04	0.02
Non-hazardous waste (t)	1,731	2,199	2,027
Non-hazardous waste per labour hour (kg)	1.6	1.5	1.2
Hazardous waste (t)	67	68	97
SOCIAL			
Employees			
Total headcount	764	887	929
Number of full-time employees	762	880	920
Direct employees (Production Workers) ³	81.0%	84.0%	81.0%
New hires	128	205	118
Hiring Rate	17.0%	23.0%	13.4%
Female employees (Office functions)	23.7%	24.6%	30.2%
Average training hours per employee (Female)	11.4	3.8	11.6
Average training hours per employee (Male)	7.0	3.5	8.8
Employee turnover rate	11.6%	17.8%	11.7%
Fatal accident	0	0	0
Suppliers			
Share of local suppliers as % of total purchase value	69.0%	67.5%	63.8%

SUSTAINABILITY REPORT 2024

ESG PERFORMANCE (FY ended on 30 June) ¹			
ESG FACTORS	FY2022	FY2023	FY2024
GOVERNANCE			
Incidents of corruption and bribery	Zero	Zero	Zero
Incidents of non-compliance with product safety requirements	Zero	Zero	Zero
Incidents of personal data security breach	Zero	Zero	Zero
Singapore Governance and Transparency Index Ranking	208	120	199
FINANCIAL (\$m)			
Revenue	75.2	114.2	133.7
Net profit	4.0	10.1	21.4
Employee wages and benefits	26.4	31.3	32.7
Dividends paid/declared to shareholders	0.9	1.8	2.77

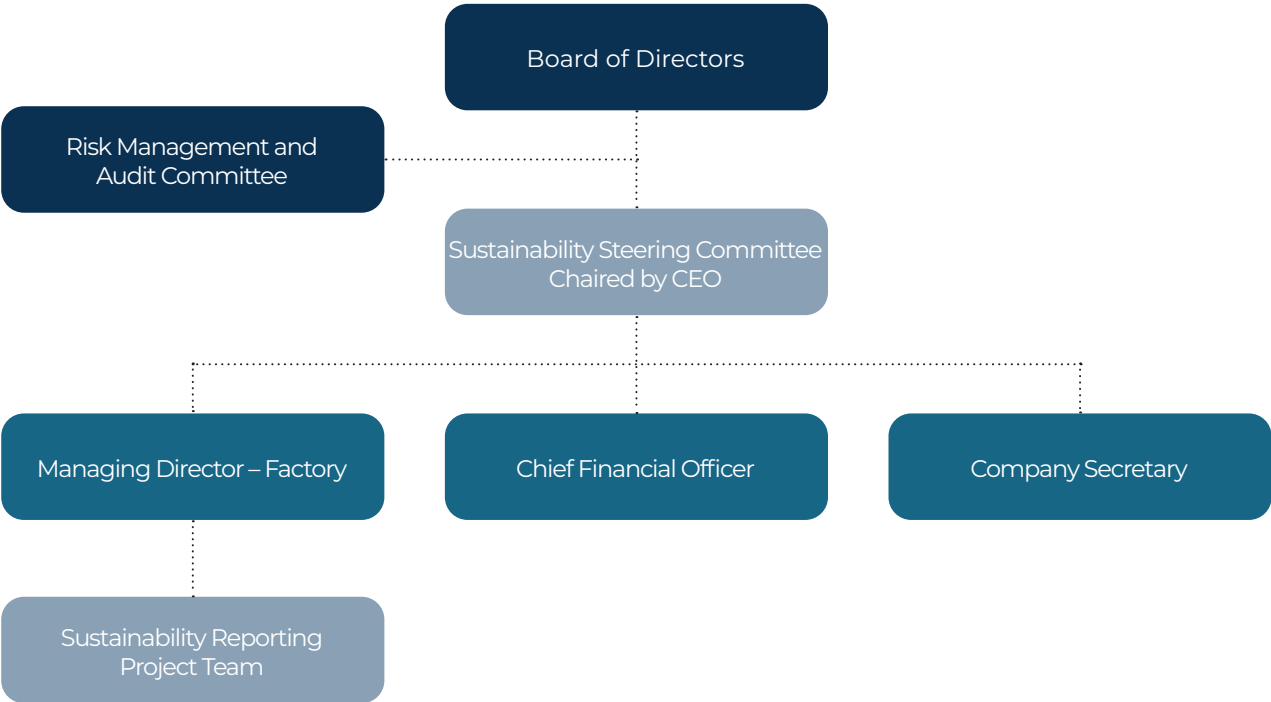
Notes:

- 1) FY2022: 1 July 2021 to 30 June 2022, FY2023: 1 July 2022 to 30 June 2023, FY2024: 1 July 2023 to 30 June 2024.
- 2) Energy data refers to electricity, diesel, and petrol consumption.
- 3) Carbon intensity includes Scope 1 and Scope 2 CO₂ emissions.
- 4) Figures cover operations in Malaysia, USA and include Australia from FY2023.

SUSTAINABILITY REPORT 2024

SUSTAINABILITY GOVERNANCE

At Grand Banks, we integrate sustainability into our operations and continuously monitor our social and environmental impacts, as well as related risks and opportunities. Sustainability is embedded in our corporate governance, with the Board of Directors overseeing strategy implementation. The Board works with senior management to identify material sustainability impacts, risks, and opportunities, set strategies, policies, and targets for sustainable growth, and reviews and approves our sustainability reporting. The Board reviews the effectiveness of its oversight of sustainability impacts, risks, and opportunities as part of its periodic performance assessments.



The Board’s Risk Management and Audit Committee (“RMAC”) is responsible for managing ESG issues and sustainability reporting, with regular updates provided to the full Board. Board members have completed SGX RegCo-endorsed sustainability training and stay informed on ESG issues through periodic briefings by experts and consultants and self-study.

The Sustainability Steering Committee (“SSC”), chaired by the CEO, supports the Board and RMAC, acting as the central body for coordinating sustainability policy, strategy, and reporting. Under the Board’s oversight, the SSC reviews and determines the sustainability context, material factors, scope, boundaries, and priorities for reporting.

A Sustainability Reporting Project Team (“RPT”), comprising representatives from key departments, is responsible for collecting and verifying ESG data.

Sustainability activities are managed at both functional and operational levels. For more information on our governance structure, refer to the Corporate Governance chapter in this Annual Report.

SUSTAINABILITY REPORT 2024

BOARD STATEMENT

The Grand Banks Board upholds the highest standards of professionalism, accountability, and transparency, with a strong commitment to ethical business practices, social responsibility, and environmental stewardship. The Board recognises climate change as a critical issue and emphasises the importance of building resilience to support the transition to a low-carbon economy and pursue decarbonisation. It holds direct oversight of climate-related risks and opportunities, ensuring they are fully integrated into the company's long-term strategy and operations.

With support from the SSC, the Board embeds sustainability into its strategy, identifying material ESG factors and managing associated risks and opportunities, including those related to climate change. The Board values stakeholder relationships and actively seeks input from shareholders, customers, employees, and partners to ensure Grand Banks' business strategies align with their expectations.

This sustainability report outlines how Grand Banks addresses its key ESG impacts, including climate-related risks and opportunities, in its efforts to build a resilient and sustainable future. The Board has reviewed and approved this report.

SUSTAINABILITY REPORT 2024

KEY HIGHLIGHTS FROM FY2024

<p>GOVERNANCE Singapore Governance and Transparency Index 2024</p> <p>Ranked #199.</p>	<p>ENVIRONMENT Renewable Electricity</p> <p>Solar PV system to meet over 40% of electricity needs at Malaysia facility.</p>	<p>PEOPLE Health, Safety and Wellbeing</p> <p>Zero incidents of serious workplace injuries.</p> <p>Continued record of zero fatalities across factories.</p>
<p>ENVIRONMENT</p> <p>Carbon emissions intensity (kgCO₂/Labour Hour) reduced by 34.8% from FY2015 level.</p>	<p>MARKETPLACE Solar Power for Yachts</p> <p>Onboard solar panels and lithium batteries to reduce GHG emissions.</p>	<p>ECONOMIC PERFORMANCE</p> <p>9th consecutive year of profitability, and record high profitability.</p> <p>Declared final dividend.</p>

SUSTAINABILITY STRATEGY

Our sustainability strategy is centred on managing material ESG impacts, risks, and opportunities and building a resilient business. We aim to create value across our value chain and for all stakeholders by mitigating ESG risks and maximising our contribution to sustainable development. We actively monitor and report our progress toward key ESG targets.

Our sustainability initiatives cover the following five strategic pillars:

Governance: Leading by Principles

At Grand Banks, we uphold the highest standards of corporate governance by fostering transparency, accountability, and ethical decision-making. Our goals include maintaining a diverse, skilled board, implementing strong risk management, and engaging with stakeholders to align with our values. We are working to integrate sustainability risk management into our overall enterprise risk management, recognising that sustainability risks are increasingly intertwined with broader business risks in today's complex operating environments.

SUSTAINABILITY REPORT 2024

Marketplace: Operating Responsibly

For over sixty years, Grand Banks has been a leader in luxury cruising, guided by our core values: Customer Centricity, Pride in Perfection, and the Pioneer Spirit. Responsible operation is central to our approach because it ensures long-term sustainability, builds customer trust, and upholds the integrity of our brand. We strive to uphold the highest standards of quality, ensure product safety, drive innovation, and practice fair business to meet market and regulatory expectations while building strong relationships with our customers, partners, and stakeholders.

People: Empowering for Performance

At Grand Banks, empowering our people is essential to driving performance, teamwork, productivity, and success. We foster a culture of inclusivity, respect for human rights, and continuous professional growth throughout our operations. Our approach emphasises skill development, teamwork, open communication, and work-life balance, creating an environment where employees can excel. We invest in their well-being, offer opportunities for both personal and professional advancement to enhance engagement, spur innovation, and boost productivity. This ensures we consistently deliver exceptional experiences for our customers while building a motivated, high-performing workforce that supports the sustainable growth of our business.

Environment: Protecting the Planet

At Grand Banks, we are committed to environmental stewardship and reducing our footprint. Our efforts focus on improving energy efficiency, using renewable energy to lower carbon emissions, sourcing sustainable materials, and minimising the environmental impact of our yachts through constantly improving fuel efficiency. We also aim to reduce waste through better recycling and resource management.

Community: Contributing Positively

At Grand Banks, we support local communities by actively engaging in initiatives that support social welfare. Our objectives involve establishing trusted relationship with local organisations, encouraging employee volunteering, and contributing to community welfare.

SUSTAINABILITY POLICIES

Sustainability is integrated into our business model and reflected in our strategic sustainability framework, which is supported by clear policies, goals, and objectives. These policies guide the implementation of our sustainability initiatives, address material ESG topics, and help us achieve our ESG targets. A summary of our key sustainability policies is provided below.

Energy

At Grand Banks, we are committed to reducing energy consumption and transitioning to renewable energy sources. We strive to improve the energy efficiency of both our operations and our yachts by implementing energy-saving measures and fostering a culture of responsible energy use among our employees. Advancing energy efficiency helps us to lower operational costs, reduce our carbon footprint, and promote long-term resource sustainability.

In FY2024, we completed the installation of two rooftop solar photovoltaic systems in our factory in Malaysia that will meet about 45.34% of our electricity needs and help reduce our carbon emissions. The solar systems are expected to become operational in November 2024.

SUSTAINABILITY REPORT 2024

GHG Emissions

We recognise the importance of addressing Greenhouse Gas (“GHG”) emissions to mitigate climate change. At Grand Banks, managing GHG emissions is embedded in our governance, strategy, and risk management. We are committed to setting emission reduction targets, regularly monitoring our emissions, and implementing strategies to lower our carbon footprint.

Waste Management

At Grand Banks, we are committed to responsible waste management, focusing on waste reduction, recycling, and proper disposal. We prioritise minimizing waste across our operations by promoting recycling, reusing materials, and ensuring compliance with all waste disposal regulations. We actively monitor, measure, and report our waste to track progress and improve efficiency. Effective waste management is crucial for us as it reduces environmental pollution, conserves resources, and supports circular economy practices, aligning with our sustainability and environmental stewardship goals.

Talent Management

At Grand Banks, we recognise our employees as our most valuable asset and strive to foster a culture of continuous growth and development. Our human resources policy focuses on attracting, retaining, and nurturing talent through equal opportunities, clear career paths, skill enhancement, and regular feedback. We are committed to building a diverse and inclusive workplace that empowers individuals to reach their potential while aligning with company goals.

Occupational Health and Safety

The safety and well-being of our employees are our top priorities. We are committed to maintaining a safe and healthy work environment by enforcing strict occupational health and safety standards, offering continuous training, and promoting a culture where employees feel empowered to raise safety concerns. We comply with all workplace safety laws and regulations and actively work to identify and eliminate hazards to protect the physical and mental health of our workforce. Our occupational health and safety policy aims to create a safer workplace, enhance employee morale, and reduce healthcare costs.

Anti-Corruption

At Grand Banks, we uphold the highest standards of integrity and ethics, with a zero-tolerance policy for corruption, bribery, and fraud. Our anti-corruption approach is vital to maintaining our reputation, fostering stakeholder trust, and ensuring long-term business sustainability. Transparency and ethical practices strengthen our relationships with customers, partners, stakeholders and regulators. We require all employees, partners, and stakeholders to adhere to strict anti-corruption guidelines. To safeguard against corruption, we implement regular training, transparent financial practices, and provide clear reporting channels for addressing concerns or violations.

Human Rights

Respecting human rights is central to our values at Grand Banks. We are committed to upholding the internationally accepted principles, including the Universal Declaration of Human Rights (“UDHR”), the International Labour Organization (“ILO”) Conventions, and the United Nations Guiding Principles on Business and Human Rights (“UNGPs”). Our policy is to treat all individuals, both within our organisation and across our value chain, with dignity and respect. We have a zero-tolerance policy for discrimination, forced labor, child labor, harassment or any other human rights violations, and we respect employees’ rights to freedom of association and collective bargaining in accordance with local laws.

SUSTAINABILITY REPORT 2024

We actively promote diversity, inclusion, and fair labor practices, working only with partners who share our commitment to these principles. Through regular due diligence, we ensure our operations do not infringe on the rights of individuals or communities.

We are equally committed to addressing and resolving human rights concerns promptly and fairly. Our human right commitment includes remediation of negative impacts resulting from our actions. Employees and stakeholders are encouraged to raise any grievances through our Whistleblowing channels or by contacting the Human Resources Manager, their supervisors, or senior management.

Personal Data Protection

At Grand Banks, we place a strong emphasis on safeguarding personal data, recognising the importance of protecting individuals' private information. Ensuring confidentiality and security is essential to building trust with our customers, employees, and stakeholders. We are committed to responsibly managing the information entrusted to us by implementing robust measures to prevent unauthorised access, maintain data accuracy, and ensure privacy. We comply with all applicable privacy regulations in the regions where we operate and have appointed a Data Protection Officer to oversee compliance. Our personal data protection policy is available on the company website for transparency and further guidance.

Regulatory Compliance

Grand Banks is committed to upholding legal and regulatory standards across all areas of our business. Adhering to regulations ensures business continuity, avoids legal penalties, and maintains our positive market reputation. We ensure our operations, products, and services meet or exceed the requirements of applicable laws in all jurisdictions where we operate. Our commitment to compliance covers environmental, labour, health, safety, and other relevant areas. We continuously monitor regulatory changes and adapt our practices to remain compliant.

Sustainability Reporting

At Grand Banks, our sustainability reporting policy underscores our commitment to transparently sharing our ESG performance through annual reports. We adhere to recognised reporting standards and applicable regulations, such as those set by SGX-ST, to ensure compliance in identifying, measuring, and disclosing our ESG impacts, risks, and opportunities. To enhance report quality and accuracy, we engage external experts and incorporate internal audit reviews as part of our sustainability reporting process. The Board reviews and approves all sustainability reports, ensuring accountability and alignment with our objectives. Management is responsible for ensuring the accuracy, compliance, and quality of all reported data.

Our reporting is guided by periodic materiality assessments that help identify and prioritise key sustainability impacts, risks, and opportunities. We actively consider the concerns and expectations of our stakeholders – employees, customers, suppliers, and investors – when addressing ESG issues. We focus on the most significant ESG topics and set clear targets to monitor performance.


SUSTAINABILITY REPORT 2024

STAKEHOLDERS







Understanding our stakeholders' perspectives and concerns are crucial for making informed decisions, shaping our strategic priorities, and aligning our corporate goals with stakeholder expectations. We engage regularly with stakeholders to foster collaboration, address their needs, and enhance our operational performance and sustainability efforts. To ensure meaningful engagement, we use a variety of structured and ad hoc communication methods, maintain transparency, and actively seek feedback to inform our decision-making processes.

Our key stakeholders include those impacted by Grand Banks' activities or who can influence our operations and financial performance, such as customers, employees, suppliers, contractors, governments, regulators, shareholders, investors, industry peers, NGOs, and the media.

The table below summarises our stakeholder engagement approach, detailing the platforms and channels we use to facilitate open dialogue, build trust, and ensure our actions align with stakeholder concerns and expectations.

Stakeholder Groups	Stakeholder expectations	Our engagement channels	Our response
Customers 	Quality, value, reliability, safety, efficient delivery, friendly and effective service.	Boat shows, private boat tours, direct marketing, and customer yard visits. Digital marketing with improved digital content and advertising as well as introducing 360-degree virtual tours of our boats.	Incorporating stringent quality and safety features in our boats, efficient production planning, using high quality materials and components, and complying with international quality and safety regulations.
Employees 	Safe working conditions and a culture that promotes employee wellbeing, respect and recognition, fair employment policies, competitive wages, work-life balance, personal development, and career growth opportunities.	Regular team meetings (virtual or in person), newsletters, internal memos, and Employee Code of Conduct. Lunch meetings and other in-person get-togethers. Annual appraisal exercise.	Continuing to implement safe management measures for the health, safety, and well-being of employees, facilitating working from home, adopting fair employment policies and practices, investing in people development, performance recognition and rewards, and open communication with employees.
Shareholders and Investors 	Return on investment, long-term sustainable business growth, regular dividend, financial prudence, effective risk management and good corporate governance.	Annual General Meetings, special visits, briefings, and press releases.	Carefully strategising long-term growth, continuously innovating to lead the market, optimising our resources, managing risks prudently, and ensuring integrity, transparency, and management accountability.

SUSTAINABILITY REPORT 2024

Stakeholder Groups	Stakeholder expectations	Our engagement channels	Our response
Suppliers, Consultants and Contractors 	Regular orders, clearly defined specifications, a fair selection process and ethical conduct, and timely payment.	Trade shows and vendor meetings.	Mandating ethical procurement policies, for example a Supplier Code of Conduct, and processes to ensure fairness in selecting vendors and awarding orders and honouring the terms of purchase agreements.
Government and Regulators 	Compliance with applicable laws and regulations, timely filing of required information and cooperation with law enforcement agencies and officers.	Factory inspections, seminars and filing of mandatory reports, participating in government agencies' surveys.	Adhering to policies and practices that ensure compliance with regulations.
Community and NGOs 	Responsible employment and business operations, support for local community causes.	Community events such as sports events.	Following fair employment policies, minimising the environmental impacts of operations, and supporting local community events.
Industry Peers 	Product and process innovation.	Advertising, website updates, trade shows and industry events. Membership of organisations such as the American Boat & Yacht Council and Boating Industries Alliance Australia.	Investing in product innovation as well as research and development, and new product launches. Sharing knowledge through member associations.
Analysts 	Regular updates on company performance and plans, and access to senior management for interviews.	Annual Reports, Sustainability Reports, briefings, updates via the corporate website and press releases.	Providing appropriate updates and information in a timely manner and as requested.
Media 	Regular updates on company affairs, access to information for public interest stories and access to management for comments/interviews.	Press releases, interviews and website updates.	Providing regular press releases, and information and interview opportunities with top management when requested.

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Membership Associations

We actively participate in several industry organisations focused on issues that are material to the business and to our stakeholders. This participation gives us access to important industry developments, raises our company profile and optimises networking opportunities. Our key memberships include:

- Singapore Business Federation
- Federation of Malaysian Manufacturers
- Malaysian International Chamber of Commerce and Industry
- American Boat & Yacht Council
- National Marine Manufacturers Association (USA)
- Boating Industries Alliance Australia
- International Yacht Brokers Association

MATERIALITY

We refer to the GRI Standards to identify, assess, and prioritise material ESG factors for reporting. Material topics for Grand Banks include those that represent significant ESG impacts, risks, and opportunities, or those that substantially influence the assessments and decisions of our stakeholders.

Our materiality assessment is an ongoing process that reviews key ESG factors to identify the most significant topics for reporting. We consider stakeholder concerns, including input from employees, customers, suppliers, investors, and industry experts, as well as potential risks, opportunities, and their impact on business performance. The assessment prioritises ESG topics that are most relevant to stakeholders and aligned with our long-term sustainability goals, taking into account the severity and likelihood of impacts, as well as industry reporting practices.

In FY2024, we conducted a high-level review of our material topics and determined that the topics from our FY2023 Sustainability Report remain relevant.

MATERIALITY PROCESS

IDENTIFY	EVALUATE	VALIDATE	PRIORITISE	CONFIRM
Identify ESG impacts, risks and opportunities and related topics	Assess the significance of impacts, risks or opportunities, and consider stakeholder concerns and expectations	Consider sustainability trends, shortlisted material topics, reviewed by SSC, and the Board	Prioritise ESG issues based on the significance of the impact and stakeholder interest	Confirm material topics for reporting with the Board's approval

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Our material ESG topics for FY2024 are outlined in the following table.






Material Topics	Impact's Materiality	Our Approach
ENVIRONMENT		
Energy	Manufacturing operations and product use by customers.	Strive to constantly reduce our energy intensity, explore renewable energy and to innovate more energy-efficient product designs.
GHG emissions	Manufacturing operations and product use by customers.	Strive to constantly reduce our carbon emissions intensity, and to innovate products that emit lower GHG emissions.
Waste	Manufacturing operations.	Reduce, reuse, and recycle waste.
SOCIAL		
Talent Management	Human Resources Management.	<ul style="list-style-type: none"> Build a high-performing organisation based on inclusion and fair employment practices. Implement policies that help maintain turnover rate lower than industry-average.
Occupational Health and Safety	Manufacturing operations.	Maintain a zero-accident workplace.
GOVERNANCE		
Anti-corruption and Bribery	Risk Management and Compliance.	Maintain zero-tolerance for fraud, bribery, and corruption.
Customer Health and Safety	Customers' safe use of our yachts.	Compliance with applicable product safety standards.

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Supporting Sustainable Development

The United Nations' 17 SDGs provide a global roadmap for addressing critical social and environmental challenges, aiming to eradicate poverty, protect the planet, and promote peace and prosperity by 2030.

Grand Banks is committed to supporting the SDGs. Our sustainability efforts align with key goals, including Goal 3 (Good Health and Well-being), Goal 7 (Affordable and Clean Energy), Goal 8 (Decent Work and Economic Growth), Goal 9 (Industry, Innovation, and Infrastructure), Goal 12 (Responsible Consumption and Production), Goal 13 (Climate Action), and Goal 16 (Peace, Justice, and Strong Institutions). We have also identified the specific SDG targets supported by our sustainability initiatives, which are illustrated throughout the report.

ESG Factors	SDG Targets Supported	SDGs
Energy	7.3 By 2030, double the global rate of improvement in energy efficiency.	 
	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	
GHG Emissions	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	
Waste	12.2 By 2030, achieve the sustainable management and efficient use of natural resources.	
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.	
	12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.	
Customer Health and Safety	16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all.	
Anti-Corruption	16.5 Substantially reduce corruption and bribery in all their forms.	
	16.6 Develop effective, accountable, and transparent institutions at all levels.	

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ESG Factors	SDG Targets Supported	SDGs
Talent Management	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	
Occupational Health and Safety	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular, women migrants, and those in precarious employment.	

ENVIRONMENT

As a leader in the luxury yacht market, we view it as our responsibility to explore and implement strategies that minimise the environmental impact of our operations, boats, and services.

At Grand Banks, our top environmental priorities include building sturdier, lighter, and more energy-efficient yachts, reducing energy consumption during both production and customer use, and minimising carbon emissions and waste.

The business case for reducing our environmental footprint is clear. Consumers are increasingly seeking sustainable, eco-friendly options, driving demand for environmentally responsible yachts from both individual buyers and charter companies. Furthermore, stricter global regulations targeting maritime emissions make proactive environmental management essential.

To achieve these goals, we focus on optimising production processes, sourcing locally when possible, and designing yachts with maximum energy efficiency without compromising on the quality and luxury our customers expect from us.

We have set clear targets for our material environmental indicators and regularly monitor and report our performance. Our environmental targets and performance are illustrated in the table below.

ENVIRONMENTAL TARGETS AND PERFORMANCE				
Material Factor	FY2024 Target	FY2024	FY2025 Target	Mid and Long Term Target
		Performance		
Energy Consumption	<11.5 megajoules per labour hour	8.4	<11.5 megajoules per labour hour	<11.5 megajoules per labour hour
Greenhouse Gas Emissions (CO ₂)	1.5 kgCO ₂ per labour hour	1.5	1.5 kgCO ₂ per labour hour	1.5 kgCO ₂ per labour hour
Non-hazardous Waste	<1.6 kg/labour hour	1.2	<1.6 kg/labour hour	<1.6 kg/labour hour

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Reducing Environmental Impact

We continually seek opportunities to improve our design and production processes to reduce the environmental impact of our yachts. Below are some specific measures we are implementing at Grand Banks to enhance the sustainability of our boats:

Materials Substitution

- We are replacing fibreglass with carbon fibre wherever possible to create lighter and more durable yachts, while also reducing the quantity of materials used. Lighter yachts move faster, consume less fuel, and are more energy efficient.
- We are using synthetic boat-building materials in place of teak used conventionally to build boats. Synthetic teak does not require varnishing but needs painting and offers more flexibility during construction and fitting. It also helps in reducing deforestation and lowering maintenance for boat owners.
- We have transitioned to lithium batteries for all our yachts. Despite being more expensive, these batteries are more environmentally friendly as they are more efficient to charge, easy to dispose of, and have a higher energy density than traditional marine batteries.
- We are replacing non-renewable materials like teak where possible with renewable materials such as composites and fabrics.

Innovative Construction

- We are adopting sandwich-cored hulls (using the vacuum infusion technique) instead of solid laminate hulls. This method uses less resin (thus producing fewer fumes), resulting in lighter and stronger boats due to the combination of lightweight, sturdy materials with layers of fibreglass. Lighter and stronger boats require less fuel to operate.
- We have developed a high-performing and energy-efficient proprietary V-Warp Hull Design for improved performance and fuel efficiency.

Engine Upgrades

- We are replacing conventional Straight Shaft inboard engines with Pod Drive engines, which are quieter, have less vibration, and are 10%-30% more fuel-efficient. They are also easier to operate and enhance the overall customer experience.
- We are installing lower-emission generators and engines on board our yachts to comply with the latest emission standards.

Innovative Resin Infusion Process

- We are developing a unique approach to reduce our resin usage, ensuring a safer process that contributes to the well-being of our employees. This approach also allows us to better control styrene emissions, safeguarding the atmosphere and the environment.

Standardisation Initiatives

- We are establishing uniformity in the components used across various yacht models, streamlining production, increasing manufacturing efficiency, and reducing costs.

Solar Panel on Yachts

We recognise the growing importance of solar power and other renewable energy sources as alternatives to fossil fuels. Our yachts now feature solar-powered electrical systems, with 300-watt solar panels on the hardtop roof charging the batteries. This keeps onboard refrigeration and air conditioning running without relying on onshore power or onboard generators.

For more details on how we are powering our yachts with solar energy and lithium batteries, please refer to the Marketplace chapter of this Report.

SUSTAINABILITY REPORT 2024

Energy

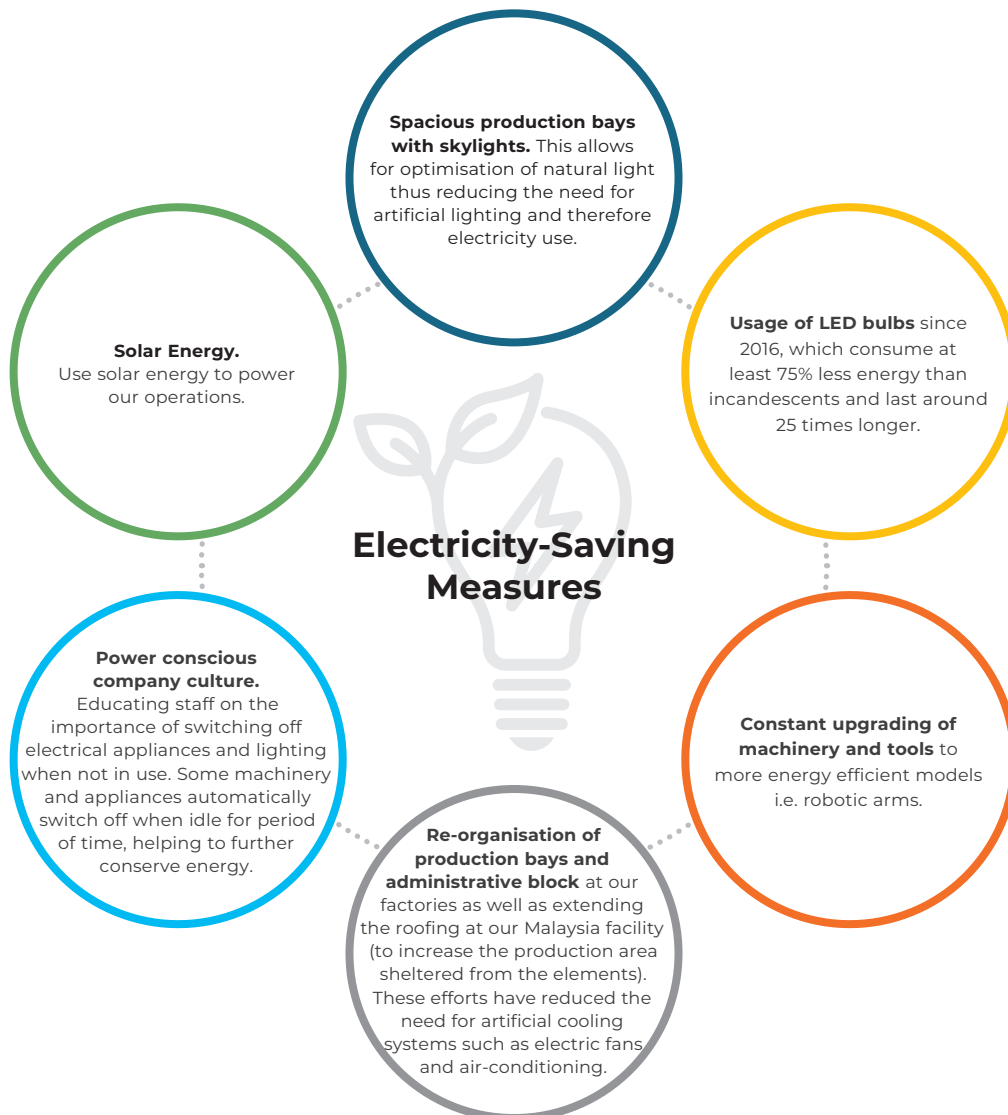
Energy efficiency in our manufacturing operations is vital for several reasons. It reduces operational costs by cutting energy consumption, directly benefiting our bottom line. It also supports environmental sustainability by lowering greenhouse gas emissions. Additionally, improved energy efficiency strengthens our competitiveness and resilience in the face of fluctuating energy prices and growing regulatory demands.

We are committed to enhancing energy efficiency by adopting innovative technologies. For instance, we have installed solar panels at our Malaysia factory to incorporate renewable energy into our operations. Additionally, we have implemented a robotic arm in the mold-making process, which increases precision, reduces material waste, saves time, and improves worker safety.

Electricity

In FY2024, our total electricity consumption was 4.08 million kWh as compared with 3.80 million kWh in the previous year. Absolute energy consumption was higher in FY2024 owing to increased production. However, energy intensity was 8.4 megajoules (MJ) per labour hour in FY2024 compared with 10.9 MJ per labour hour in FY2023.

Here are some of the ways in which we actively reduce energy consumption:



SUSTAINABILITY REPORT 2024

Renewable Electricity

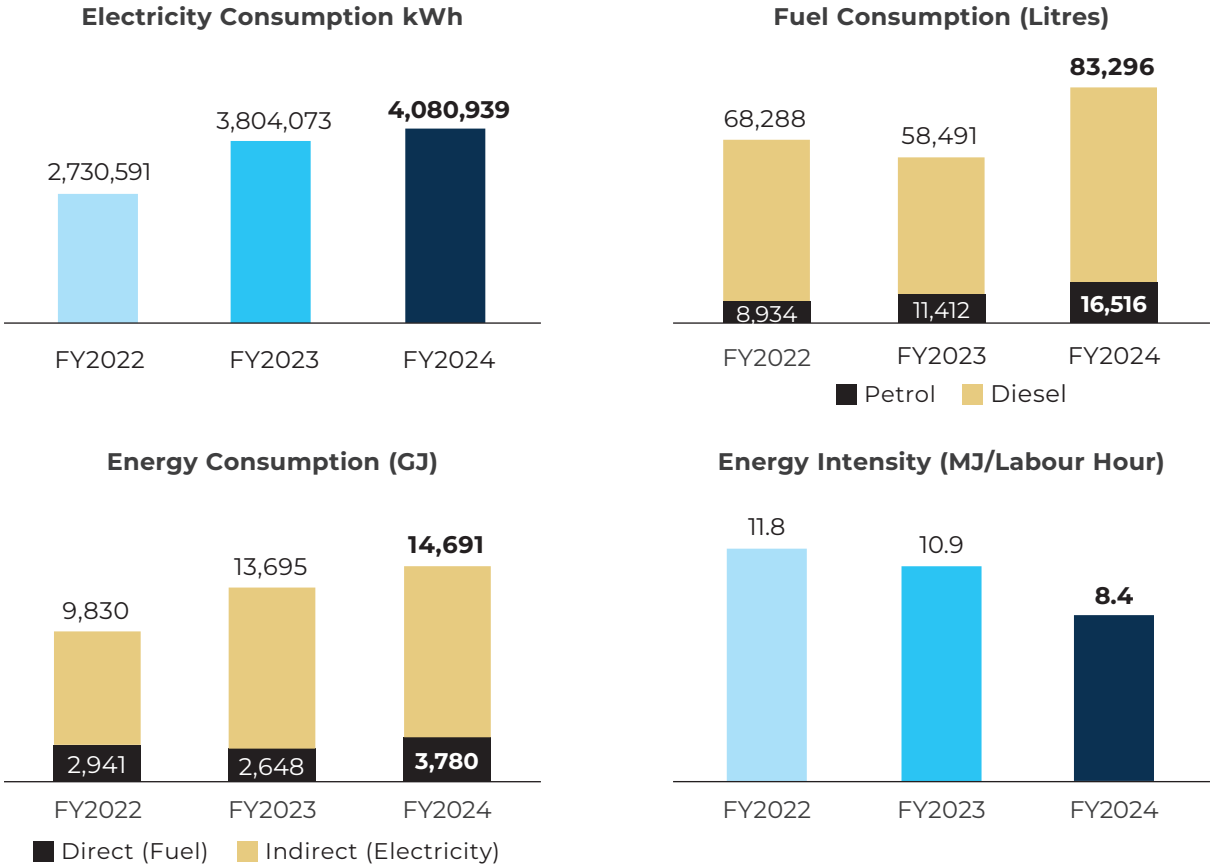
Purchased electricity contributes to approximately 90% of our combined Scope 1 and Scope 2 GHG emissions. To reduce our carbon footprint, we are committed to maximising the use of renewable electricity.

In FY2024, we completed installing rooftop solar photovoltaic (PV) panels at our Malaysia facility, in partnership with a renewable energy company. These panels, with an estimated capacity of 1,213kWp, will generate about 1.290 million kWh of solar power annually, reducing approximately 855 tonnes of carbon dioxide (CO₂) emissions and meeting around 45.34% of our electricity needs. The solar PV system is also projected to save us RM0.527 million in annual energy costs and is scheduled to be operational in year 2024.

Fuel

We use fuel for yacht testing and transporting vessels to clients, and our customers also rely on fuel to power their boats. Our ongoing goal is to improve fuel efficiency by designing faster, lighter yachts using innovative materials and concepts. We continually explore ways to re-engineer our production processes and supply chain to reduce the environmental impact of our yachts.

Within our operations, we actively monitor diesel and petrol consumption and work to reduce usage wherever possible.



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Waste

Minimising waste in our manufacturing process is essential to conserving resources, reducing pollution, and improving operational efficiency. Waste reduction also enhances cost-effectiveness and contributes to our environmental goals.

To improve waste management, we prioritise recycling wherever possible and partner with licensed third-party contractors for safe disposal. Our non-hazardous waste – such as packaging, rags, paper, plastic, glass, rubber, and metal – is recycled in compliance with local regulations and available facilities.

Hazardous waste, including resin, paint, non-halogenated organic solvents, used oil, and coolant, is either treated before disposal or safely managed by licensed contractors. These contractors ensure proper collection, treatment, and disposal in accordance with local regulations.

Acetone Recovery

At our Malaysian facility, we recycle approximately 70% of the acetone used as a solvent for cleaning equipment in the production of fibreglass-reinforced plastic items. By employing a distillation process – heating the spent acetone, capturing the vapour, and cooling it back into liquid form – we can separate and reuse the acetone, reducing the need to purchase about 5.4 tonnes of new acetone annually. This process not only saves us nearly \$4,000 each year but also reduces the volume of waste requiring disposal. In FY2024, we recycled 5.5 tonnes of acetone.

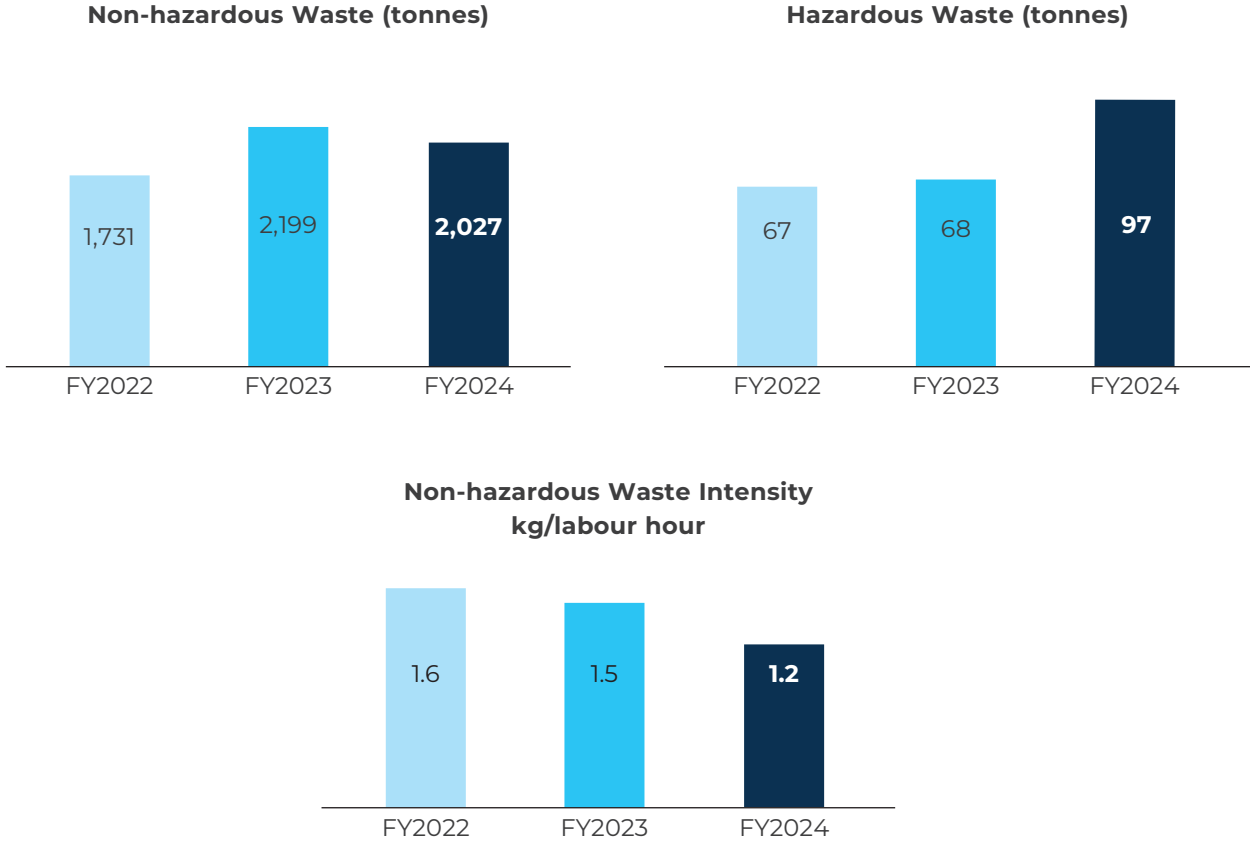
Recycling Polystyrene

As part of our commitment to recycling, we introduced a recycling machine at our production facilities in 2019. After our Robotic CNC uses polystyrene and polyfoam sheets to create moulds, the leftover sheets and debris are collected for recycling. The machine, called the EPS Compactor, processes the waste polystyrene by breaking it into small pieces and compressing it into compact EPS foam blocks. These blocks are then sold to third-party recycling contractors, who convert them into polystyrene pellets. The pellets are used in the production of polystyrene mouldings and products for the F&B and construction industries. Additionally, we generate revenue from the sale of these blocks to the recycling company.

In FY2024, our production facilities and servicing operations generated 97 tonnes of hazardous waste. Our hazardous waste was slightly more than the FY2023 figure of 68 tonnes due to increased production activity. Our non-hazardous waste in FY2024 was 2,027 tonnes, lower from the FY2023 figure of 2,199, due to better waste management. Non-hazardous waste per labour hour (kg) dropped from 1.5 in FY2023 to 1.2 in FY2024.

We aim to maximise waste recycling to minimise our environmental footprint. During FY2024, our production facilities recycled 87.2 tonnes of waste off-site, while also recycling 5.5 tonnes of waste on-site.

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Note: Non-hazardous, hazardous waste, and water consumption data cover our Malaysia facility and USA operations. Waste data for Australia has been added from FY2023.

Water

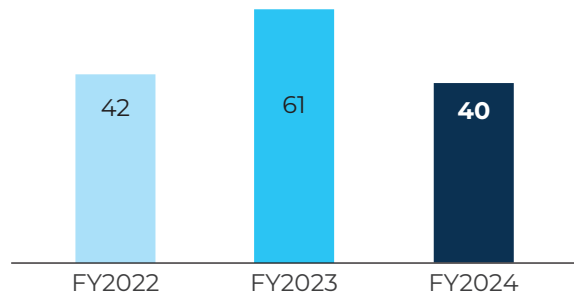
Water consumption and usage in Grand Banks’ operations are relatively modest compared to other industries. Water is primarily used for drinking, flushing, product testing, and industrial washing. Nevertheless, water consumption patterns are regularly monitored and reviewed across our manufacturing locations and service yards, and we actively promote water conservation through internal campaigns and initiatives.

At our Malaysian facility, for example, we recycle water in the testing pool rather than replenishing it for each new test, saving an average of 100 gallons of water per boat. Water used for testing is recycled and reused, while discharge from our cleaning operations is treated in accordance with regulatory standards. In our US operations, runoff water from power washing is treated with an advanced filtration system before being discharged into the river.

During the year, we conducted an assessment of water-related risks at our manufacturing operation in Johor, Malaysia, using the WWF Risk Filter, a screening tool used to assess and respond to physical, regulatory, and reputational risks – both current and future – associated with water. While basin risks related to flooding persist and are expected to continue in the future, the operation is not located in a water-stressed area.

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Water Consumption (ML)



Environmental Initiatives

We constantly explore opportunities to reduce our environmental footprint. Some of the examples of our initiatives are described below.

Digital Marketing Collateral

Whenever possible and practical, we have eliminated all printed advertising and communication materials from our global marketing activity to reduce our environmental impact. This includes all of our yacht drawings and designs.

Green Spaces

We have invested in more roofing to increase the covered spaces at our Malaysian facility which protects goods and materials from the elements, prolonging the lifespan of these assets while creating a more comfortable environment for our employees. We have also created several green spaces populated by over 100 trees and plants, which help improve biodiversity, provide a cooling effect, and offset a small amount of carbon emissions.

TCFD REPORT

In this third year of reporting, Grand Banks Yachts continues to advance its alignment with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). This report reflects our commitment to transparency, as we provide stakeholders with a clear understanding of how we are addressing climate-related risks and opportunities. Our disclosures are structured around four core themes, in line with the TCFD framework: governance, strategy, risk management, and metrics and targets.

Governance

Board Oversight

At Grand Banks, the Board of Directors maintains direct oversight of climate-related risks and opportunities. This responsibility is integrated into the Company's strategic planning and risk management processes. The Board oversees the identification, assessment, and management of both physical and transition risks, ensuring that climate considerations are embedded in our long-term business strategies. It also reviews and approves climate-related strategies, risk management practices, metrics, and disclosures, with a focus on aligning governance with our long-term climate resilience goals.

SUSTAINABILITY REPORT 2024

In FY2024, the Board reviewed and approved the decision to install solar panels at our facility in Malaysia, aimed at reducing our Scope 2 carbon emissions. The solar panels have been installed and are expected to become operational in late 2024.

Management Role

At Grand Banks, the management team is responsible for embedding climate-related strategies into both day-to-day operations and long-term business planning. This involves identifying, assessing, and managing climate-related risks and opportunities within our Enterprise Risk Management (“ERM”) framework, ensuring that climate considerations are fully integrated into decision-making processes.

Management considers scenario analyses to assess the potential impacts of various climate scenarios on our business model, financial performance, and operational resilience. These analyses guide strategic decisions, helping us to mitigate physical and transition risks effectively. A key example of this approach is the installation of solar panels at our Malaysian facility in FY2024, a project aimed at reducing our Scope 2 carbon emissions. This initiative reflects our commitment to operational sustainability through the adoption of renewable energy solutions.

The SSC, chaired by the Chief Executive Officer, plays a pivotal role in coordinating and executing sustainability strategies across the organisation. The SSC supports both the Board and the Risk Management and Audit Committee, acting as the central body for implementing sustainability policies, strategies, and climate-related projects. Under the Board’s supervision, the SSC evaluates and decides on key sustainability matters, ensuring alignment with our overall climate goals.

To ensure accurate reporting, the Sustainability RPT, comprising members from relevant departments, is responsible for collecting and validating ESG data. This ensures that our climate-related disclosures are transparent, reliable, and aligned with TCFD recommendations.

Management also sets and monitors key performance indicators (“KPIs”) related to climate risk, ensuring our progress is tracked and reported consistently. Management also ensures that executives and teams across the organisation are equipped with the necessary skills and resources to effectively manage climate-related risks and opportunities, fostering continuous learning and capacity-building in climate resilience.

Strategy

Our Commitment to Climate Resilience

Climate change poses a direct threat to the marine environment, impacting the oceans in which our yachts operate, and which are integral to the lifestyle of our customers. Rising sea temperatures and acidification threaten marine ecosystems, while the increased frequency of extreme weather events jeopardises coastal infrastructure. At Grand Banks, we recognise the urgency of reducing GHG emissions and strengthening our resilience to climate change.

SUSTAINABILITY REPORT 2024

Our strategy is built around mitigating climate-related risks and capitalising on the opportunities presented by the transition to a low-carbon economy. We are committed to reducing the environmental impact of our operations through efficiency improvements, technological advancements, and the development of sustainable products. Key initiatives include:

- Using renewable energy to power our factory operations to reduce our carbon emissions. In FY2024, we installed 1,213kWp rooftop solar panels at our Malaysia facility, generating 1.46 million kWh annually, cutting 855 tCO₂ of CO₂, and meeting about 45.34% of our electricity needs.
- Investment in research and development to design fuel-efficient yachts and ongoing exploration of feasibility of integrating solar energy systems into our yachts.
- Explore ways to make our operations more efficient through technology, automation, better equipment, and innovative materials.
- Engaging with our supply chain to enhance sustainability performance through annual assessments.
- Ongoing climate scenario analysis to refine our understanding of climate risks and opportunities, and to inform our long-term strategic planning.

Risk Management

Our approach to risk management is embedded in the overall governance, ensuring that climate-related risks are evaluated and addressed as part of our enterprise risk management. The Risk Management and Audit Committee regularly reviews the adequacy of internal controls covering sustainability and climate risks. Our climate risk management framework is aligned with TCFD recommendations, covering both physical and transition risks.

Physical Risk

Physical climate risks stem from both acute and chronic changes in weather patterns. Acute risks include extreme weather events such as cyclones and floods, which can cause significant damage to coastal infrastructure and marinas, directly impacting our business operations and customer safety. Chronic risks, including rising sea levels and long-term temperature shifts, threaten both yachting destinations and the marine ecosystems we depend on. The increased frequency of extreme weather events, such as cyclones, typhoons, flooding, and erosion, further endangers marinas, coastal infrastructure, and yachting activities.

Transitional Risk

Climate-related transition risks involve the challenges and uncertainties that arise as businesses, industries, and economies shift towards a low-carbon future. These risks stem from actions to mitigate climate change, such as reducing reliance on fossil fuels, adopting renewable energy, and implementing low-carbon technologies. Transition risks may include regulatory changes, evolving consumer preferences, technological advancements, and market disruptions. Failing to manage these risks can result in financial losses, stranded assets, and reputational damage.

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In the yachting industry, transition risks manifest in several ways, including increased regulatory compliance costs, higher insurance premiums, and potential carbon taxes. Additionally, eco-conscious consumers may demand yachts with reduced environmental impact, while frequent extreme weather events could further elevate insurance costs.

Despite these challenges, transition risks also present opportunities. Demand for sustainably manufactured yachts may increase, driven by enhanced awareness of climate-related issues. At Grand Banks, we are embracing this shift through design and production innovations, such as developing sustainable propulsion systems, hybrid-electric solutions, and exploring biofuels to reduce environmental impact during yacht operation.

Climate-related Risks

Climate change presents a broad spectrum of risks to the yachting industry, impacting various stakeholders. To ensure the sustainability and continued enjoyment of yachting, it is essential for the industry, its stakeholders, and policymakers to collaborate in addressing these challenges.

At Grand Banks, we actively monitor the potential impacts of climate change on the yachting sector. Key risks for the wider industry include:

Rising Sea Levels: As global temperatures increase and polar ice melts, sea levels are rising. This could result in heightened coastal erosion, the submergence of low-lying areas, and altered shoreline dynamics. Yachting destinations and marinas in high-risk areas may face significant infrastructure damage, necessitating expensive adaptations.

Extreme Weather Events: The increasing frequency and intensity of extreme weather events, such as hurricanes, storms, floods, and cyclones, pose serious risks to the yachting industry. These events can disrupt yachting activities, threaten the safety of boaters, and cause damage to vessels, marinas, and coastal facilities.

Temperature Shifts: Rising water temperatures can alter marine life distribution and behaviour, impacting the availability of species essential for fishing and wildlife observation – both integral aspects of the yachting experience.

Policy and Legal Changes: Governments and international bodies are likely to introduce stricter regulations to combat climate change. These may include tougher emissions standards for boats, fuel restrictions, and guidelines for sustainable boating practices. Yacht manufacturers may need to invest in new technologies to meet these regulatory requirements.

Increasing Insurance Costs: As extreme weather events become more frequent and severe, insurance companies may revise their policies and pricing, leading to higher costs for insuring yachts and related infrastructure against climate-related damage. This may increase the cost of yacht owning.

Ocean Acidification: The absorption of carbon dioxide by the ocean is leading to acidification, which can negatively affect marine ecosystems, including coral reefs and marine life. For yachting enthusiasts who value pristine marine environments, the degradation of these ecosystems could diminish the appeal of certain destinations.

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Shifting Yachting Destinations: Climate change may prompt yachting activities to shift from traditional hotspots to areas less affected by environmental changes. Popular yachting destinations might see reduced interest due to ecological concerns or altered weather patterns.

Infrastructure Adaptation: Marinas and coastal facilities will likely need to invest in adaptation measures, such as building higher sea walls, floating infrastructure, and more resilient docking systems to protect against rising sea levels and extreme weather conditions.

Socio-economic Impacts: Yachting is closely tied to the economic and cultural fabric of coastal regions. Climate-driven changes to yachting could affect tourism, local employment, and traditional ways of life, leading to broader socio-economic impacts in these areas.

Climate-related Risks and Opportunities

A high-level description of climate risks for our business is described below. We are committed to conducting an in-depth scenario analysis during FY2024 to improve our understanding of potential climate risks.

Climate-Related Risks		
Risk Type	Description	Financial Impact
Physical Risk		
<p>Acute</p> <p><i>Increased severity of extreme weather events such as cyclones and floods</i></p>	<p>Extreme weather events could potentially damage our facilities, disrupt the value chain, and result in operational downtime, leading to revenue loss. Additionally, higher flood and cyclone risks may drive up insurance costs and negatively affect workforce health, safety, and attendance, further increasing costs.</p>	<p>Revenue Operating cost</p>
<p>Chronic</p> <p><i>Changes in precipitation patterns and extreme variability in weather patterns</i></p> <p><i>Rising mean temperatures</i></p> <p><i>Rising sea levels</i></p>	<p>A warming climate can increase thermal stress and health risks for our employees in production facilities.</p> <p>Rising temperatures will lead to longer dry spells and likely exacerbate water stress. This could result in higher water costs and water efficiency investments, and conservation in our factories to ensure water availability.</p> <p>Rising sea levels can affect yachting activity and damage infrastructures of marinas and popular boating destination.</p>	<p>Revenue Operating cost</p>

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Climate-Related Risks		
Risk Type	Description	Financial Impact
Transition Risk		
Policy and Legal	Increasing regulations around climate reporting, higher energy efficiency requirements, and carbon tax could increase compliance costs.	Operating cost, Liabilities
Technology	The need to transition to new low-carbon technologies for building yachts could increase costs or render existing technologies obsolete.	Capital cost
Market	Rising energy prices could increase the overall cost of operating our factories. Changing customer preferences, such as demand for low-carbon yachts, could affect the demand if we are not able to meet customers' expectations.	Revenue
Reputation	Carbon-intensive operations and lower ESG ratings can affect our corporate reputation and brand and may affect our access to capital.	Assets (Intangibles), Financing
Climate-Related Opportunities		
Resource Efficiency	Enhancing energy efficiency and water conservation in our operations can reduce costs. The saving could be substantial in a high energy price environment.	Operating cost
Energy Sources	Adopting renewable energy, such as solar power in our factories, could enhance our energy resilience and reduce our carbon footprint.	Operating cost
Products and Services	A range of climate-related opportunities exists for our businesses. Use of sustainable materials, enhanced energy efficiency and harnessing solar energy to produce low-carbon boats can boost our competitiveness in the market if the demand for green yachts gains momentum. There may also be a potential market for retrofitting older boats of customers with the more energy efficient equipment and features.	Revenue

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Metrics and Targets

We track our progress towards the targets across the material sustainability topics, including our operational GHG emissions. Our climate-related targets include GHG emissions, energy consumption and waste. Please see our GHG emissions performance below.

GHG Emissions

Our operational carbon footprint primarily stems from the electricity and fuel used in boat production. While fuel consumption by our yachts during their operating life is not currently included in our emissions calculations, we measure and report our carbon emissions following the internationally recognised GHG Protocol. We currently report Scope 1 emissions from fuel usage and Scope 2 emissions from purchased electricity.

Most of our energy consumption occurs at our factories in Malaysia, followed by our US entity, Stuart Yacht Corporation in Florida, which provides a private dock, exhibition venue, commissioning, repair, and maintenance services for clients in the region.

In FY2024, our GHG emission intensity was 1.5 kgCO₂ per labour hour, meeting our target of 1.5 kgCO₂ per labour hour, and 34.8% lower than the intensity of 2.3 kgCO₂ per labour hour in 2015 (base year). The absolute emission figure in FY2024 was higher due to increased production. Our newly installed rooftop solar PV project in our Malaysia will help us reduce our absolute carbon emissions.

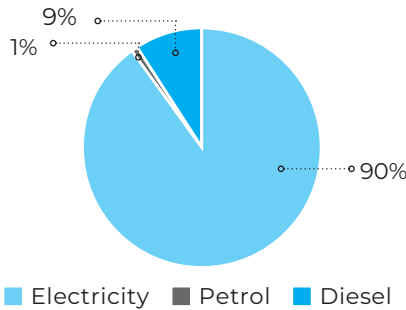
CARBON EMISSIONS SUMMARY			
	tCO ₂		
Type of Emissions	FY2022	FY2023	FY2024
Direct (Scope 1) GHG emissions			
Mobile Combustion	203	183	258
Stationary Combustion	0	0	0
Total Scope 1 GHG emissions	203	183	257
Energy indirect (Scope 2) GHG emissions			
Purchased Electricity (Location Based)	1,529	2,069	2,312
Purchased Electricity (Market Based)	1,529	2,069	2,312
Total Scope 1 and Scope 2 Carbon Emissions (tCO₂)	1,732	2,252	2,569

Note: The above emissions data thus covers all energy consumption in our Malaysia facility, the US, Australia, and the head office in Singapore.

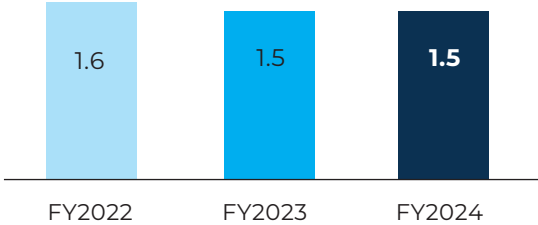
SUSTAINABILITY REPORT 2024

Our emissions cover scope 1 direct emissions and scope 2 indirect emissions. The major contributor of emission is electricity consumption. Carbon emission is calculated in CO₂ and in accordance with the GHG Protocol. Scope 1 emissions are direct emissions that occur from sources that are controlled or owned by an organisation. Diesel is used for our company vehicles, testing of our products such as boat sea trial, and operation of the travel lift. Petrol is used for the company vehicles. Scope 2 consists of GHG emissions from the purchased electricity consumed by the Group.

Carbon Emissions by Energy Source – FY2024



Carbon Emission Intensity KgCO₂/Labour Hour



PEOPLE

At Grand Banks, the exceptional design, construction, and delivery of our high-quality yachts are made possible by the dedication, expertise, and collective effort of our employees. Their commitment not only ensures we consistently exceed our customers’ expectations but also drives our sustained business growth and long-term success.

From designers, engineers, and technicians to sales, marketing specialists, customer care advisors, and human resource professionals, we are united in a shared mission: to deliver high-quality luxury yachts and services that delight our customers. Our passion is guided by three core values: customer centricity, a commitment to excellence, and an innovative spirit.

At Grand Banks, our inclusive work culture is grounded in mutual respect, ensuring that every employee feels valued and supported. We value diversity and inclusion, with comprehensive human resources (“HR”) policies aimed at attracting and retaining most suitable talent, fostering personal and professional growth, upholding human rights, and maintaining a safe, healthy, and secure work environment. These HR policies are built on the principles of meritocracy, ensuring fairness in recruitment, compensation, and benefits.

Our permanent employees benefit from a range of perks, including leave entitlements, insurance coverage, and medical benefits. We are also committed to supporting a healthy work-life balance through various initiatives. Senior management regularly reviews the effectiveness of our HR policies, ensuring continuous improvement, with further insights available in the Employee Engagement and Employee Welfare sections of this chapter.

SUSTAINABILITY REPORT 2024

As of the end of FY2024, Grand Banks employed 920 full-time staff across all operational areas, along with 5 part-time employees. Permanent employees accounted for 908 employees, representing slightly over 97% of our total workforce. Of our total headcount in Malaysia, the USA, and Australia, 81% were direct production workers. During the reporting period, we also deployed 2 external workers under Grand Banks' control, though not directly employed by us. Additionally, we had 16 fixed-term contract employees and 5 temporary staff members at the close of FY2024.

OUR EMPLOYEES FY2024								
	Singapore		Malaysia		USA		Australia	
	Male	Female	Male	Female	Male	Female	Male	Female
No. of full-time employees	5	1	754	103	23	8	17	9
No. of part-time employees	1	2	0	0	0	0	1	1
No. of permanent employees	6	3	737	103	23	8	18	10
No. of temporary employees	0	0	1	0	0	0	2	2
No. of fixed-term contract employees	0	0	16	0	0	0	0	0

Diversity and Inclusion

We are a global, multicultural team operating across Australia, Malaysia, the USA, and Singapore, serving an international market. Our employees, representing eight different nationalities, bring a rich diversity of talents and perspectives. This cultural diversity, reflected at both the management and Board levels, enhances our ability to understand and cater to the varied preferences and expectations of our global customers.

While we strive to build a diverse workforce, achieving gender diversity remains a challenge due to the labour-intensive nature of yacht design and construction. The manufacturing process involves tasks such as carpentry, varnishing, painting, metalwork, fibreglass work, plumbing, electrical, mechanical, and engineering tasks, which are traditionally male-dominated roles.

Although women are under represented in manufacturing functions, we have achieved more gender balance in office-based and management roles, where women currently account for 30.2% of the workforce. Among production workers, 92.5% are male, reflecting an industry-wide trend driven by the physically demanding nature of boat construction.

New Hiring and Turnover

Attracting and retaining top talent remains a key priority at Grand Banks. Over the financial year, we welcomed 118 new employees across our operations, with women making up 10% (12 hires) of the total. Malaysia accounted for the majority of new hires, representing 84% of all recruitment.

In FY2024, our employee turnover rate decreased to 11.7%, as against 17.8% in the previous financial year. A total of 103 employees, including 18 women, left the company during this period.

SUSTAINABILITY REPORT 2024

EMPLOYEE TURNOVER RATE BY COUNTRY FY2024			
Country	Male	Female	Overall
Malaysia	10.0%	11.1%	10.2%
Singapore	0%	0%	0%
USA	35.3%	42.1%	37.1%
Australia	27.8%	26.1%	27.1%

EMPLOYEE TURNOVER RATE BY AGE GROUP FY2024	
Age Group	Turnover
Under 30 years old	23.4%
30-50 years old	5.9%
Over 50 years old	7.1%

TARGET AND PERFORMANCE			
Material Factor	FY2024 Target	FY2024 Performance	Ongoing Target
Employee turnover	Less than 20%	11.7%	Less than 20%

Long Service Awards

Employees at our production facilities remain with us for an average of 8 years, reflecting their satisfaction, well-being, and continued trust in Grand Banks as an employer. Our longest-serving employee has been with us for an impressive 55 years. To recognise and reward this loyalty and dedication, we host the annual Long Service Awards, where employees receive a bonus as a token of our appreciation. We are proud to present the following awards for FY2024:

- **5th year:** 111 employees
- **10th year:** 17 employees
- **20th year:** 18 employees
- **25th year:** 8 employees
- **30th year:** 9 employees

SUSTAINABILITY REPORT 2024

Training and Professional Development

We remain committed to developing our employees' technical skills and knowledge, with a strong focus on supporting their career growth and our business needs. We offer regular development opportunities, including on-the-job training, mentoring, and external courses. Our future success relies on ensuring our workforce is equipped to thrive in an evolving environment. A key priority is re-engineering more efficient production processes and improving the environmental performance of our yachts through innovation, which requires cutting-edge skills and expertise. Continuous learning and development are therefore essential to keeping our workforce at the forefront of industry advancements.

In FY2024, our employees collectively completed 8,531 hours of training. On average, male employees received 8.8 hours and female employees 11.6 hours of training. By employee category, the average training hours were as follows: senior executives (8.5), mid-level executives (13.9), executives (16.1), and production staff (8.0).

During FY2024, some of the training courses, workshops, seminars, and conferences offered to employees included:

Malaysia

- Authorised Entrant and Standby Person for Confined Space
- Basic Occupational First Aid
- Certified Six Sigma Green Belt
- Chemical Spill Management Training
- Classification, Labelling and Safety Data Sheet of Hazardous Chemicals for Classifier
- Common Errors in Accounting
- Conference & Exhibition on Occupational Safety & Health 2024
- Creative Thinking & Problem-Solving Skills
- Digital Technology and Artificial Intelligence as Productivity Tools for Accounting And Finance Professionals
- Eastman Eagle S125 Technical Training
- Employment Act, Industrial Relation and Disciplinary Inquiry
- Forklift Safety Training
- Iflexi – New System
- Incident Commander & Crisis Management Team Development Program
- Jet Drive Installation
- Kursus Intensif: Pemantapan Tanggungjawab Majikan Dan Hak Pekerja
- Kursus Persediaan Mate of Less Than 500 Gt Domestic Trade Voyages
- Kursus Waktu Kerja, Cuti Dan Upah Dibawah Perundangan, Peraturan Dan Pindaan Terkini
- Latest Development in Malaysian Financial Reporting Standards (Mfrs)/IFRS and IC Interpretation – An Overview
- Leadership Training
- Licensed Manufacturing Warehouse
- Licensed Manufacturing Warehouse
- Low Load Transporter Training – The Mover
- Managing Misconduct, Domestic Inquiry & Procedure of Labour Court

SUSTAINABILITY REPORT 2024

- Statement of Cash Flows Including Consolidated Cash Flows On Acquisition Of Subsidiary And Foreign Currency Translation
- Microsoft Access Complete Beginner to Advanced
- National OSH Conference and Exhibition 2023
- Nebosh Igc (2018 Specification)
- OSHA Training
- Pemecatan & Pengendalian Disiplin Di Tempat Kerja
- Pengurusan Perumahan Dan Penginapan Pekerja Asing & Persediaan Bagi Pemeriksaan Kelulusan Perakuan Penginapan Di Bawah Akta 446
- Power Apps-Complete Guide to Microsoft Power Apps
- Reskilling Of Budget Preparation, Profit And Cash Flow Planning
- Safety On Lifting Clamps
- Seminar Audit Pematuhan Undang-Undang Perburuhan Terkini
- Seminar Guidelines on Medical Surveillance Program At The Workplace 2023
- Seminar Pengurusan Buangan Terjadual & Hands-On Penggunaan Aplikasi Electronic Scheduled Waste Information System (Eswis)
- Seminar Pengurusan Pekerja Asin
- Solid Works Essentials
- Solidworks Advanced Part Modelling
- Solidworks Surface Modeling
- Sustainability And Climate Change Disclosure Requirements
- Webinar On the Guidelines and Implementation Of E-Invoicing
- Workshop On Guideline on Management of Noise Related Hearing Disorder

USA

- Wood Touch-Up and Repair Workshop
- Volvo Penta Training
- CPR and Red Cross Training Class
- Captain License
- Hazardous Materials Training 2024
- Personal Protective Equipment Training 2024
- Storm Water Pollution Prevention Training 2024
- Algrip School
- Forklift Operation
- Marine Travel Lift Transporter

Australia

- Marine Craft Construction Tafe Course
- Electrotechnology Tafe Course

Singapore

- Professional Development Course

SUSTAINABILITY REPORT 2024

Performance Management

Fair and objective performance appraisals are essential for fostering employee motivation, identifying development areas, and ensuring equitable career advancement.

At Grand Banks, we conduct annual performance reviews for all employees to assess their development needs, identify skill enhancement opportunities, and recognise high performers. These evaluations are carried out fairly, objectively, and transparently.

Employee Engagement

Employee engagement is key to making our business more productive, keeping people happy at work, and staying competitive. We believe that an engaged workforce is essential for achieving our business goals and ensuring high levels of employee well-being. We encourage open communication between staff and management, and we make sure our employees feel valued and heard by providing avenues for feedback and suggestions.

Communicating our vision and strategy to our employees is vital for ensuring we all work towards shared goals and achieve a greater sense of alignment. We communicate with our employees in various ways, including CEO townhalls, briefings, internal memos and the corporate newsletter, and more informal communication via notice boards and team activities.

Occupational Health and Safety

Ensuring workplace health and safety is essential for advancing productivity, reducing legal risks, and protecting our employees' well-being. At Grand Banks, this is especially critical in our factories, where potential safety risk factors are higher than in office settings.

We conduct regular equipment inspections and safety assessments, supported by an occupational health and safety management system that promotes a safety-first culture. This system mandates full compliance from all employees and aligns with national laws and international standards.

Safety Committee

The Grand Banks Health and Safety Committee, comprising both management and employee representatives, takes a proactive approach to addressing health and safety concerns. The committee regularly reviews safety performance and evaluates existing measures to ensure ongoing improvement.

Safety Measures

We provide all employees and workers with essential Personal Protective Equipment ("PPE"), including full-face and half-face respiratory masks, safety shoes, helmets, and goggles.

Ongoing health and safety training focuses on proper PPE usage, operating safety devices, and emergency response. We also conduct regular fire and emergency drills, led by our trained fire safety team and certified first aiders, often in collaboration with local fire officials. Additionally, our Malaysian facility features a fully equipped first aid room staffed by a full-time qualified medical assistant.

SUSTAINABILITY REPORT 2024

Managing Workplace Hazards

Potential hazards in our production processes include toxins from chemicals like solvents and paints, which can cause skin irritation or respiratory issues at high concentrations. We continuously monitor air quality using an atmospheric monitoring system to protect workers from harmful exposure.

Other potential risks in our manufacturing environment include noise and dust from woodworking, potential injuries from moving machine parts, cuts from sharp tools, electrical shocks, trips or falls, fire hazards, and ergonomic injuries. To reduce these risks, all machinery is equipped with safety guards, and employees are required to strictly follow our Lock-Out-Tag-Out procedures.

Our sanding machines have dust extraction systems to minimise airborne dust, and all other power tools are fitted with extraction units that capture and remove 90% of dust and contaminants during use.

Injuries

In the event of an injury, workers or their managers are required to file a report, after which we conduct a thorough investigation to identify the root cause and implement measures to prevent future incidents. The most common types of work-related injuries in our manufacturing facility are foot, leg, hand and body injuries.

We assess work-related hazards that could result in serious injuries through processes such as Noise Risk Assessments, medical surveillance, and the review of medical reports.

In FY2024, there were no fatalities or serious injuries. Our health and safety performance indicators for employees at our Malaysian manufacturing facility are summarised in the table below:

Health and Safety Performance (Employees)			
	FY2022	FY2023	FY2024
Number of fatalities by work-related injury	0	0	0
Rate of fatalities by work-related injury	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0	0	0
Number of recordable work-related injuries	0	11	17
Rate of recordable work-related injuries	0	7.3	9.7
Number of hours worked	986,425	1,506,200	1,754,694

Note: Data covers our operation in Malaysia, USA, and Australia. The rates have been calculated based on 1,000,000 hours worked. High-consequence work-related injury refers to those injury that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months. Recordable work-related injury refers to death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness, or significant injury diagnosed by a licensed healthcare professional. We did not employ workers who are not our employees in the reporting period.

SUSTAINABILITY REPORT 2024

TARGETS AND PERFORMANCE			
Material Factor	FY2024 Target	FY2024 Performance	Ongoing Target
Occupational Health & Safety	Maintain zero fatality across the organisation	Zero fatality	Maintain zero fatality across the organisation
	Maintain zero occupational disease across the organisation	Zero high-consequence work-related injuries	Maintain zero high-consequence work-related injuries
	Maintain a Zero Accident Frequency Rate (“AFR”) in our factories	Zero recordable work-related injuries in our factories	Maintain zero recordable work-related injuries

Employee Welfare

At Grand Banks, the well-being of our staff is a top priority. We offer a range of benefits, including healthcare and various leave options such as parental leave, and additional perks that extend to employees’ family members. Eligible employees also receive attendance, housing, and transport allowances.

To nurture team spirit, strong working relationships, and a healthy work-life balance, we regularly organise staff activities such as sports events, family days, festive celebrations, and quarterly appreciation lunches. Employees also receive gifts for birthdays and special occasions, and new hires are welcomed with an orientation meal. In Malaysia, we hold quarterly rice distribution events for our staff.

Human Rights

At Grand Banks, we are committed to upholding human rights across our company, operations, and supply chain, in line with international standards such as the ILO Declaration on Fundamental Principles and Rights at Work and the UN Declaration of Human Rights.

Our human rights policies strictly prohibit child labour, forced labour, harassment, and discrimination. Employees are free to exercise their right to association and collective bargaining as per local laws, though currently, none are part of a collective bargaining agreement. We also ensure competitive salaries, benchmarked against industry standards to ensure fair wages.

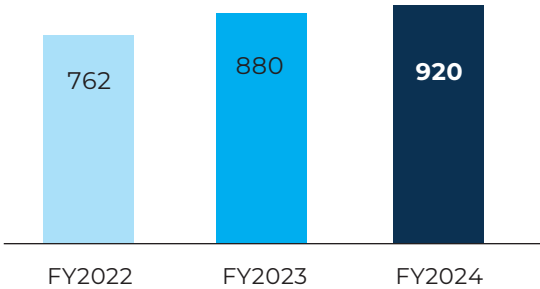
Given our strict policies, we assess the risk of violations related to child labour, forced labour, and freedom of association within our operations as extremely low. To mitigate risks in our supply chain, we engage key suppliers through regular sustainability assessments (see Sustainable Procurement).

During the reporting period, there were no incidents of human rights violations or discrimination at Grand Banks.

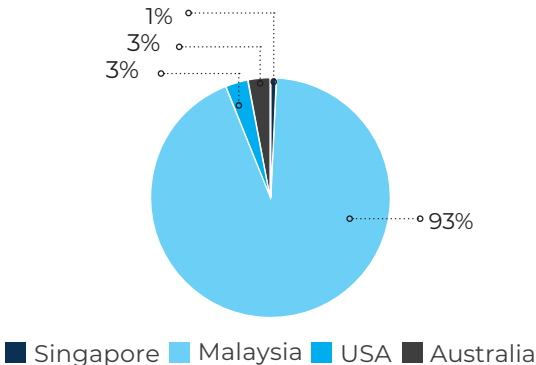
SUSTAINABILITY REPORT 2024

OUR WORKPLACE PERFORMANCE

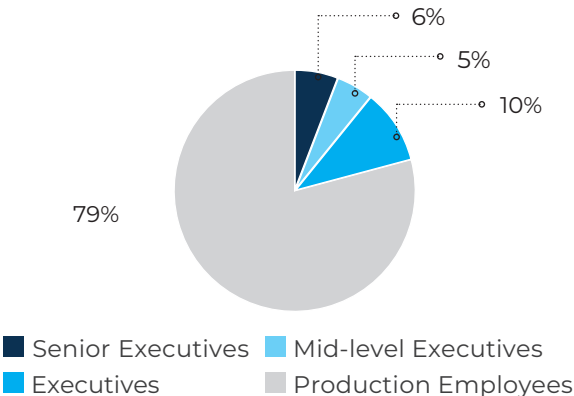
Full Time Employees



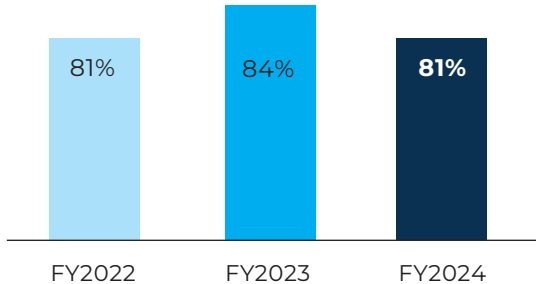
Full Time Employees by Country (FY2024)



Employees by Category (FY2024)

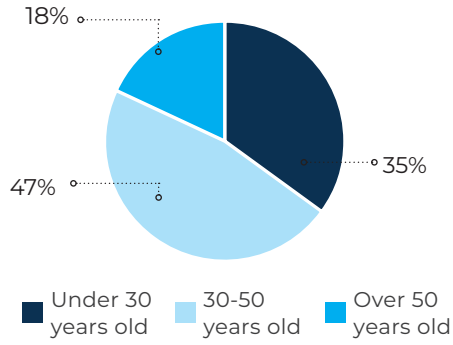


Proportion of Direct (Production) Employees

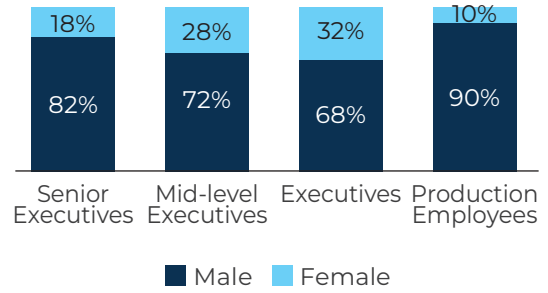


SUSTAINABILITY REPORT 2024

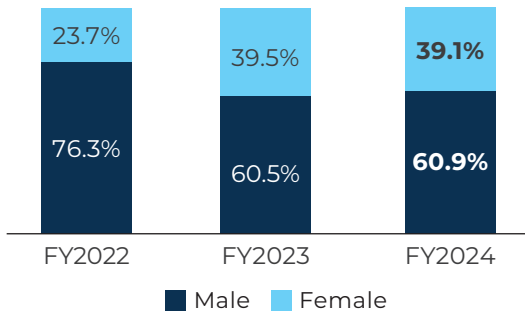
Diversity by Age (FY2024)



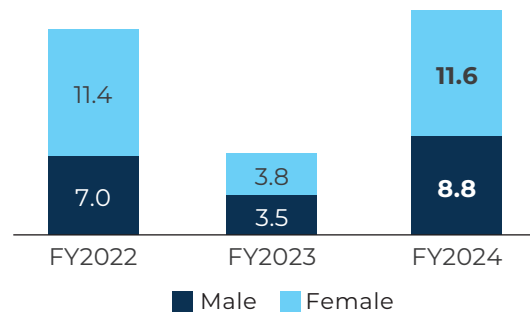
Gender Diversity by Employee Category (FY2024)



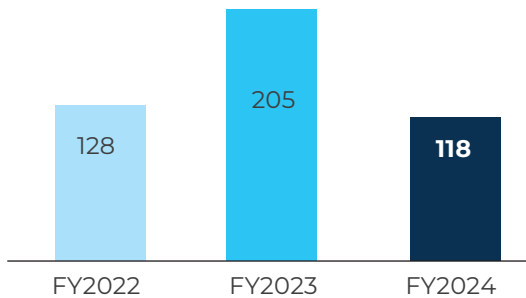
Gender Diversity (Office Functions)



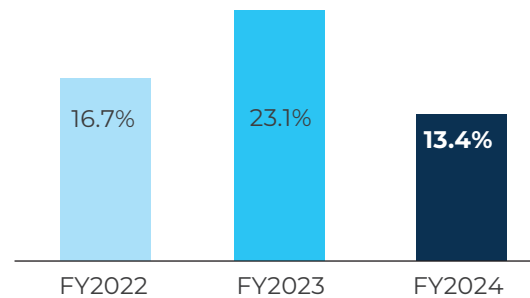
Average Training Hours per Employee



Number of New Hires

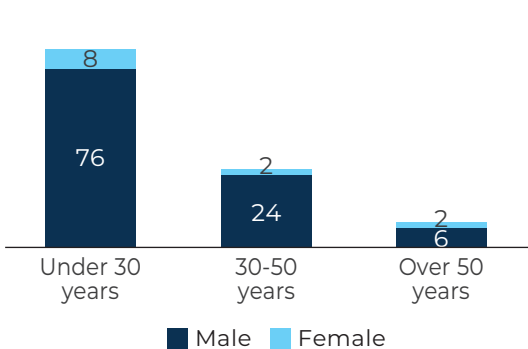


Hiring Rate

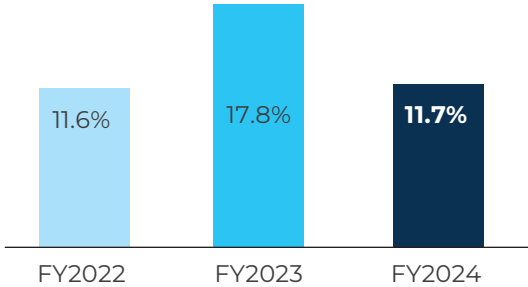


SUSTAINABILITY REPORT 2024

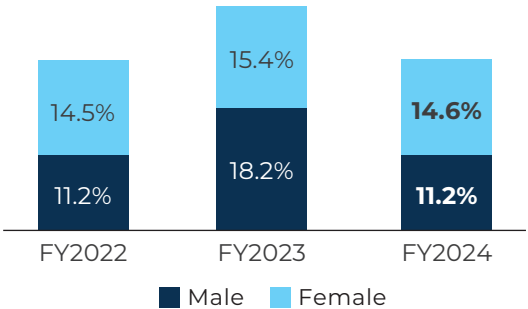
New Hires by Age and Gender (FY2024)



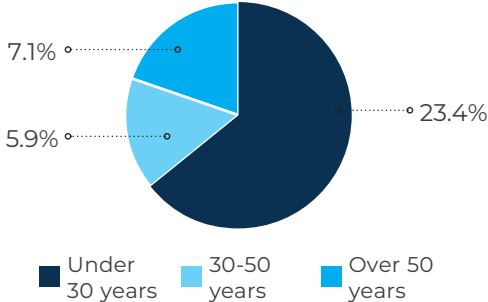
Employee Turnover Rate



Employee Turnover by Gender



Employee Turnover by Age Group (FY2024)



SUSTAINABILITY REPORT 2024

MARKETPLACE

Grand Banks, Eastbay, and Palm Beach are recognised as trusted, reliable, and responsible yacht brands by our customers, stakeholders, and local communities. We are committed to maintaining this reputation in everything we do.

We are committed to the highest standards of ethics, integrity, and professionalism in every facet of our business. Strong, lasting relationships with customers, partners, and suppliers are at the core of our approach, allowing us to uphold our customer-focused values and consistently deliver exceptional yachts and services.

Material Factors and SDG Goals

- Customer Health and Safety
- Anti-corruption



Powering for Sustainability

The yacht industry is experiencing a paradigm shift towards sustainability, driven by environmental concerns and a growing demand for eco-friendly vessels. Grand Banks, an industry leader, has taken a pioneering step towards sustainability by adopting lithium batteries and solar panels, as standard equipment in our yacht designs.

Lithium batteries are known for their high energy density and efficiency, offering superior performance and reliability compared to traditional power sources. Solar panels harness renewable energy from the sun, reducing the reliance on fossil fuels during voyages. This system offers a cleaner and more sustainable power source, which greatly reduces greenhouse gas emissions and helps to offset our boats' product carbon footprint.

From end-user perspective, the practical advantages include running air conditioning and onboard services for extended periods of time without the need for generators, and additional diesel fuel, while away from the dock. Not only is this a better environmental solution, but it also improves the overall lifestyle on board, and at anchor, without all of the noise and exhaust that goes along with diesel generators.

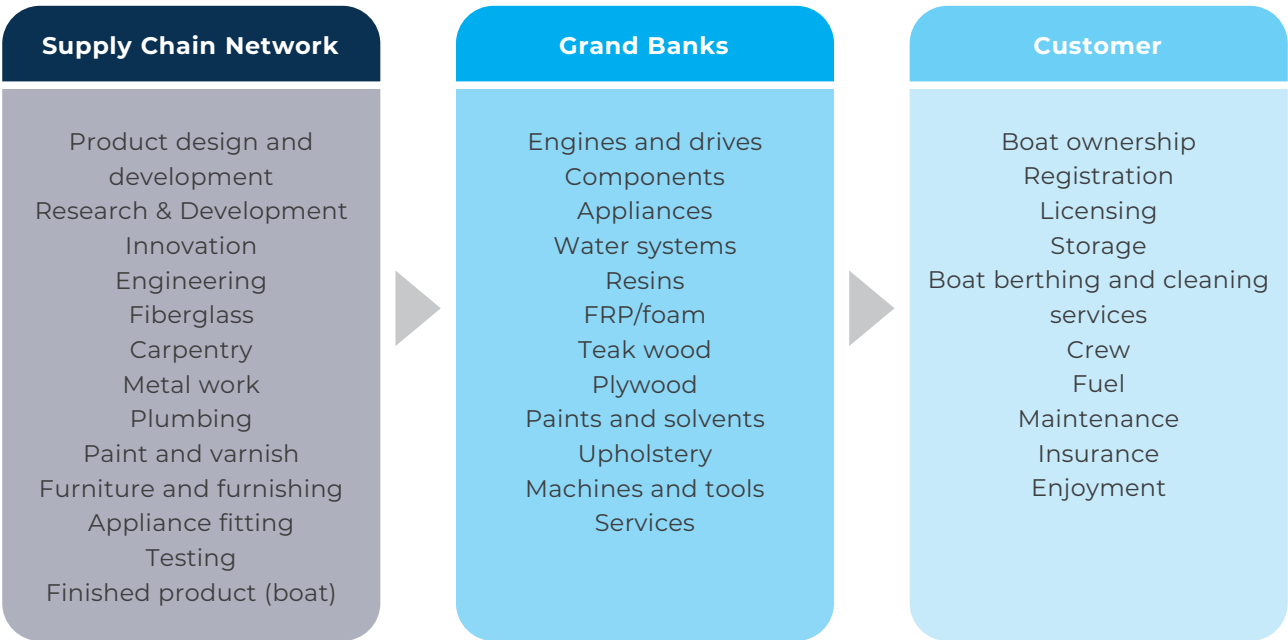
Grand Banks' embrace of lithium batteries and solar panels is in line with our commitment to sustainability. By aligning our yachts with eco-conscious consumer preferences and reducing our environmental footprint, Grand Banks is poised to lead in a more responsible, eco-friendly yachting industry. While the transition comes with challenges, the long-term benefits in terms of sustainability, operational efficiency, and market positioning are expected to be substantial.

SUSTAINABILITY REPORT 2024

Supply Chain

Our supply chain is integral to Grand Banks' operations, directly influencing the efficiency and quality of our products. Strong relationships with our suppliers allow us to proactively address quality or delivery issues, reducing production disruptions and avoiding delays.

We value our trusted partnerships with suppliers and encourage the adoption of responsible environmental, social, and governance (ESG) practices, which strengthens the resilience and sustainability of our supply chain.



Sustainable Procurement

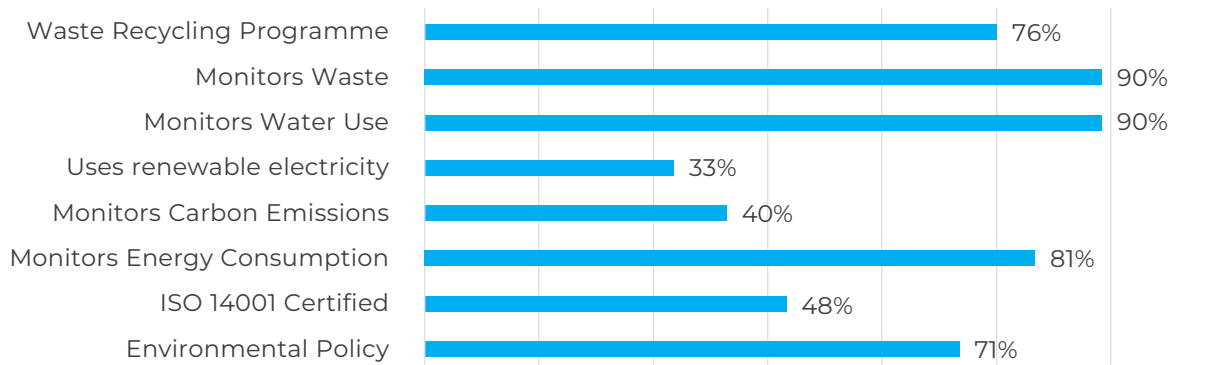
We source a wide range of materials from multiple suppliers to manufacture our boats. These include engines, drive systems, appliances, air-conditioning and water systems, lighting, electrical components, resin, glass, FRP/foam, gelcoat, canvas, upholstery, fabric, leather, teak wood, plywood, adhesives, solvents, paints, varnish, rubber, and insulation materials.

Our procurement policy is guided by principles of merit and ethics. Suppliers are selected based on their ability to offer the best value, considering factors such as cost, quality, and delivery timelines. Additionally, suppliers must demonstrate strong environmental, social, and governance performance. To be eligible for contracts, suppliers must meet Grand Banks' standards across sustainability criteria.

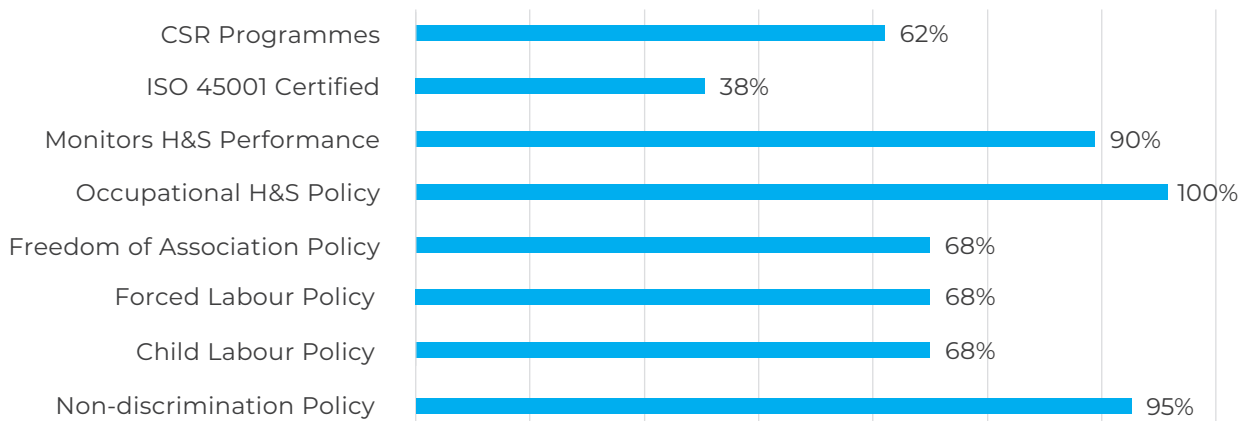
We engage key suppliers annually through our Supplier Sustainability Self-Assessment, which evaluates their progress in ESG areas. The survey results guide ongoing discussions with suppliers about sustainability improvements. The findings from our most recent survey in FY2024 are presented in the charts below, indicating the percentage of suppliers who implemented specific activities or measures.

SUSTAINABILITY REPORT 2024

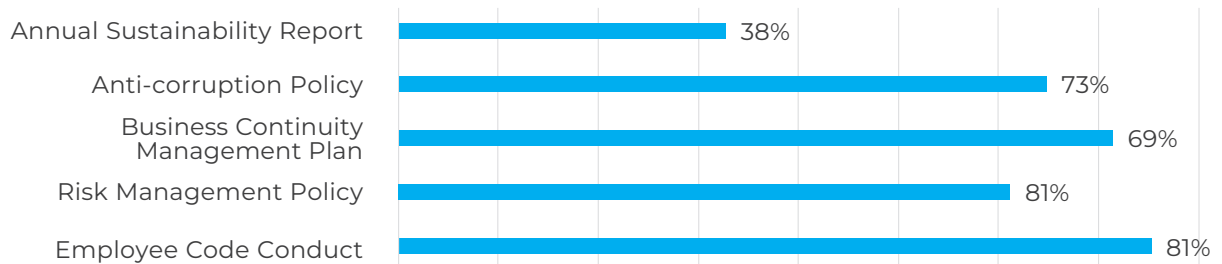
Supplier Environmental Assessment (FY2024)



Supplier Social Assessment (FY2024)



Supplier Governance Assessment (FY2024)



SUSTAINABILITY REPORT 2024

Supplier Performance

Over the years, we have observed a marked improvement in our key suppliers' commitment to sustainability through their self-assessment results. A comparison of two successive survey results is summarised below.

SUPPLIER ENVIRONMENTAL ASSESSMENT		
Performance Indicator	FY2023	FY2024
Environmental Policy	56%	71%
ISO 14001 Certified	25%	48%
Monitors Energy Consumption	81%	81%
Monitors Carbon Emissions	25%	40%
Uses renewable electricity	NA	33%
Monitors Water Use	63%	90%
Monitors Waste	69%	90%
Waste Recycling Programme	69%	76%

SUPPLIER SOCIAL ASSESSMENT		
Performance Indicator	FY2023	FY2024
Non-discrimination Policy	81%	95%
Child Labour Policy	50%	68%
Forced Labour Policy	50%	68%
Freedom of Association Policy	56%	68%
Occupational H&S Policy	75%	100%
Monitors H&S Performance	75%	90%
ISO 45001 Certified	25%	38%
CSR Programmes	50%	62%

SUPPLIER GOVERNANCE ASSESSMENT		
Performance Indicator	FY2023	FY2024
Employee Code Conduct	81%	100%
Risk Management Policy	81%	81%
Business Continuity Management	69%	95%
Anti-corruption Policy	73%	86%
Annual Sustainability Report	38%	43%

SUSTAINABILITY REPORT 2024

New Products

Building on the groundbreaking success of the Grand Banks 85 (GB85) and Palm Beach 85 (PB85) launched in 2021, we are thrilled to unveil the newest flagship in the Palm Beach range, the Palm Beach 107 (PB107). This vessel is not just a continuation of our esteemed lineage; it is a leap forward in luxury marine engineering.

The PB107 exemplifies the fusion of performance, precision handling, and state-of-the-art technology, marking a pinnacle in our company's history and setting new benchmarks in the recreational boating industry. Featuring our innovative V-Warp hull technology, the PB107 offers owners unparalleled handling and performance across all speeds, marrying strength with lightweight construction through the use of advanced unidirectional and multi-axial carbon fiber.

Sustainability is at the core of the PB107 design. The yacht integrates a high-efficiency IPS system to maximize power output while minimizing fuel consumption. Additionally, a solar-powered electrical system supports battery charging, reducing dependency on shore power or onboard generators, highlighting our commitment to environmentally conscious innovation.

The PB107's construction utilizes advanced robotics, including our award-winning 8-axis CNC machine, recognized at the 2019 Boat Builder Awards for Innovation in a Production Process. This technology has proven essential in crafting larger, more complex components with precision and efficiency.

We look forward to the public debut of the PB107 in 2027, confident that it will continue to embody the core values and heritage of the Palm Beach brand, a name synonymous with luxury and innovation in boating.

Quality Excellence

Grand Banks is a leading name in the luxury motor yacht industry, renowned for building yachts of exceptional quality and delivering comprehensive services. With decades of expertise in yacht design and construction, we emphasise efficiency without compromising on craftsmanship. Our focus on superior construction and meticulously designed interiors ensures comfort for extended cruising in any waters. Fitted with highly reliable engines and state-of-the-art equipment, our yachts are engineered for durability and longevity. We continuously incorporate advanced technology and materials into our production processes, including our award-winning 8-axis robotic technology.

Every yacht we design, and build adheres to the stringent standards set by the industry's top certification bodies. Over the years, we have earned numerous international certifications, including the Conformité Européenne ("CE") Mark and National Marine Manufacturers Association ("NMMA") Certification. These accreditations reflect our unwavering dedication to excellence. The CE Mark confirms that our products comply with European health, safety, and environmental standards, while NMMA Certification ensures adherence to industry safety, construction standards, and federal regulations.

We aim to achieve these high standards for all our products. Most of our models have already received NMMA certification and the CE Mark. Currently, we are working towards securing the CE Mark for three additional models – PB45, PB55, and EB60 – as we prepare to expand our presence in Europe. Each of our vessels undergoes rigorous safety assessments to meet these standards.

SUSTAINABILITY REPORT 2024

Customer Health and Safety

Customer safety is our highest priority. Our yachts meet all relevant health, safety regulations, and international standards. There have been no cases of non-compliance regarding the health and safety of our boats or services in the reported period.

Robot Facility

Our CNC Robot Facility significantly enhances factory efficiency. These robots produce parts at a faster rate, accelerating the entire production process. Ample space in our robot milling area enables the robots to handle bigger or multiple parts simultaneously, streamlining our production line.

In 2019, our use of advanced robotic milling arms earned us the Innovation in a Production Process award at the Boat Builder Awards, held at the National Maritime Museum in Amsterdam.

Customer Service

Our exceptional customer service complements the high quality of our products, meeting the expectations of our discerning customers. By providing regular maintenance and repair services, we not only ensure excellent customer care but also extend the lifespan of our clients' yachts. Proper upkeep improves yacht efficiency, benefiting both performance and the environment over the long term.

Our Stuart Yacht division in Florida serves as our US headquarters, offering maintenance, repairs, and support for customers along the East Coast. Internationally, we provide a comprehensive network of preferred service centres to meet the maintenance and repair needs of our global clients.

Yacht Resale and Trade-In Services

Extending the lifespan of our products is central to our commitment to sustainability and enhanced customer service. To support this, we assist customers in selling their pre-owned yachts to new owners. Our Grand Banks Yacht Sales platform is tailored for those looking to sell or trade in their yachts for a different model or a new one. This service offers customers peace of mind, ensuring their yacht is priced fairly and sold efficiently.

Customer Engagement

Ongoing customer engagement helps us better understand their needs and preferences, allowing us to refine our products and services. Staying connected also fosters long-term relationships and strengthens our brand.

We host events like 'owners' rendezvous,' relaxed weekend gatherings with water-based activities that our customers love, making them a key part of our community engagement strategy.

Boat shows are equally important, offering opportunities to showcase our yachts, build brand awareness, and connect with both current and potential customers. We also support the broader industry by promoting boating as a lifestyle.

In FY2024, Grand Banks participated in boat shows across the USA, including Annapolis, Fort Lauderdale, Newport, and Palm Beach, as well as shows in Dusseldorf and Cannes, Europe, and Sanctuary Cove and Sydney, Australia.

SUSTAINABILITY REPORT 2024

TARGET AND PERFORMANCE			
Material Factor	FY2024 Target	FY2024 Performance	Our Ongoing Target
Anti-Corruption	Zero incidents of corruption	No incidents of corruption	Zero incidents of corruption
Regulatory Compliance	Maintain zero non-compliance	No incidents of non-compliance	Maintain zero non-compliance

Anti-Bribery and Corruption

Corruption and bribery can damage a company’s reputation, lower employee morale, and lead to legal and financial consequences.

We uphold the highest ethical standards and governance practices. Our anti-corruption policy, clearly communicated to all employees, strictly prohibits offering or accepting bribes or kickbacks in any form. This policy applies to all personnel, including board members, and governs all business dealings and communications.

Our ongoing target is zero instances of corruption. During the reporting period, no confirmed cases of corruption were reported.

Regulatory Compliance

Legal non-compliance can lead to costly fines, reputational damage, and potential business loss, jeopardising a company’s long-term success. At Grand Banks, we are fully committed to adhering to all relevant economic, social, and environmental laws.

During the reporting period, there were no significant instances of non-compliance resulting in fines or sanctions. We define significant non-compliance as any case involving \$20,000 or more.

SUSTAINABILITY REPORT 2024

COMMUNITY

Grand Banks is committed to being a responsible corporate citizen, actively contributing to the well-being of the communities where we operate.

Contributing to the communities where we operate is crucial for earning stakeholder trust and fostering business support. We create local jobs, promote employee volunteering, support charitable initiatives, provide sponsorships, and uphold our tax obligations with transparency. These efforts strengthen local economies, improve community well-being, and reflect our commitment to responsible and sustainable business practices.

Our approach to community support includes:

- Contributing positively to local economy
- Community Giving
- Employee Volunteering
- Community Development

Social Contributions

Grand Banks continues to make a positive impact on local communities and economies. In Malaysia, where our main manufacturing facility is located in an industrial area, the majority of our workforce consists of Malaysians. We actively seek ways to strengthen our relationship with local communities, focusing on contributing to their socio-economic development.

Our operations have created high-quality jobs for local talent, including various well-paid technical roles requiring advanced skills. Our presence in Malaysia has supported the growth of the local industry by sharing and enhancing expertise in yacht design and construction.

In FY2024, we contributed S\$1.8 million towards employee statutory and retirement/pension contributions.

We prioritise local suppliers whenever possible, boosting local economies and reducing our environmental footprint from transportation. In FY2024, 63.8% of our total purchases came from local vendors.

Additionally, we have supported numerous community-based initiatives, providing contributions in cash or kind to organisations such as the Society of the Blind in Malaysia, PIBG SMK Tanjung Puteri, Mouth & Foot Painting Artists, Persatuan Pesara Polis, and Kelab Kebajikan Sukan Jabatan Laut.

SUSTAINABILITY REPORT 2024

GRI CONTENT INDEX

Statement of Use	Grand Banks Yachts Limited has reported with reference to the GRI Standards for the period 1 July 2023 to 30 June 2024.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable as a GRI sector standard is not available for our industry

GRI Standard	Disclosure	Page Number(s)
GRI 2: GENERAL DISCLOSURES 2021		
Organisational Details and Reporting Practices		
GRI 2-1	Organisational details	Inside Front Cover
GRI 2-2	Entities included in the organisation's sustainability reporting	159
GRI 2-3	Reporting period, frequency and contact point	159-160
GRI 2-4	Restatements of information	160
GRI 2-5	External assurance	160
Activities and Workers		
GRI 2-6	Activities, value chain and other business relationships	https://www.grandbanks.com/about-us/our-story/
GRI 2-7	Employees	188, 195
GRI 2-8	Workers who are not employees	188
Governance		
GRI 2-9	Governance structure and composition	13-23, 163
GRI 2-10	Nomination and selection of the highest governance body	25-32
GRI 2-11	Chair of the highest governance body	24
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	163-164
GRI 2-13	Delegation of responsibility for managing impacts	163-164, 168
GRI 2-14	Role of the highest governance body in sustainability reporting	163-164, 168
GRI 2-15	Conflicts of interest	13
GRI 2-16	Communication of critical concerns	46, 48, 58

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GRI Standard	Disclosure	Page Number(s)
GRI 2-17	Collective knowledge of the highest governance body	8-12
GRI 2-18	Evaluation of the performance of the highest governance body	33-34
GRI 2-19	Remuneration policies	34-40
GRI 2-20	Process to determine remuneration	34-40
GRI 2-21	Annual total compensation ratio	Not reported due to confidentiality constraints.
Strategies, Policies and Practices		
GRI 2-22	Statement on sustainable development strategy	164-166, 173
GRI 2-23	Policy commitments	166-168, 173, 194
GRI 2-24	Embedding policy commitments	166-168, 173, 194
GRI 2-25	Processes to remediate negative impacts	171, 194
GRI 2-26	Mechanisms for seeking advice and raising concerns	58
GRI 2-27	Compliance with laws and regulations	168, 204
GRI 2-28	Membership associations	171
GRI 2-29	Approach to stakeholder engagement	55-56, 169-170
GRI 2-30	Collective bargaining agreements	194
GRI 3-1	Process to determine material topics	171-173
GRI 3-2	List of material topics	171-173
ECONOMIC TOPICS		
Procurement Practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	161
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	161
ENVIRONMENTAL TOPICS		
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	166, 172, 174, 176
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	176, 177
	302-3 Energy intensity	174

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GRI Standard	Disclosure	Page Number(s)
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	167, 172
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	186-187
	305-2 Energy indirect (Scope 2) GHG emissions	186-187
	305-4 GHG emission intensity	186-187
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	167, 172, 178
Management Approach Disclosures 2020	306-1 Waste generation and significant waste-related impacts	178-179
	306-2 Management of significant waste-related impacts	178-179
GRI 306: Waste 2020	306-3 Waste generated	178-179
SOCIAL TOPICS		
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	167, 172, 187
GRI 401: Employment 2016	401-1 New Employee hires and employee turnover	188-189, 195-196
Employee Training		
GRI 3: Material Topics 2021	3-3 Management of material topics	172
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	190-191, 196
Non-Discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	172
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	194

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GRI Standard	Disclosure	Page Number(s)
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	167, 172
Management Approach Disclosures 2018	403-1 Occupational health and safety management system	192-194
	403-2 Hazard identification, risk assessment, and incident investigation	192-194
	403-3 Occupational health services	192-194
	403-4 Worker participation, consultation, and communication on occupational health and safety	192-194
	403-5 Worker training on occupational health and safety	192-194
	403-6 Promotion of worker health	192-194
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	192-194
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	192-194
	403-9 Work-related injuries	193-194
GOVERNANCE		
Customer Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	172, 203
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	203
Anti-Corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	48, 167, 172, 204
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	204

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TCFD DISCLOSURES

The following table indicates our progress toward TCFD-recommended reporting.

Code	TCFD Recommendations	Page Number(s)
GOVERNANCE		
TCDF 1(a)	Describe the board's oversight of climate-related risks and opportunities.	180-181
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	181
STRATEGY		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	181-182
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	181-182
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	181-182
RISK MANAGEMENT		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	182-185
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	182-185
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	182-185
METRICS AND TARGETS		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	186-187
TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks.	186-187
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	186-187

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GRAND BANKS YACHTS LIMITED

BOARD OF DIRECTORS

CHAIRMAN
Basil Chan

EXECUTIVE
Mark Jonathon Richards

INDEPENDENT
Basil Chan
Gary James Weisman
Kay Pang Ker-Wei

**NON-INDEPENDENT
NON-EXECUTIVE**
Gerard Lim Ewe Keng

**RISK MANAGEMENT &
AUDIT COMMITTEE**
Basil Chan*
Gerard Lim Ewe Keng
Gary James Weisman

REMUNERATION COMMITTEE
Kay Pang Ker-Wei*
Basil Chan
Gerard Lim Ewe Keng

NOMINATING COMMITTEE
Basil Chan*
Gerard Lim Ewe Keng
Kay Pang Ker-Wei

STRATEGIC COMMITTEE
Gary James Weisman*
Mark Jonathon Richards
Basil Chan

MANAGEMENT TEAM

CHIEF EXECUTIVE OFFICER
Mark Jonathon Richards

CHIEF FINANCIAL OFFICER
Chiam Heng Huat

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Partner-in-charge:
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Since the financial year ended
30 June 2024

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*Denotes Committee Chairman

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