



GRAND BANKS YACHTS LIMITED

(Company Registration No.: 197601189E)

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST HALF YEAR ENDED 31 DECEMBER 2024

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1 (a) Consolidated income statement (Unaudited)
For the first half year ended 31 December 2024

	Note	Group		Change %
		6-Month period		
		ended 31 December		
		2024	2023	
		\$'000	\$'000	
Revenue	4	67,200	65,007	3.4
Cost of sales		<u>(45,457)</u>	<u>(41,383)</u>	9.8
Gross profit		21,743	23,624	(8.0)
Other income/(losses)	2(a)	719	(443)	>100
Selling and marketing expenses		(5,417)	(8,365)	(35.2)
Administrative expenses		(4,656)	(3,736)	24.6
Other operating expenses, net		(688)	(553)	24.4
Total operating expenses		<u>(10,761)</u>	<u>(12,654)</u>	(15.0)
Profit from operations		11,701	10,527	11.2
Finance cost		<u>(303)</u>	<u>(59)</u>	>100
Profit before tax	2(a)	11,398	10,468	8.9
Tax expense	2(b)	<u>(3,835)</u>	<u>(3,540)</u>	8.3
Profit for the period attributable to owners of the Company		<u><u>7,563</u></u>	<u><u>6,928</u></u>	9.2

1 (a) Consolidated statement of comprehensive income (Unaudited)
For the first half year ended 31 December 2024

	Group		
	6-Month period		
	ended 31 December		
	2024	2023	Inc/(Dec)
	\$'000	\$'000	%
Profit for the period	7,563	6,928	9.2
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation differences relating to financial statements of foreign subsidiaries	1,762	(872)	(302.1)
Other comprehensive income for the period, net of income tax	<u>1,762</u>	<u>(872)</u>	(302.1)
Total comprehensive income for the period attributable to owners of the Company	<u><u>9,325</u></u>	<u><u>6,056</u></u>	54.0

1 (b) Consolidated statements of financial position (Unaudited)
As at first half year ended 31 December 2024

	Note	Group		Company	
		31-Dec-24 \$'000	30-Jun-24 \$'000	31-Dec-24 \$'000	30-Jun-24 \$'000
Non-current assets					
Property, plant and equipment	2(c)	40,116	34,243	–	–
Right-of-use assets	2(d)	5,877	5,839	–	–
Subsidiaries	2(e)	–	–	36,948	36,948
Intangible assets		6,314	6,783	–	–
Deferred tax assets		1,959	2,297	–	–
		<u>54,266</u>	<u>49,162</u>	<u>36,948</u>	<u>36,948</u>
Current assets					
Inventories	2(f)	35,771	29,900	–	–
Contract assets		5,820	10,041	–	–
Trade and other receivables	2(g)	9,921	11,720	1,571	1,552
Prepayments		2,869	1,521	81	27
Cash and fixed deposits	2(h)	41,394	42,076	8,568	9,360
		<u>95,775</u>	<u>95,258</u>	<u>10,220</u>	<u>10,939</u>
Total assets		<u>150,041</u>	<u>144,420</u>	<u>47,168</u>	<u>47,887</u>
Current liabilities					
Trade and other payables	2(i)	17,462	15,811	383	649
Contract liabilities		17,193	23,523	–	–
Provisions		7,698	7,120	–	–
Interest bearing loans and borrowings	2(j)	1,121	377	–	–
Deferred consideration	2(k)	96	94	–	–
Lease liabilities		271	280	–	–
Current tax payables		2,167	3,457	–	–
		<u>46,008</u>	<u>50,662</u>	<u>383</u>	<u>649</u>
Non-current liabilities					
Deferred tax liabilities		979	952	–	–
Interest bearing loans and borrowings	2(j)	5,639	3,266	–	–
Deferred consideration	2(k)	1,761	1,807	–	–
Lease liabilities		369	492	–	–
		<u>8,748</u>	<u>6,517</u>	<u>–</u>	<u>–</u>
Total liabilities		<u>54,756</u>	<u>57,179</u>	<u>383</u>	<u>649</u>
Capital and reserves					
Share capital	2(l)	43,580	43,136	43,580	43,136
Share-based compensation reserve		758	617	758	617
Foreign currency translation reserve		(3,069)	(4,831)	–	–
Accumulated profits		54,016	48,319	2,447	3,485
Total equity		<u>95,285</u>	<u>87,241</u>	<u>46,785</u>	<u>47,238</u>
Total equity and liabilities		<u>150,041</u>	<u>144,420</u>	<u>47,168</u>	<u>47,887</u>

1 (c) Consolidated statement of cash flows (Unaudited)
For the first half year ended 31 December 2024

	Note	Group	
		6-Month period	
		ended 31 December	
		2024	2023
		\$'000	\$'000
Cash flows from operating activities			
Profit after tax		7,563	6,928
Adjustments for:			
Depreciation of property, plant and equipment		2,576	2,462
Depreciation of right-of-use assets		296	332
Amortisation of intangible assets		56	57
Property, plant and equipment written off		–	1
Allowance made for inventories obsolescence, net		310	448
Interest income		(476)	(520)
Share-based payment expenses		141	94
Interest expense		207	59
Tax expense	2(b)	3,835	3,540
Unrealised foreign exchange loss		641	490
		<u>15,149</u>	<u>13,891</u>
Changes in:			
- Inventories		(5,112)	1,521
- Trade and other receivables		1,465	(6,725)
- Prepayments		(1,294)	(766)
- Contract assets		4,074	(2,260)
- Contract liabilities		(5,972)	2,101
- Trade and other payables		1,280	(935)
- Provisions		303	2,289
Cash generated from operations		<u>9,893</u>	<u>9,116</u>
Net income taxes paid		<u>(4,672)</u>	<u>(259)</u>
Net cash from operating activities		<u>5,221</u>	<u>8,857</u>
Cash flows from investing activities			
Interest received		475	520
Proceeds from longer fixed deposits		–	3,192
Restricted cash		(3,312)	–
Proceeds from other investment		–	989
Purchase of property, plant and equipment*		<u>(4,376)</u>	<u>(2,631)</u>
Net cash (used in)/from investing activities		<u>(7,213)</u>	<u>2,070</u>

* Included in additions to property, plant and machinery (see Note 2(c)) was the extension of factory in Malaysia amounting to \$3,063,000 (31 December 2023: \$444,000) of which \$3,029,000 (31 December 2023: \$377,000) was partially financed by the bank.

1 (c) Consolidated statement of cash flows (Unaudited) (cont'd)
For the first half year ended 31 December 2024

	Group	
	6-Month period	
	ended 31 December	
	2024	2023
	\$'000	\$'000
Cash flows from financing activities		
Interest paid	(168)	(44)
Interest paid on right-of-use assets	(39)	(15)
Dividend paid	(1,866)	(1,846)
Repayment of lease liabilities	(167)	(134)
Repayment of interest-bearing loans and borrowings	(129)	(422)
Proceeds from interest bearing loans and borrowings	82	–
Repayment of deferred consideration	(46)	(286)
Proceeds from issue of shares pursuant to share plans	444	–
Net cash used in financing activities	<u>(1,889)</u>	<u>(2,747)</u>
Net (decrease)/increase in cash and cash equivalents	(3,881)	8,180
Cash and cash equivalents at beginning of period	39,305	35,522
Effect of exchange rate changes on balances held in foreign currency	(115)	(860)
Cash and cash equivalents at end of period	2(h) <u>35,309</u>	<u>42,842</u>

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

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

1 (d) Consolidated statement of changes in equity (Unaudited)
For first half year ended 31 December 2023

Group	Share capital \$'000	Share-based compensation reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000
At 1 July 2023	43,136	381	(4,101)	29,707	69,123
Total comprehensive income for the period					
Profit for the period	–	–	–	6,928	6,928
Other comprehensive income					
Translation differences relating to financial statements of foreign subsidiaries	–	–	(872)	–	(872)
Total other comprehensive income	–	–	(872)	–	(872)
Total comprehensive income for the period	–	–	(872)	6,928	6,056
Transactions with owners, recorded directly in equity					
Share-based payments	–	94	–	–	94
Tax exempt (one-tier) dividends paid	–	–	–	(1,846)	(1,846)
Total transactions with owners	–	94	–	(1,846)	(1,752)
At 31 December 2023	43,136	475	(4,973)	34,789	73,427

2 (a) Profit before tax

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

	Group	
	6-Month period	
	ended 31 December	
Note	2024	2023
	\$'000	\$'000
Wages, salaries and other employee benefits	17,871	16,094
Contributions to defined contribution plans, included in wages, salaries and other employee benefits	1,059	920
Share-based payment expenses	141	94
Allowance made for inventories obsolescence, net	310	448
Property, plant and equipment written off	–	1
Depreciation of property, plant and equipment	2,576	2,462
Depreciation of right-of-use assets	296	332
Amortisation of intangible assets	56	57
Brokerage commission expenses	1,092	1,461
Provision for warranty claims	1,120	3,331
Auditors' remuneration:		
- auditors of the Company	193	162
- overseas affiliates of KPMG LLP	32	30
Non-audit fees paid to:		
- auditors of the Company	17	45
Short-term lease expenses	74	74
	<u>74</u>	<u>74</u>
Other income/(losses)		
Foreign exchange gain/(loss), net	217	(1,132)
Interest income from bank	476	520
Government grants*	–	134
Sundry income	40	44
Others	(14)	(9)
	<u>719</u>	<u>(443)</u>

* In FY2024, the Group recognised grant income amounting to \$134,000 from the US government for employee retention tax credit for COVID-19.

2 (b) Tax expense

	Group	
	6-Month period	
	ended 31 December	
	2024	2023
	\$'000	\$'000
Current tax expense	3,373	2,978
Deferred tax expense	462	562
Tax expense	<u>3,835</u>	<u>3,540</u>

2 (c) Property, plant and equipment

During the financial year, additions in property, plant and equipment were mainly due to capital expenditure incurred in relation to the purchase of property and equipment, the extension of factory in Malaysia coupled with on-going enhancements to overseas facilities as well as developing new products.

2 (d) Right-of-use assets

During the financial year, additions in ROUA were due to renewal of Singapore office lease.

2 (e) Subsidiaries

	Company	
	As at 31-Dec-24 \$'000	As at 30-Jun-24 \$'000
Equity investments at cost:		
- Unquoted ordinary shares, at cost	21,726	21,726
- Unquoted preference shares, at cost	15,222	15,222
Total	36,948	36,948

2 (f) Inventories

	Group	
	As at 31-Dec-24 \$'000	As at 30-Jun-24 \$'000
Raw materials and components	15,806	15,722
Allowance for inventories obsolescence	(2,832)	(2,406)
	12,974	13,316
Completed stock boats at net realisable value	15,226	10,439
Work-in-progress	7,571	6,145
Total	35,771	29,900

In FY2025, changes in raw materials and components, stock boats and work-in-progress included in cost of sales amounted to \$42,009,008 (FY2024: \$34,612,402).

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

2 (g) Trade and other receivables

	Group		Company	
	As at 31-Dec-24 \$'000	As at 30-Jun-24 \$'000	As at 31-Dec-24 \$'000	As at 30-Jun-24 \$'000
Trade receivables	9,737	11,564	-	-
Refundable deposits	184	156	-	-
Amounts due from subsidiaries (non-trade)	-	-	1,571	1,552
	9,921	11,720	1,571	1,552

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

2 (h) Cash and fixed deposits

	Group		Company	
	As at	As at	As at	As at
	31-Dec-24	30-Jun-24	31-Dec-24	30-Jun-24
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	13,502	4,478	468	160
Fixed deposits	27,892	37,598	8,100	9,200
Cash and fixed deposits in the statements of financial position	41,394	42,076	8,568	9,360
Fixed deposits with longer maturity	(1,360)	(1,358)	–	–
Restricted cash	(4,725)	(1,413)	–	–
Cash and cash equivalents in the statement of cash flows	35,309	39,305	8,568	9,360

Cash at banks earns interest at floating rates based on the daily bank deposits rates. Fixed deposits are placed for varying periods of between 7 to 180 days (30 June 2024: 4 to 365 days) and earn interest at rates averaging from 0.7% to 4.47% (30 June 2024: 2.38% to 6.00%) per annum.

2 (i) Trade and other payables

	Group		Company	
	As at	As at	As at	As at
	31-Dec-24	30-Jun-24	31-Dec-24	30-Jun-24
	\$'000	\$'000	\$'000	\$'000
Trade payables	3,612	5,053	–	–
Other payables	226	99	–	–
Advance from customers	4,157	750	–	–
Accrued operating expenses	9,467	9,909	383	649
	17,462	15,811	383	649

2 (j) Interest bearing loans and borrowings

	Group	
	As at	As at
	31-Dec-24	30-Jun-24
	\$'000	\$'000
Represented by:		
- Current	1,121	377
- Non-current	5,639	3,266
Total	6,760	3,643

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

	Currency	Nominal interest rate	Year of maturity	Group	
				As at	As at
				31-Dec-24	30-Jun-24
				\$'000	\$'000
Secured bank loan ⁽ⁱ⁾	MYR	5.20%	2025	28	57
Secured bank loan ⁽ⁱⁱ⁾	MYR	5.20%	2025-2033	5,087	1,926
Secured bank loan ⁽ⁱⁱⁱ⁾	MYR	5.20%	2025-2029	82	–
Secured bank loan ^(iv)	USD	5.25%	2025-2026	1,307	1,364
Secured bank loan ^(v)	USD	4.25%	2025-2027	256	296
				6,760	3,643

- (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 \$171,000 (30 June 2024: \$161,000). The travel lift is included in the Group's plant and machinery.
- (ii) An additional loan amount of \$3,029,000 (30 June 2024: \$1,926,000) denominated in Malaysian Ringgit was drawn during the year for the extension of factory 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 \$4,851,000 (30 June 2024: \$4,671,000). A corporate guarantee is also provided by the Company to the bank. The Company does not consider it probable that a claim will be made against the Company under the guarantee.
- (iii) During the year, the Group secured a new bank loan denominated in Malaysia Ringgit amounting to \$82,000 (30 June 2024: \$nil) for the acquisition of machineries. The bank loan is secured over the machineries located at the Group's manufacturing yard in Pasir Gudang, Johor, Malaysia which has a carrying amount of \$79,000 (30 June 2024: \$51,000).
- (iv) The bank loan is secured over freehold land of the Group's service yard in Florida, USA which has a carrying amount of \$3,892,000 (30 June 2024: \$3,902,000). 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, USA which has a carrying amount of \$163,000 (30 June 2024: \$239,000). The travel lift is included in the Group's plant and machinery.

2 (k) Deferred consideration

	Group	
	As at 31-Dec-24 \$'000	As at 30-Jun-24 \$'000
Secured promissory notes		
- Current	96	94
- Non-current	1,761	1,807
	<u>1,857</u>	<u>1,901</u>

On 15 December 2022, a subsidiary acquired land and building in USA and this was partially financed by the seller through a deferred payment scheme. The note is denominated in US dollars repayable over a period of 15 years commencing from July 2024 and is secured over the freehold land and building in USA with carrying value of \$2,563,000 (30 Jun 2024: \$2,568,000). The note bears a fixed interest rate of 4% and is repayable between years 2024 to 2039.

2 (l) Share capital

	As at 31-Dec-2024		As at 30-Jun-2024	
	Number of shares '000	\$'000	Number of shares '000	\$'000
Fully paid:				
Beginning and end of the period/year	186,585	43,580	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. The increase in share capital was due to employees exercising their share options during the year.

Capital management

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

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

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

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

Fair values of financial assets and financial liabilities

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

	Note	Amortised cost \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Fair value \$'000
Group					
31 December 2024					
Trade and other receivables	2(g)	9,921	–	9,921	9,921
Cash and fixed deposits	2(h)	41,394	–	41,394	41,394
		<u>51,315</u>	<u>–</u>	<u>51,315</u>	<u>51,9315</u>
Trade and other payables*	2(i)	–	11,185	11,185	11,185
Interest bearing loans and borrowings	2(j)	–	6,760	6,760	6,760
Deferred consideration	2(k)	–	1,857	1,857	1,857
		<u>–</u>	<u>19,802</u>	<u>19,802</u>	<u>19,802</u>
30 June 2024					
Trade and other receivables	2(g)	11,720	–	11,720	11,720
Cash and fixed deposits	2(h)	42,076	–	42,076	42,076
		<u>53,796</u>	<u>–</u>	<u>53,796</u>	<u>53,796</u>
Trade and other payables*	2(i)	–	11,611	11,611	11,611
Interest bearing loans and borrowings	2(j)	–	3,643	3,643	3,643
Deferred consideration	2(k)	–	3,901	3,901	3,901
		<u>–</u>	<u>17,155</u>	<u>17,155</u>	<u>17,155</u>

* Excludes advance from customers and employee benefits.

Interest-bearing loans and borrowings

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

Deferred consideration

The carrying value based on the 4% interest rate from the secured promissory notes represents the market rate.

Other financial assets and liabilities

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

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

3 Segment information

The Group engages predominantly in the manufacturing and sale of luxury yachts. The Group assessed its operating segment and determined that it has two operating and reporting segments which are the manufacturing & trading segment – comprising manufacturing and sale of yachts to end customers and others (being brokerage income, trade-in sales and service income).

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 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.

Reconciliation includes unallocated head office revenue, expenses, assets, liabilities and consolidation adjustments which are not directly attributable to a particular segment.

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

	← 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	50,429	57,779	16,771	7,228	–	–	–	–	67,200	65,007
Inter-segment revenue	4,636	4,238	7,640	2,689	1,500	1,505	(13,776)	(8,432)	–	–
Total revenue	55,065	62,017	24,411	9,917	1,500	1,505	(13,776)	(8,432)	67,200	65,007
Segment results*	22,830	17,004	4,175	3,213	830	1,073	(13,776)	(8,432)	14,059	12,858
Depreciation and amortisation	(2,930)	(2,851)	–	–	–	–	–	–	(2,930)	(2,851)
Interest income	476	520	–	–	–	–	–	–	476	520
Interest expenses	(207)	(59)	–	–	–	–	–	–	(207)	(59)
Profit/(loss) before tax	20,169	14,614	4,175	3,213	830	1,073	(13,776)	(8,432)	11,398	10,468
Income tax expense	(3,835)	(3,540)	–	–	–	–	–	–	(3,835)	(3,540)
Segment profit	16,334	11,074	4,175	3,213	830	1,073	(13,776)	(8,432)	7,563	6,928

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

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

	← Reconciliation →							
	Manufacturing and trading segment		Others		Corporate		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Other material non-cash items:</i>								
Allowance made for inventories obsolescence, net	(310)	(405)	–	(43)	–	–	(310)	(448)
Property, plant and equipment written off	–	–	–	(1)	–	–	–	(1)
Provisions for warranty claims	(1,120)	(3,331)	–	–	–	–	(1,120)	(3,331)
Assets and liabilities								
Segment assets	136,353	132,382	3,080	3,263	8,649	643	148,082	136,288
Tax assets	1,909	1,824	50	–	–	–	1,959	1,824
Segment liabilities	51,084	58,060	143	246	383	259	51,610	58,565
Tax liabilities	3,027	6,120	119	–	–	–	3,146	6,120
Capital expenditures	7,570	7,543	–	–	–	–	7,570	7,543

4. Disaggregation of revenue from contracts with customers

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

	Group	
	6-Month period ended 31 December	
	2024	2023
	\$'000	\$'000
Revenue from construction contracts	54,502	57,779
Revenue from boat brokerage*	2,733	3,432
Rendering of services	3,588	3,695
Sales of trade-in boats	6,229	–
Sales of parts	148	101
	<u>67,200</u>	<u>65,007</u>

Timing of revenue recognition

	Group	
	6-Month period ended 31 December	
	2024	2023
	\$'000	\$'000
Transferred at a point in time	12,698	7,228
Transferred over time	54,502	57,779
	<u>67,200</u>	<u>65,007</u>

Revenue contributed by primary geographical markets:

	Group	
	6-Month period ended 31 December	
	2024	2023
	\$'000	\$'000
United States of America	49,239	45,711
Europe	1,044	3,909
Australia	13,179	14,479
Asia	3,738	908
	<u>67,200</u>	<u>65,007</u>

(*) The related brokerage costs included in selling and marketing expenses amounted to \$1,092,000 (31 December 2023: \$1,461,000)

5. Corporate information

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

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

The financial statements of the Group as at and for the six months ended 31 December 2024 comprise the Company and its subsidiaries.

6. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last financial statements for the year ended 30 June 2024.

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

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

7. Audit

The figures have not been audited or reviewed by auditors.

8. Auditors' report

Not applicable.

9. 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 2024:

- *Amendments to SFRS(I) 1-1 : Classification of Liabilities as Current or Non-current;*
- *Amendments to SFRS(I) 1-1 : Non-current Liabilities with Covenants;*
- *Amendments to SFRS(I) 16 : Lease Liability in a Sale and Leaseback;*
- *Amendments to SFRS(I) 1-17 and SFRS(I) 7 : Supplier Finance Arrangements.*

Other than the adoption of the amendments to SFRS(I)s as mentioned above, there are no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 30 June 2024.

10. New accounting standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following amendments to SFRS(I) are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *Amendments to SFRS(I) 1-21: Lack of Exchangeability.*

The adoption of the above amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the period ended 31 December 2024. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

11. Earnings per ordinary share

	<u>Group</u>	
	6-Month period ended 31 December	
	2024	2023
Earnings per ordinary share for the financial period based on net profit attributable to shareholders:		
- On weighted average number of ordinary shares in issue (cents)	<u>4.05</u>	<u>3.75</u>
- On a fully diluted basis (cents)	<u>3.96</u>	<u>3.71</u>

12. Net asset value per ordinary share

	<u>Group</u>		<u>Company</u>	
	As at 31-Dec-24	As at 30-Jun-24	As at 31-Dec-24	As at 30-Jun-24
Net asset value (for the issuer and group) per ordinary share based on issued share capital of the insurer at the end of the:				
(a) Current period reported on; and				
(b) Immediately preceding financial year				
- Net asset value per ordinary share based on existing issued share capital at the end of the respective financial period/year (cents)	<u>51.07</u>	<u>47.25</u>	<u>25.07</u>	<u>25.58</u>

Other Information:

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

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

Revenue

Revenue for the six-month period ended 31 December 2024 ("1H FY2025") increased 3.4% to \$67.2 million from \$65.0 million for the same period ended 31 December 2023 ("1H FY2024"), primarily due to the sales of two trade-in boats and its high level of boat-building activities at its facility in Pasir Gudang, Johor, Malaysia.

Gross profit

However, gross profit for 1H FY2025 decreased to \$21.7 million from \$23.6 million in 1H FY2024 and gross profit margin decreased to 32.4% in 1H FY2025. This was due to a higher proportion of lower-margin trade-in-boats during the period under review.

Other income/(losses)

Other income in 1H FY2025 arose mainly from foreign exchange gains while other losses in 1H FY2024 arose mainly from foreign exchange losses.

Operating expenses

Total operating expenses decreased to \$10.8 million for 1H FY2025 from \$12.7 million for 1H FY2024, mainly due to lower goodwill warranty and sales commission expenses, partially offset by higher payroll costs and depreciation expenses.

The increase in finance costs in 1H FY2025 was due to the interest costs of a new loan to finance the new factory expansion in Malaysia as well as the cost of a bank guarantee given to a customer.

Taxation

Tax expenses in 1H FY2025 and 1H FY2024 were due to the profits of certain subsidiary companies in the Group.

Profit

As a result of the above, the Group recorded an increase of 9.2% in net profit after tax of \$7.6 million in 1H FY2025, an increase from 1H FY2024 net profit after tax of \$6.9 million.

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

Review of Cash Flows

The Group registered cash flows generated from operating activities of \$5.2 million for 1H FY2025, compared to \$8.9 million for 1H FY2024. The positive cash flows generated in 1H FY2025 were mainly due to the profit during the period under review, a decrease in trade receivables and contract assets as well as increases in trade payables, partially offset by higher inventories, prepayments and taxes paid as well as a decrease in contract liabilities. The increase in inventories was due to a higher number of inventory boats held. The increase in payables was due to the higher advances from customers.

Cash flows used in investing activities amounted to \$7.2 million in 1H FY2025, the result of the extension of the Malaysian factory, development of new toolings, building improvements and purchase of equipment as well as placement of funds for a bank guarantee given to a buyer (restricted cash). In comparison, cash flows generated from investing activities of \$2.1 million in 1H FY2024 were due to proceeds from matured longer- term fixed deposits partially offset by the extension of the Malaysian factory, development of new toolings, purchase of equipment and improvement of existing buildings in Malaysia and the USA.

Repayments of borrowings and payment of dividends resulted in negative cash flows used for financing activities of \$1.9 million in 1H FY2025 and \$2.7 million in 1H FY2024. Proceeds from the exercise of share options partially mitigated the negative cash flows in 1H FY2025. The Group's borrowings were used to partially finance its acquisition of the USA properties in FY2023 as well as improvements of its USA properties, extension of the Malaysian factory and purchase of equipment.

As a result of the above, cash and cash equivalents (excluding restricted cash) declined to \$35.3 million as at 31 December 2024 from \$42.8 million as at 31 December 2023. Borrowings increased to \$8.6 million as at 31 December 2024 from \$5.5 million as at 30 June 2024, due to the borrowings to finance the extension of factory.

Review of Financial Position

Non-current assets increased to \$54.3 million as at 31 December 2024, compared to \$49.2 million as at 30 June 2024 due to increase in property, plant and equipment, principally from the expansion of the new factory in Malaysia. Current assets increased marginally to \$95.8 million as at 31 December 2024 from \$95.3 million as at 30 June 2024, mainly due to higher inventories and prepayments, offset by lower contract assets, receivables and cash and cash equivalent.

Total liabilities decreased to \$54.8 million as at 31 December 2024 from \$57.2 million as at 30 June 2024, mainly due to lower contract liabilities and current tax payables, offset by higher trade payables and long-term borrowings.

Contract liabilities of \$17.2 million (customer deposits and instalment payments) contributed to the cash and fixed deposits of \$41.4 million as at 31 December 2024.

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

Not applicable.

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

The Group recorded eleven new boat orders, comprising eight build-to-order and three trade-in-boats, in 1H FY2025, compared to eleven new orders in 1H FY2024. Net order book as at 31 December 2024 was \$109.8 million, compared to \$120.0 million as at 30 June 2024.

On the outlook, the Group remains confident about the long-term potential of the luxury yacht market. The Group expects to maintain a healthy sales pipeline and order book to buffer against macroeconomic challenges, higher operating costs and potential supply chain disruptions due to geopolitical tensions.

In November 2024, the Group opened a new office in San Diego, California, USA, as part of its expansion into the West Coast of the USA. The new office will further strengthen its sales and service operations and deepen the Group's foothold within the USA, its main market. The Group continues to be on the look-out for opportunities in the USA to expand its presence in its biggest market.

Meanwhile, the Group is finalising the extension of its factory in Malaysia, adding approximately 25% more usable floor space, increasing production capacity, accelerating boat-building activities and facilitating the construction of bigger, sleeker, more fuel-efficient yacht models.

16. Dividend

a) Current Financial Period Reported on

Any distribution declared for the current period?

Yes.

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

b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period?

Yes.

Name of Dividend	Interim Dividend (paid on 27 March 2024)
Dividend Type	Cash
Dividend Amount per Share (in Singapore cent)	0.5 cent per ordinary share
Tax Rate	One-Tier Tax-Exempt

c) Date of Payment

Thursday, 27 March 2025.

d) Books Closure Date

5.00 p.m. Friday, 14 March 2025.

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

Not applicable.

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

No IPT mandate has been obtained from shareholders.

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

The Board of Directors of the Company hereby confirms to the best of its knowledge that nothing has come to its attention which may render the financial statements for the first half year ended 31 December 2024 to be false or misleading in any material respect.

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

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

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

Not applicable.

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

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

By Order of the Board
GRAND BANKS YACHTS LIMITED

Chiam Heng Huat
Chief Financial Officer
Date: 12 February 2025