



Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Grand Banks Yachts Limited

Stock code: G50

Meeting details:

Date: 23 October 2026

Time: 10.00 a.m.

Venue: Goodwood Park Hotel (Tudor Ballroom – Level 1), 22 Scotts Road, Singapore 228221

Q1. While revenue rose 6.7% to \$173.2 million, gross profit margin declined from 29.9% to 27.8%. Net profit after tax fell by more than 26% to \$13.4 million. Total operating expenses increased by 24%, significantly faster than revenue, reflecting higher headcount and payroll, depreciation, financing costs, brokers' commissions and marketing expenses. Operating cash flow declined to a net outflow of \$0.5 million, compared to an inflow of \$31.2 million last year.

The net order book stands at \$136.4 million.

- (i) How is management evaluating underlying end-market demand across North America and Europe amid elevated global interest rates and macroeconomic uncertainty? What strategies are being deployed to accelerate net order intake without resorting to price discounting or margin-eroding sales incentives?**
- (ii) With the major investment phase largely complete, what specific operational bottleneck resolutions and capacity utilisation milestones does the board expect to achieve in FY2027 and FY2028?**
- (iii) When does management anticipate gross profit margins returning to 30%+ or higher levels on a full-year basis?**

Q2. The group has spent the past two years significantly expanding its manufacturing capabilities, product range, US waterfront footprint and European presence. Non-current assets increased from \$49.2 million in FY2024 to \$110.6 million in FY2026, with the carrying value of property, plant and equipment increasing from \$34.2 million to \$96.8 million over the same period.

Management has indicated that the major investment programme is now largely complete. The increase in non-current assets appears to have been driven substantially by investments in the United States.

Geographical segments

Geographical segment information is analysed by the principal geographical locations of the customers where the yachts are sold. See Note 20 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 20. The non-current assets, primarily the manufacturing and service facilities are located in the following geographical locations:

	Group	
	2026 \$'000	2025 \$'000
Malaysia	36,941	29,561
United States of America	53,293	44,151
Australia	18,357	7,042
Others	716	51
	109,307	80,805

(Source: company annual report; emphasis added)

- (i) **Can management quantify the increase in manufacturing capacity at the Pasir Gudang facility, including the additional production capacity, capabilities and infrastructure added? How has the board assessed whether the investment has materially improved capacity, production efficiency and labour productivity, and what further investment, if any, is still required at the manufacturing facility?** The carrying value of non-current assets in Malaysia stands at approximately \$36.9 million, compared with \$46.9 million of manufacturing facilities disclosed in FY2024¹.
- (ii) **The group's waterfront footprint expansion in the United States includes a marina in Newport, Rhode Island, waterfront apartments and an owners' club. How have these US assets performed since acquisition, and what financial and operating KPIs is the board using to assess whether the expansion is generating an adequate return on the capital invested?**
- (iii) **The group acquired the 100-foot Supermaxi, Palm Beach XI, for \$12.1 million, including upgrades and modifications. What valuation and investment criteria did the board apply when approving the purchase, and what financial return or economic benefit was required to justify allocating \$12.1 million to the yacht?**

¹ The 2024 annual report states the following: The non-current assets, primarily the manufacturing facilities of \$46,865,000 (2023: \$42,944,000) are substantially located in Malaysia (2023: Malaysia).

Q3. At the annual general meeting, the company is seeking shareholder approval for, among other matters, the proposed adoption of the Grand Banks Performance Share Plan 2026 (PSP 2026), Grand Banks Employee Share Option Scheme 2026 (ESOS 2026), proposed grant of options at a discount under the Grand Banks ESOS 2026, and the proposed ratification of grant of options in respect of 200,000 shares under the Grand Banks Employee Share Option Scheme 2014 to Mr. Gerard Lim Ewe Keng.

The circular to shareholders dated 30 September 2026 provides further details on the proposed resolutions:

https://links.sgx.com/FileOpen/Appendix_to_GBY_Annual_Report_2026.ashx?App=Announcement&FileID=905463

- (i) Can the board explain the strong need/impetus, if any, for allowing independent directors to participate in the ESOS 2026, particularly where options may be granted at a discount of up to 20% and the remuneration committee, comprising these same independent directors, is responsible for administering the scheme?**
- (ii) Have any independent directors indicated that they do not intend to participate in the ESOS 2026? Did the remuneration committee consider whether participation by independent directors is appropriate as a matter of principle, given the potential perception of a conflict between receiving equity incentives and maintaining independent oversight?**

In addition, the company has disclosed that it inadvertently failed to obtain the requisite independent shareholder approval before granting 200,000 options at an exercise price of \$0.228 to Mr Gerard Lim Ewe Keng in 2015 under the ESOS 2014. The company is now seeking shareholders' ratification of that grant.

Mr Gerard Lim Ewe Keng was regarded as an associate of the controlling shareholder.

- (iii) Can the board and the company secretary explain specifically how the failure to obtain the requisite independent shareholder approval occurred? Was the director himself unaware of the need for approval by independent shareholders when he accepted and subsequently exercised the options?**
- (iv) Following this realisation, what improvements have been made to the company's internal processes for ESOS 2026 and PSP 2026 to prevent a similar failure, including the roles of the company secretary, remuneration committee, board and external advisers? Has the board independently assessed whether its existing governance processes and directors' understanding of the relevant SGX requirements are sufficiently robust?**
- (v) If independent shareholders do not approve the ratification, what are the legal, financial and accounting consequences for the company, the directors and the recipient of the options?**



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