

**GRAND BANKS YACHTS LIMITED**  
**2016 ANNUAL GENERAL MEETING**  
**RIGHT ON COURSE**



An aerial photograph of a white and dark blue yacht moving across the ocean. The yacht is leaving a large, white wake behind it. The water is a deep blue-green color. In the top right corner, there is a white box with a dark blue border containing the text "GRAND BANKS YACHTS AT A GLANCE".

## GRAND BANKS YACHTS AT A GLANCE



## ABOUT GRAND BANKS YACHTS

Founded in 1956, Singapore-based Grand Banks Yachts Limited is a global brand well known for its vast experience in manufacturing and selling luxury motor yachts. It was listed on SGX in 1987 and upgraded to the Main Board in 1993.

In August 2014, Grand Banks completed its first acquisition of Palm Beach Motor Yacht Co Pty Ltd ("Palm Beach"), a manufacturer of luxury yachts with a reputation for impeccable quality that combines cutting-edge technology and modern designs. Palm Beach has its manufacturing facility at Berkeley Vale, Sydney, Australia, and builds yachts ranging between 42 feet to 65 feet.

# RECENT HIGHLIGHTS

**AUG 2016**

- Announced FY2016 net profit of S\$2.0 million

**MAY 2016**

- Announced 3Q16 results; Order book reaches seven-year high of S\$40.0 million

**APR 2016**

- Renewed lease of Pasir Gudang Yard (until Oct 2052)
- Showcased new Palm Beach 42 at Singapore Yacht Show 2016

**APR 2015**

- Achieved six-year high net order book for S\$31.6 million

**AUG 2014**

- Completed acquisition of Palm Beach Motor Yachts; Mark Richards appointed as CEO of enlarged Group

# NEW YACHT MODELS



Grand Banks 50



Grand Banks 60



Eastbay 44



Palm Beach 42

# PRODUCTION FACILITIES

PASIR GUDANG,  
JOHOR,  
MALAYSIA

BERKELEY VALE,  
SYDNEY,  
AUSTRALIA

- With Australia facility operating at full capacity, production of Palm Beach boats have been scaled up by fulfilling excess orders at Malaysia yard
- Stopped obsolete manufacturing techniques and streamlined operational efficiencies
- Based on current resources (including manpower), both yards will be running at close to maximum efficiency by the end of FY2017
- Sped up production through automation and concurrent production techniques
- Overhauled Malaysia yard – redesigned layout and upgraded amenities
- Extended lease of 300,000 square feet Pasir Gudang yard to 29 October 2052

# SALES AND DISTRIBUTION

- Dedicated factory-direct sales team has yielded success:
  - Team of independent brokers allows Grand Banks to forge closer relationships with existing and potential customers
  - Affords Grand Banks more control over revenue
  - Retain bulk of the commission traditionally paid to third-party dealers
  - Resulted in record net order book:
    - Rose to seven-year high in March 2016
    - S\$34.1 million as at 30 June 2016



# FY2016 FINANCIAL HIGHLIGHTS



# FY2016 FINANCIAL HIGHLIGHTS

## INCOME STATEMENT

S\$ ('000)	4Q2016	4Q2015	Change (%)	FY2016	FY2015	Change (%)
Revenue	15,978	13,675	16.8	58,667	39,190	49.7
Gross Profit	1,528	536	185.1	10,197	3,873	163.3
Gross Profit Margin (%)	9.6	3.9	5.7 ppt	17.4	9.9	7.5 ppt
Total Operating Expenses	(2,163)	(2,519)	(14.1)	(9,038)	(8,609)	5.0
Profit/(Loss) Before Tax	(1,011)	(2,427)	(58.3)	1,268	(4,538)	N.M.
Tax Credit/(Expense)	1,018	(16)	N.M.	702	(261)	N.M.
Net Profit/(Loss)	7	(2,443)	N.M.	1,970	(4,799)	N.M.
Earnings/(Loss) Per Share (cents)	1.07 as at 30 Jun 2016			(2.62) as at 30 Jun 2015		

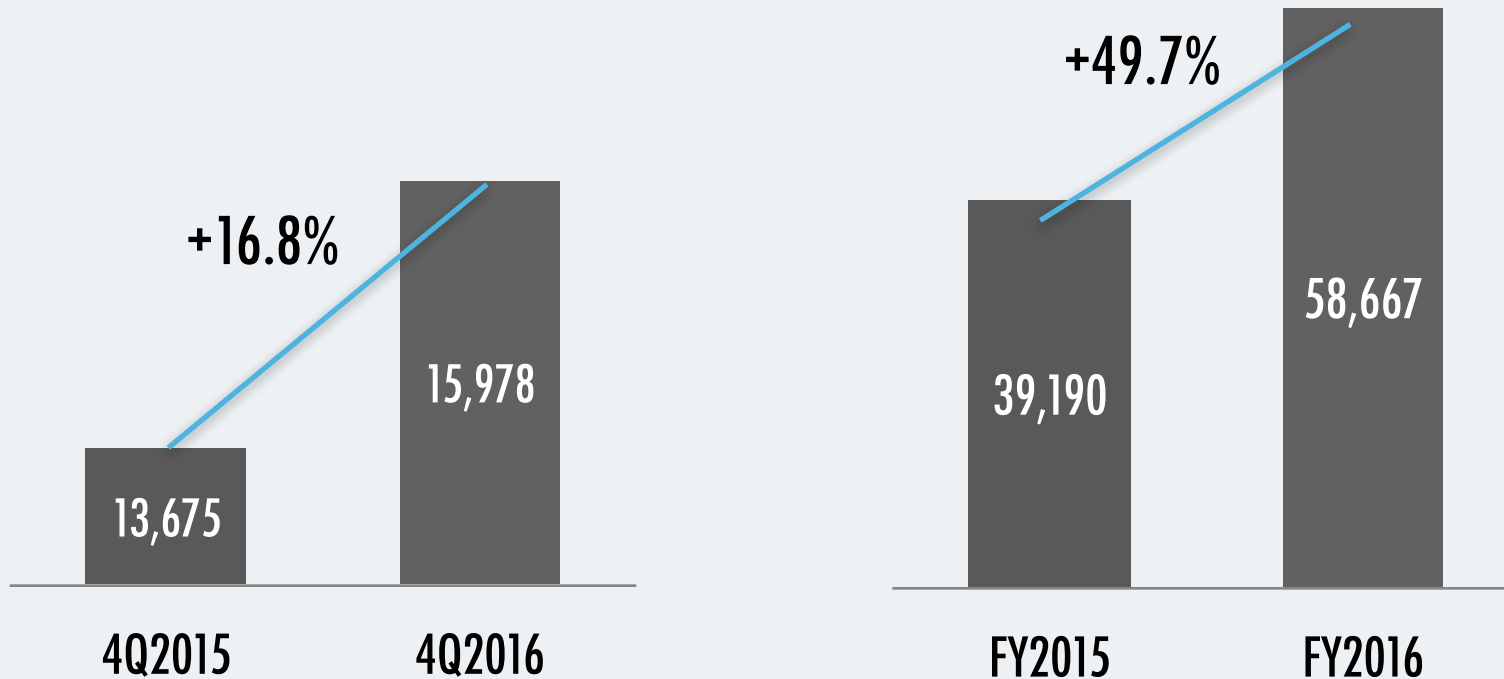
# FY2016 FINANCIAL HIGHLIGHTS

## BALANCE SHEET

S\$ ('000)	30 Jun 16	30 Jun 15	Change (%)
Total Assets	65,090	62,247	4.6
Total Liabilities	19,615	17,444	12.4
Total Equity	45,475	44,803	1.5
Cash and Cash Equivalents	16,350	21,701	(24.7)
Net Asset Value Per Share (cents)	24.71	24.34	1.5

# FY2016 FINANCIAL HIGHLIGHTS

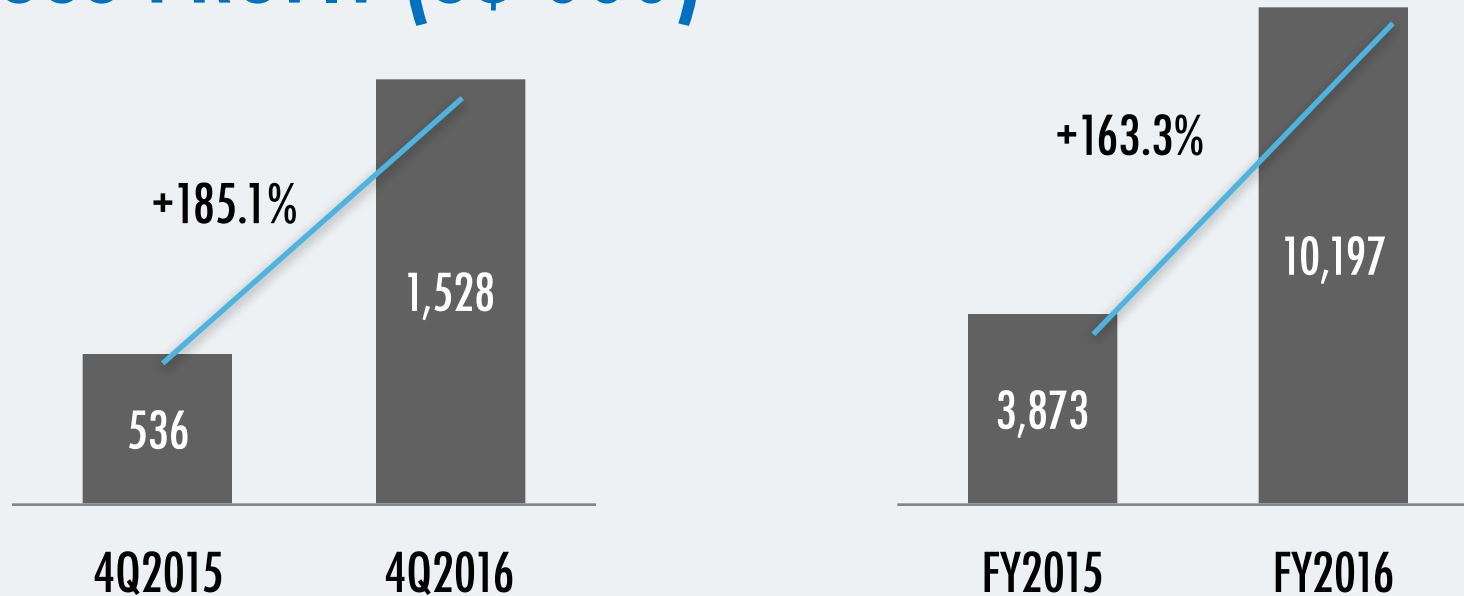
## REVENUE (S\$'000)



- The higher revenue was a result of more yachts achieving construction milestones, receipt of orders, and the sale of inventory yachts

# FY2016 FINANCIAL HIGHLIGHTS

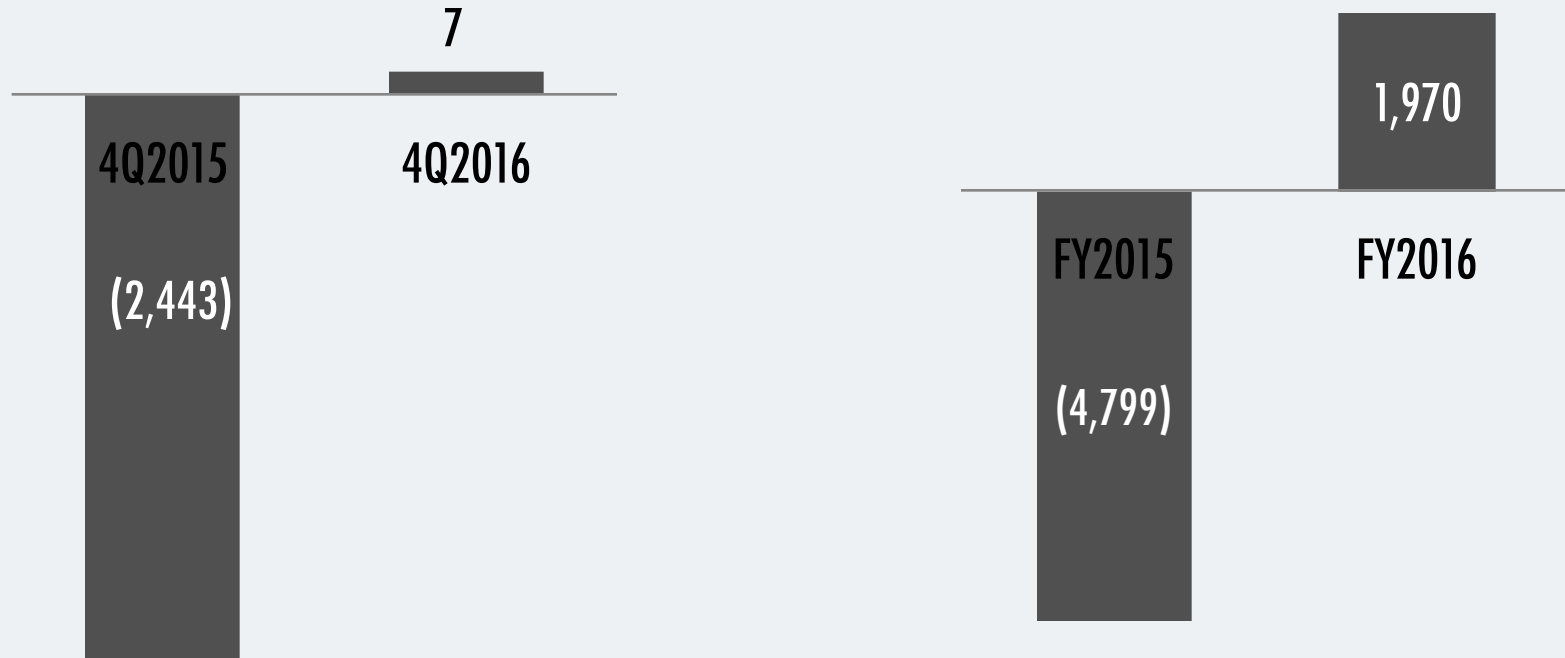
## GROSS PROFIT (S\$'000)



- 4Q2016 vs 4Q2015: GPM increased to 9.6% from 3.9%
- FY2016 vs FY2015: GPM increased to 17.4% from 9.9%
- Higher margins were a result of initiatives undertaken to integrate both brands:
  - Streamlining internal and operational efficiencies
  - Adoption of factory-direct sales model
  - Increased marketing efforts
  - Enhancement of manufacturing processes

# FY2016 FINANCIAL HIGHLIGHTS

## NET PROFIT (S\$'000)

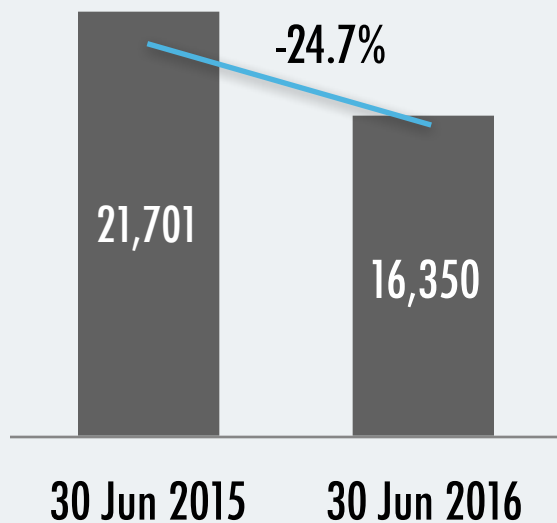


- Net profit of S\$2.0 million represents the Group's highest net profit in eight years

# FY2016 FINANCIAL HIGHLIGHTS

## CASH POSITION

### Cash and Cash Equivalents (S\$'000)



S\$ ('000)	30 Jun 16	30 Jun 15
Cash and cash equivalents per statement of cash flows	16,214	16,754
Restricted Cash	-	4,800
Deposits Pledged	136	147
Cash and cash equivalents per statement of financial position	16,350	21,701

- Cash and cash equivalents decreased despite strong cash flow from operations due to the Group's investment to develop new yacht models, and payment of the lease extension



## STOCK DATA & OUTLOOK

# STOCK DATA

Basic Share Data	As at 24 Oct 2016
Share Price	S\$0.240
No. of Issued Shares	184,034,649
Market Capitalisation	~ S\$44.2M



# OUTLOOK

- The Group has laid a strong foundation from the integration and is well-positioned for growth
- Extension of the lease at the Pasir Gudang facility until 2052 provides a stable base of operations for the foreseeable future
- Based on current resources (including manpower), both yards will be running at close to maximum efficiency by the end of FY2017
- The launch of new boat models in FY2017 in tandem with the factory-direct sales model bodes well for the Group
- Participation in the U.S. fall 2016 boat show circuit is expected to increase profile of its brands



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