

**GRAND BANKS YACHTS LIMITED**

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Grand Banks Yachts Reports Record Sales Orders in 2Q FY2019; Net Order Book Rises to S\$42.8 Million

As at 31 December S\$'000	2Q FY2019	2Q FY2018 <i>Restated</i>	Change (%)	1H FY2019	1H FY2018 <i>Restated</i>	Change (%)
Revenue	17,296	19,883	(13.0)	38,906	44,073	(11.7)
Gross Profit	4,423	5,068	(12.7)	9,995	9,738	2.6
Total Operating Expenses	(3,935)	(4,187)	(6.0)	(7,850)	(7,570)	3.7
Profit Before Tax	268	987	(72.8)	1,556	2,216	(29.8)
Net Profit	84	988	(91.5)	1,230	2,263	(45.6)

SINGAPORE, 13 February 2019 – Singapore Exchange Mainboard-listed **Grand Banks Yachts Limited** (“Grand Banks” or “the Group”) posted today a net profit for the quarter and six months ended 31 December 2018, during which it landed 12 new boat orders that lifted its net order book to S\$42.8 million.

The luxury yacht builder reported revenue of S\$38.9 million for the six months ended 31 December 2018 (“1H FY2019”), a decrease of S\$5.2 million from S\$44.1 million a year ago (restated for comparative purposes), primarily due to boats in production reaching maturity and fewer trade-in boat sales. The Group’s restated results for the corresponding periods in FY2018 reflect its retrospective adoption of the Singapore Financial Reporting Standards International, whereby revenue is progressively recognised on a cost-to-cost basis.

Despite lower revenues, gross profit rose 2.6% to S\$10.0 million in 1H FY2019 from S\$9.7 million the previous year, while gross profit margin increased to 25.7% from 22.1% over the comparative periods. This was due to increased production efficiency and fewer trade-in boat sales.

The Group’s operating expenses for 1H FY2019 increased to S\$7.9 million from a restated S\$7.6 million the previous year. This was due mainly to higher advertising, professional fees and payroll costs.

Reflecting the maturing production cycle, net profit for 2Q FY2019 declined to S\$0.1 million from S\$1.0 million a year ago, on revenue of S\$17.3 million (2Q FY2018: S\$19.9 million). The Group recorded a tax expense during the quarter due to tax expense of a profitable subsidiary, without which its 2Q FY2019 profit would have been S\$0.3 million.

The Group saw a record-breaking number of sales orders this quarter, having secured 12 new boat orders, including three flagship GB60s, and clocking a net order book of S\$42.8 million as at 31 December 2018, compared to S\$38.3 million a year ago and S\$20.5 million from last quarter.

Earnings per share decreased to 0.05 cent in 2Q FY2019 from 0.54 cent in 2Q FY2018 while net asset value per share was 30.27 cents as at 31 December 2018 compared to 26.05 cents a year ago. The Group ended the financial period with cash and cash equivalents of S\$13.3 million including proceeds from the financing of three inventory boats, compared to S\$8.4 million as at 30 June 2018.

The Group's award-winning products were met with positive reception at the U.S. boat show season during the period in review. Grand Banks showcased its yachts at major events in Annapolis and Fort Lauderdale, and hosted an open house at its U.S. headquarters in the Stuart Yacht Corporation during the December 2018 holidays.

The Group has continually improved operation efficiency at its yard in Pasir Gudang, Malaysia, where it has increased useable covered space and implemented robotics to accelerate the design and prototyping of new boats.

Mr. Mark Richards, Chief Executive Officer of Grand Banks, said, "Our team has been hard at work over the past six months to expand our yacht portfolio and deliver new products to our global customer base. We will continue to improve our production yards to achieve even better output while striving to keep costs low. We are very thankful to our customers for all their support."

Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said: "I would like to congratulate Mark and the team for the record-breaking number of sales orders during the quarter which speaks well of the acceptance of our boats in the market place."

End of Release

About Grand Banks Yachts Limited

With a renowned legacy that dates back to 1956, Singapore-based Grand Banks Yachts Limited is a global brand well known for its vast experience in manufacturing and selling luxury motor yachts. The Grand Banks brand is recognized across the globe for superior quality and craftsmanship which created one of the most acclaimed and highly sought-after yachts in the market today. The Group's manufacturing facility is located in Pasir Gudang in Malaysia. Grand Banks was listed on the SGX in 1987 and upgraded to the Main Board in 1993.

In 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.

For more information, visit: www.grandbanks.com; www.pbmotoryachts.com

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