

GRAND BANKS YACHTS LIMITED

(Registration No.: 197601189E)



GRAND BANKS.

Fourth Quarter And Full Year Unaudited Financial Statements for the Year Ended 30 June 2018

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT (UNAUDITED) - in SGD

	Group			Group		
	3-Month Period Ended	3-Month Period Ended		12-Month Period Ended	12-Month Period Ended	
	30-Jun-18 S'000	30-Jun-17 S'000	Inc / (Dec) %	30-Jun-18 S'000	30-Jun-17 S'000	Inc/(Dec) %
Revenue	17,991	19,901	(9.6)	83,492	58,701	42.2
Cost of sales	(11,096)	(16,165)	(31.4)	(62,424)	(48,173)	29.6
Gross Profit	6,895	3,736	84.6	21,068	10,528	100.1
Selling and marketing expenses	(2,496)	(1,456)	71.4	(9,861)	(5,393)	82.8
Administrative expenses	(1,431)	(835)	71.4	(4,755)	(3,912)	21.5
Other operating expenses	(159)	(216)	(26.4)	(680)	(576)	18.1
Total operating expenses	(4,086)	(2,507)	63.0	(15,296)	(9,881)	54.8
Profit from operations	2,809	1,229	128.6	5,772	647	792.1
Other non-operating (expense)/income, net	(66)	894	(107.4)	291	428	(32.0)
Finance costs	(44)	(37)	18.9	(161)	(145)	11.0
Profit before tax	2,699	2,086	29.4	5,902	930	534.6
Tax credit/(expense)	3,542	(1,074)	(429.8)	3,561	(409)	N.m
Net profit for the period	6,241	1,012	516.7	9,463	521	N.m

N.m - Percentage Computation not meaningful

Additional information to the income statement:

	Group			Group		
	3-Month Period Ended 30-Jun-18 \$'000	3-Month Period Ended 30-Jun-17 \$'000	Inc/(Dec) %	12-Month Period Ended 30-Jun-18 \$'000	12-Month Period Ended 30-Jun-17 \$'000	Inc/(Dec) %
Allowance of inventory obsolescence	(693)	(90)	670.0	(821)	(144)	470.1
Depreciation of property, plant and equipment	(1,434)	(926)	54.9	(3,953)	(2,914)	35.7
Amortisation of intangible assets	(33)	(34)	(2.9)	(134)	(136)	(1.5)
Foreign exchange (loss)/gain, net	(296)	777	(138.1)	(63)	93	(167.7)
Fair valuation loss on quoted debt securities held-for-trading	-	-	N.m	-	(2)	(100.0)
Interest income included in other non-operating income	9	14	(35.7)	39	75	(48.0)
Property, plant and equipment written off	(67)	-	N.m	(135)	(1)	N.m
Tax:						
- current tax expense	(202)	(287)	(29.6)	(355)	(421)	(15.7)
- deferred tax credit/(expense)	3,744	(787)	(575.7)	3,916	12	N.m

N.m - Percentage / Computation not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) - in SGD

	Group			Group		
	3-Month Period Ended 30-Jun-18 \$'000	3-Month Period Ended 30-Jun-17 \$'000	Inc/(Dec) %	12-Month Period Ended 30-Jun-18 \$'000	12-Month Period Ended 30-Jun-17 \$'000	Inc/(Dec) %
Net profit for the period	6,241	1,012	516.7	9,463	521	N.m
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Net currency translation differences of financial statements of foreign subsidiaries	362	(140)	(358.6)	1,345	(863)	(255.9)
Total Comprehensive Income for the period	<u>6,603</u>	<u>872</u>	<u>657.2</u>	<u>10,808</u>	<u>(342)</u>	<u>N.m</u>

N.m - Percentage / Computation not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION (UNAUDITED) - in SGD

	Group		Company	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	29,960	21,073	—	—
Subsidiaries	—	—	37,904	40,101
Goodwill	6,757	7,109	—	—
Intangible assets	1,619	1,840	—	—
Deferred tax assets	5,024	1,203	—	—
	<u>43,360</u>	<u>31,225</u>	<u>37,904</u>	<u>40,101</u>
Current assets				
Inventories	22,295	16,172	—	—
Trade and other receivables	6,901	2,968	6,095	2,527
Prepayments	1,254	1,112	20	14
Current tax recoverable	1	144	—	—
Cash and cash equivalents	8,437	15,871	73	96
	<u>38,888</u>	<u>36,267</u>	<u>6,188</u>	<u>2,637</u>
Total assets	<u>82,248</u>	<u>67,492</u>	<u>44,092</u>	<u>42,738</u>
Current liabilities				
Trade and other payables	17,700	17,184	412	320
Provision for warranty claims	2,070	1,169	—	—
Interest bearing loans and borrowings (i)	433	393	—	—
Deferred consideration (i)	582	—	—	—
Current tax payables	212	252	—	—
	<u>20,997</u>	<u>18,998</u>	<u>412</u>	<u>320</u>
Non-current liabilities				
Deferred tax liabilities	669	936	—	—
Interest bearing loans and borrowings (i)	2,037	2,343	—	—
Deferred consideration (i)	2,511	—	—	—
	<u>5,217</u>	<u>3,279</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>26,214</u>	<u>22,277</u>	<u>412</u>	<u>320</u>
Capital and reserves				
Share capital	43,045	43,045	43,045	43,045
Share-based compensation reserve	370	359	370	359
Accumulated profits/(losses)	38,688	29,388	265	(986)
Foreign currency translation reserve	(26,069)	(27,577)	—	—
Total equity	<u>56,034</u>	<u>45,215</u>	<u>43,680</u>	<u>42,418</u>
Total equity and liabilities	<u>82,248</u>	<u>67,492</u>	<u>44,092</u>	<u>42,738</u>

(i) Refer to 1(b)(ii) below.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	30-Jun-2018	30-Jun-2017
	\$'000	\$'000
Interest bearing loans and borrowings - short-term	433	393
Deferred consideration - short-term	582	—
Interest bearing loans and borrowings - long-term	2,037	2,343
Deferred consideration - long-term	2,511	—
	<u>5,563</u>	<u>2,736</u>

Group's borrowings as at 30 June 2018 were S\$5.56 million (30 June 2017 : S\$2.74 million) for the partial financing of the renewal consideration for the lease extension of the Group's manufacturing yard in Pasir Gudang, Johor, Malaysia and the partial financing of the acquisition of Stuart Yacht Corporation (SYC) in May 2018.

Detail of any collateral

The Group's borrowings are secured by charge on the lease of the Group's manufacturing yard in Pasir Gudang, Johor, Malaysia, corporate guarantee by the Company and charge on the shares of SYC.

- 1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) - in SGD

	Group		Group	
	3-Month Period Ended 30-Jun-18 S'000	3-Month Period Ended 30-Jun-17 S'000	12-Month Period Ended 30-Jun-18 S'000	12-Month Period Ended 30-Jun-17 S'000
Operating activities				
Profit/(Loss) after taxation	6,241	1,012	9,463	521
<i>Adjustments for:-</i>				
Depreciation of property, plant and equipment	1,434	926	3,953	2,914
Amortisation of intangible assets	33	34	134	136
Transfer of property, plant and equipment	125	—	125	—
Property, plant and equipment written off	67	—	135	1
Allowance made for slow moving materials	693	90	821	144
Allowance of slow moving materials written off	(233)	—	(233)	—
Interest income	(9)	(14)	(39)	(75)
Interest expense	44	37	161	145
Provision for warranty claims	559	380	1,778	946
Fair valuation loss on quoted debt securities held-for-trading	—	—	—	2
Equity-settled share based expense	3	—	11	36
Tax (credit)/expense	(3,542)	1,074	(3,561)	409
Unrealised foreign exchange gain	(482)	(584)	(217)	(304)
	<u>4,933</u>	<u>2,955</u>	<u>12,531</u>	<u>4,875</u>
<i>Changes in working capital:</i>				
(Increase)/Decrease in inventories	(4,711)	(1,134)	(6,331)	(4,379)
(Increase)/Decrease in trade and other receivables	193	1,112	(3,390)	1,686
Decrease/(Increase) in prepayments	505	988	(97)	317
Increase in trade and other payables	376	3,040	326	4,174
Net cash from operations	<u>1,296</u>	<u>6,961</u>	<u>3,039</u>	<u>6,673</u>
Net income tax paid	(281)	(45)	(244)	(656)
Warranty claims paid	(470)	(235)	(960)	(906)
Cash flows from operating activities	<u>545</u>	<u>6,681</u>	<u>1,835</u>	<u>5,111</u>
Investing activities				
Interest received	9	12	39	68
Proceeds from matured debt securities held-for-trading	—	—	—	300
Acquisition of a subsidiary	(1,119)	—	(1,250)	—
Purchase of property, plant and equipment	(2,837)	(1,624)	(7,669)	(5,572)
Cash flows used in investing activities	<u>(3,947)</u>	<u>(1,612)</u>	<u>(8,880)</u>	<u>(5,204)</u>
Financing activities				
Repayment of hire purchase liability	—	—	—	(20)
Interest paid	(43)	(35)	(157)	(141)
Proceeds from issue of shares	—	—	—	46
Repayment of interest bearing loans and borrowings (i)	(51)	(96)	(360)	(698)
Cash flows used in financing activities	<u>(94)</u>	<u>(131)</u>	<u>(517)</u>	<u>(813)</u>
Net (decrease)/increased in cash and cash equivalents	<u>(3,496)</u>	<u>4,938</u>	<u>(7,562)</u>	<u>(906)</u>
Cash and cash equivalents at beginning of period	11,185	10,439	15,741	16,214
Effect of exchange rate changes on balances held in foreign currency	616	364	126	433
Cash and cash equivalents at end of period (ii)	<u>8,305</u>	<u>15,741</u>	<u>8,305</u>	<u>15,741</u>

- (i) The repayment of loan relates to the Group's borrowings for the partial financing of the renewal consideration for the lease extension of the Group's manufacturing yard in Pasir Gudang, Johor, Malaysia.

	<u>30-Jun-18</u>	<u>30-Jun-17</u>
(ii) Cash and cash equivalents per statement of cash flows (S\$'000)	8,305	15,741
Deposits pledged (S\$'000)	132	130
Cash and cash equivalents per the statements of financial position (S\$'000)	<u>8,437</u>	<u>15,871</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY (UNAUDITED) - in SGD

Group	Share capital S'000	Share-based compensation reserve S'000	Foreign currency translation reserve S'000	Accumulated profits/(loss) S'000	Total S'000
At 1-Jul-2016	42,999	323	(26,714)	28,867	45,475
Total comprehensive income for the year					
Profit for the year	–	–	–	521	521
<i>Other comprehensive income</i>					
Translation differences relating to financial statements of foreign subsidiaries	–	–	(863)	–	(863)
Total other comprehensive income	–	–	(863)	–	(863)
Total comprehensive income for the year	–	–	(863)	521	(342)
Transactions with owners, recorded directly in equity					
Issue of new shares	46	–	–	–	46
Equity-settled performance shares	–	36	–	–	36
At 30-Jun-2017	43,045	359	(27,577)	29,388	45,215
At 1-Jul-2017	43,045	359	(27,577)	29,388	45,215
Total comprehensive income for the year					
Profit for the year	–	–	–	9,463	9,463
<i>Other comprehensive income</i>					
Translation differences relating to financial statements of foreign subsidiaries	–	–	1,345	–	1,345
Total other comprehensive income	–	–	1,345	–	1,345
Total comprehensive income for the year	–	–	1,345	9,463	10,808
Transactions with owners, recorded directly in equity					
Other translation differences	–	–	129	(129)	–
Equity-settled performance shares	–	11	–	–	11
Reversal of effect of winding up of subsidiary in previous year	–	–	34	(34)	–
At 30-Jun-2018	43,045	370	(26,069)	38,688	56,034
Company	Share capital S'000	Share-based compensation reserve S'000	Accumulated profit/(loss) S'000	Total S'000	
At 1-Jul-2016	42,999	323	(2,290)	41,032	
Total comprehensive income for the year					
Profit for the year	–	–	1,304	1,304	
Total comprehensive income for the year	–	–	1,304	1,304	
Transactions with owners, recorded directly in equity					
Issue of new shares	46	–	–	46	
Equity-settled performance shares	–	36	–	36	
At 30-Jun-2017	43,045	359	(986)	42,418	
At 1-Jul-2017	43,045	359	(986)	42,418	
Total comprehensive income for the year					
Profit for the year	–	–	1,251	1,251	
Total comprehensive income for the year	–	–	1,251	1,251	
Transactions with owners, recorded directly in equity					
Equity-settled performance shares	–	11	–	11	
At 30-Jun-2018	43,045	370	265	43,680	

- 1(d) (ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes to the Company's share capital during the three months ended 30 June 2018 (30 June 2017: No change).

There are no outstanding convertibles as at the end of the current financial year reported on and as at the end of the corresponding period of immediately preceding financial year.

- 1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.**

The Company did not hold any treasury shares as at 30 June 2018 and 30 June 2017. The Company's share capital consists of 184,234,649 ordinary shares as at 30 June 2018 (30 June 2017: 184,234,649 ordinary shares).

- 1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Company did not have any treasury shares during the period under review.

- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period, as those of the most recent audited financial statements for the financial year ended 30 June 2017.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of the new/amended FRS which became effective from 1 July 2017 does not have any significant impact on the financial statements.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend.

	3-Month Period Ended 30-Jun-18	3-Month Period Ended 30-Jun-17	12-Month Period Ended 30-Jun-18	12-Month Period Ended 30-Jun-17
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)	3.39	0.55	5.14	0.28
- on a fully diluted basis (cents)	3.37	0.55	5.11	0.28

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :-

(a) Current period reported on; and

(b) Immediately preceding financial year.

	Group		Company	
	Jun-18	Jun-17	Jun-18	Jun-17
Net asset value per ordinary share based on existing issued share capital at the end of the respective financial period/year (cents)	30.41	24.54	23.71	23.02

8. **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 quarter ended 30 June 2018 ("4Q FY2018") decreased 9.6% to S\$18.0 million from S\$19.9 million for the quarter ended 30 June 2017 ("4Q FY2017") primarily due to reduced trade-in boat sales, which was recognised in 4Q FY2017.

Revenue for the full year ended 30 June 2018 ("FY2018") amounted to S\$83.5 million, an increase of 42.2% from a year ago ("FY2017"). Compared to FY2017, revenue in FY2018 grew year-on-year due to higher sales of completed and delivered boats, an increased number of large boats (compared to small boats) under construction, more inventory boat sales (5 vs. 2) and larger number of trade-in boat sales (6 vs. 3).

Gross profit

Gross profit for 4Q FY2018 increased 84.6% to S\$6.9 million from S\$3.7 million in 4Q FY2017, while gross profit margin rose to 38.3% from 18.8% over the comparative periods. The higher margins were due to better pricing, larger number of bigger boats (compared to small boats), greater efficiency resulting in time and cost savings at the Pasir Gudang yard following streamlined operations and new automation, as well as the reversals of certain provisions which were no longer required.

For FY2018, gross profit increased to S\$21.1 million from S\$10.5 million in FY2017, while gross profit margin improved to 25.2% from 17.9% over the comparative periods for the same reasons as in 4Q FY2018. There were also more higher-margin boats – namely, bigger boats – in FY2018 as compared to FY2017. In addition, sale commission was reclassified from cost of sales to selling expenses in FY2018.

Operating expenses

Total operating expenses – which include costs relating to boat shows, sales and marketing, as well as salaries and commission expenses – increased to S\$4.1 million for 4Q FY2018 from S\$2.5 million for 4Q FY2017, due mainly to higher costs incurred for boat shows, advertising, professional fees and payroll as the Group scaled up its marketing efforts, as well as higher broker commissions. Other non-operating expense stemmed from foreign exchange losses in 4Q FY2018. Other non-operating income in 4Q FY2017 was from foreign exchange gains.

Total operating expenses for FY2018 increased to S\$15.3 million from S\$9.9 million in FY2017, due mainly to higher broker commissions as well as expenses for boat shows, advertising, professional fees and payroll. Finance costs in both FY2018 and FY2017 were due to bank borrowings to finance part of the lease renewal consideration of its manufacturing yard in Pasir Gudang, Johor, Malaysia. In addition, the finance costs in FY2018 also included borrowing costs to finance part of the purchase of Stuart Yacht Corporation in the U.S.

Taxation

The tax credit in 4Q FY2018 and FY2018 was due to the recognition of deferred tax assets from unutilised tax losses and capital allowances of two subsidiaries. It is probable that sufficient taxable profits will be available in the foreseeable future which would allow the subsidiaries to utilise the tax benefits to offset their tax expenses.

Profit

As a result of the higher gross profit and tax credit, the Group achieved a net profit of S\$6.2 million in 4Q FY2018, an increase from S\$1.0 million in 4Q FY2017.

The Group achieved a net profit of S\$9.5 million for FY2018, an eighteen-fold increase from S\$0.5 million in FY2017.

- 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 had cash flow from operations of S\$0.5 million for 4Q FY2018 compared to S\$6.7 million for 4Q FY2017. This was mainly due to the higher net profit and offset by increase in inventories. The increase in inventories was due to a higher number of stock boats in production, in preparation for the start of the U.S. boatshow season.

Cash flows used in investing activities amounted to S\$3.9 million for 4Q FY2018 mainly due to the acquisition of Stuart Yacht Corporation in the U.S. which owns a boat yard, investment in new yacht moulds and factory improvements to the Pasir Gudang facility to increase covered usable space as well as to provide a more conducive working environment. In comparison, cash flows used in investing activities were S\$1.6 million for 4Q FY2017, mainly due to investment in new yacht models and factory improvement.

Cash flows used in financing activities were S\$0.1 million in 4Q FY2018, similar to 4Q FY2017. The Group financed part of the lease renewal consideration in FY2016 with bank borrowings and partially financed its acquisition of the U.S. boat yard in 4Q FY2018 with borrowings, resulting in the aforementioned finance costs.

As a result of the above, cash and cash equivalents decreased to S\$8.4 million as at 30 June 2018 from S\$11.3 million as at 31 March 2018.

On a full-year basis, cash flow from operations decreased to S\$1.8 million in FY2018 from S\$5.1 million in FY2017, primarily due to higher net profit, which was partially offset by increase in inventories and receivables. The increase in inventories was due to higher recorded works-in-progress as a result of higher production activities, partially reduced by three fewer stock and trade-in boats. The increase in receivables was due to progress payments not settled at year end by buyers, which were substantially received in July and August 2018.

Cash flows used in investing activities for FY2018 amounted to S\$8.9 million due to the development of new yacht models, the improvements at the Pasir Gudang facility and the purchase of the U.S. boat yard. In comparison, cash flows used in investing activities in FY2017 were S\$5.2 million due to the development of new yacht models and factory improvements at Pasir Gudang.

Cash flows used in financing activities for FY2018 and FY2017 came to S\$0.5 million and S\$0.8 million, respectively, due to the finance costs and installment-based repayment of borrowings used to extend the lease of the Pasir Gudang facility in FY2016 and to partially finance the acquisition of the U.S. boat yard in May 2018.

Cash and cash equivalents decreased to S\$8.4 million as at 30 June 2018 from S\$15.9 million as at 30 June 2017 due to the acquisition of the U.S. boat yard, the investment in new yacht models and the improvement of the Pasir Gudang facility.

Review of Financial Position

Non-current assets increased to S\$43.4 million as at 30 June 2018 from S\$31.2 million as at 30 June 2017. This was due primarily to the purchase of the U.S. boat yard, the investment in new yacht moulds and in factory improvements at the Pasir Gudang facility, as well as the increase in deferred tax assets. Current assets increased to S\$38.9 million as at 30 June 2018 from S\$36.3 million as at 30 June 2017, mainly due to increased inventories and receivables, partially offset by lower cash and cash equivalents.

Total liabilities increased to S\$26.2 million as at 30 June 2018 from S\$22.3 million as at 30 June 2017, mainly due to increase in warranty provisions and increased in borrowings to finance the acquisition of the boat yard in the U.S.

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

Not applicable.

10. 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 period in review marks the Group's third consecutive year of profitability. Four years after the acquisition of Palm Beach Motor Yacht Co Pty Ltd, the Group has established itself as a leading luxury yacht builder under the leadership of Chief Executive Officer Mark Richards, reflecting the success of its restructuring efforts, factory-direct sales model and synergies between both of its award-winning boat brands.

Apart from stronger sales, the Group's performance was underpinned by higher margins from enhanced production capabilities at its yard in Pasir Gudang, Malaysia. The redevelopment of the 380,000-square feet yard has been a key investment for the Group in recent years; the resulting improvements in manufacturing automation and usable covered space have enabled the Group to build and deliver higher numbers of yachts without compromising on quality.

The Group is currently consolidating its presence in the U.S., which is one of the world's strongest markets and home to a significant number of customers. Going forward, the newly acquired boat yard in Florida will serve as the Group's U.S. headquarters and service facility. The 12-berth, 12,000-square feet premises replaced some of the Group's rental facilities and berths, and doubles as a private dock and exhibition venue. The Group will progressively upgrade the premises to expand its suite of commissioning and maintenance services for its customers in the U.S.

The Group plans to raise its brands' profiles and boost buyer demand by continually marketing its products at yachting events around the world, including but not limited to the upcoming Newport, Fort Lauderdale and Southampton boat shows. It is currently expanding its line of award-winning yachts with a new long-range cruiser, the Grand Banks 52, which incorporates the design principles and manufacturing techniques used to build the flagship Grand Banks 60. The Group expects to unveil the Grand Banks 52 in FY2019.

The Group received 22 orders in FY2018 (compared to 19 in FY2017), which brought its net order book to a healthy S\$32.8 million as at 30 June 2018.

11. Dividend

a) Current Financial Period Reported on

Any distribution declared for the current period? Yes

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Amount per Share (in Singapore cents)	0.5 cents
Tax Rate	One-Tier Tax Exempt

b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the current period? No

Name of Dividend	-
Dividend Type	-
Dividend Amount per Share (in Singapore cents)	-
Tax Rate	-

(c) Date of Payment

To be announced later.

(d) Books closure date

To be announced later.

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

Not applicable.

13. 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 for IPT.

Mr. Mark Jonathon Richards, the Group's Chief Executive Officer, owns the manufacturing facility at Berkeley Vale, Sydney, Australia. This facility is leased to PBMV, one of the Group's subsidiary companies. For the period from 1 April 2018 through 30 June 2018, the monthly rental amount paid by PBMV for use of the manufacturing facility was approximately S\$23,000. The transaction has been reviewed by the Risk Management & Audit Committee ("RMAC") of the Company, and the RMAC is of the view that the terms of the transaction is on normal commercial terms, and is not prejudicial to the interest of the Company and its minority shareholders.

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

Not applicable for announcement of full year financial statements.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Revenue contribution by sales regions is shown below:

	Group		Group	
	12-Month Year Ended 30-Jun-18 S'000	% of Total Revenue	12-Month Year Ended 30-Jun-17 S'000	% of Total Revenue
USA	63,028	75.5	40,346	68.7
Australia	18,757	22.5	18,355	31.3
Asia	1,707	2.0	–	–
Total Revenue	83,492	100.0	58,701	100.0

17. A breakdown of revenue:

	Group		
	12-Month Year Ended 30-Jun-18 S'000	12-Month Year Ended 30-Jun-17 S'000	Change %
(a) Revenue reported for the first half of the financial year	41,665	25,608	62.7
(b) Profit reported for the first half of the financial year	1,296	618	109.7
(c) Revenue reported for the second half of the financial year	41,827	33,093	26.4
(d) Profit/(Loss) reported for the second half of the financial year	8,167	(97)	N.m

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	FY2018 S'000	FY2017 S'000
Ordinary	921	Nil
Preference	–	Nil
Total	921	Nil

N.m - Percentage / Computation not meaningful

19. Report of persons 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 shareholder of the Company.

20. 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.

21. 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
29 August 2018