



GRAND BANKS YACHTS LIMITED

(Company Reg. No.: 197601189E)
274 Upper Bukit Timah Road #03-16
Singapore 588213

SGX-Listed Grand Banks Yachts Posts Second Consecutive Year of Profit of S\$0.5 Million for FY2017

- **Positive cash flow for FY2017; S\$5.1 million cash flow from operations**
- **Grand Banks 60 – first collaboration between Grand Banks and Palm Beach design teams – to make U.S debut at Newport International Boat Show**
- **Net order book of S\$36.8 million as at 30 June 2017**

SINGAPORE, 28 August 2017 – SGX Mainboard-listed luxury yacht maker **Grand Banks Yachts Limited** (“**Grand Banks**” or “**the Group**”) announced today that it recorded a net profit after tax of S\$0.5 million for the financial year ended 30 June 2017 (“FY2017”), representing its second consecutive profitable year.

The builder of the Grand Banks and Palm Beach brands launched three new models in the past two years including its flagship Grand Banks 60, which was first unveiled at Australia’s Sanctuary Cove International Boat Show in May 2017. The Grand Banks 60, which already has five orders of which three have been delivered, will make its U.S. debut at the Newport International Boat Show in September 2017.

The lower net profit compared to the S\$2.0 million recorded in FY2016 was due mainly to higher selling and marketing expenses and the swing from a tax credit in FY2016 to a tax expense in FY2017. Gross profit amounted to S\$10.5 million in FY2017, slightly higher than the S\$10.2 million a year ago, while gross profit margin edged up to 17.9% from 17.4% over the comparative periods.

Revenue amounted to S\$58.7 million, unchanged from a year earlier. FY2017 revenue was impacted by the longer than expected delivery time for the first Grand Banks 60 yacht.

The Group remained cash flow positive, generating net cash of S\$5.1 million from operations in FY2017. This was lower than the S\$6.5 million in FY2016, primarily due to the smaller net profit. Cash and cash equivalents came to S\$15.9 million as at 30 June 2017 compared to S\$16.4 million a year ago due to the investment in new yacht moulds and in factory enhancement initiatives at its Pasir Gudang yard.

For FY2017, the Group received 19 new boats orders, which brought its net order book to S\$36.8 million as at 30 June 2017. Earnings per share for FY2017 amounted to 0.28 Singapore cent compared to 1.07 Singapore cents in FY2016, while net asset value per share was 24.54 Singapore cents as at 30 June 2017 compared to 24.71 Singapore cents a year ago.

For the quarter ended 30 June 2017 (“4Q FY2017”) the Group posted a net profit of S\$1.0 million, up sharply from S\$7,000 a year ago (“4Q FY2016”). The bottom-line improvement reflects the integration efforts of both brands.

Gross profit rose 144.5% to S\$3.7 million from S\$1.5 million in 4Q FY2017, lifting gross profit margin to 18.8% from 9.6% over the comparative periods. The higher margins were due to increased revenue from boats built at the Pasir Gudang yard in 4Q FY2017, as well as the absence of a provision for raw materials of approximately S\$1.0 million recorded in 4Q FY2016.

Revenue for 4Q FY2017 rose 24.6% to S\$19.9 million from S\$16.0 million in 4Q FY2016 lifted by more yachts achieving construction milestones for revenue recognition as well as the sale of two trade-in boats.

Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said: "FY2017 marks a significant milestone after several years of restructuring and development of an exciting new product pipeline. Our new GB60 has undergone vigorous industry-standard tests successfully while maintaining the brand loyalty woven around the Grand Banks legacy. A stunning and attractive motor-yacht which will be actively showcased worldwide, the GB60 will help reposition Grand Banks as a contemporary leading provider of dependable performance motor-yachts. The management and Grand Banks team have shown resolve, creativity and determination in their quest for this remarkable achievement."

Mr. Mark Richards, Chief Executive Officer of Grand Banks, said: "FY2017 has been significant on many fronts. Apart from being my third year with Grand Banks, our new flagship GB60 is now in true production. We have also enhanced our manufacturing capabilities through factory improvements and robotics, implemented a new ERP system and strengthened our key management team. We enter FY2018 on a strong foundation and I am very proud of what the whole team has achieved."

In seeking to further raise the profile of its two brands, the Group will launch new models and continue to market its yachts at leading boat shows.

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 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.

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

Grand Banks Yachts Limited contact:

Chiam Heng Huat,
Chief Financial Officer
274 Upper Bukit Timah Road #03-16 Singapore 588213
Tel: (65) 6545-2929
Chiam Heng Huat: hhchiam@grandbanks.com

Investor/Media Relations contact:

WeR1 Consultants Pte Ltd
3 Phillip Street #12-01, Royal Group Building
Singapore 048693
Tel: (65) 6737-4844
Ian Lau, ianlau@wer1.net