

**GRAND BANKS YACHTS LIMITED**

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SGX-Listed Grand Banks Yachts Doubles 1H FY2018 Net Profit To S\$1.3 Million

As at 31 December S\$'000	2Q FY2018	2Q FY2017	Change (%)	1H FY2018	1H FY2017	Change (%)
Revenue	20,347	12,576	61.8	41,665	25,608	62.7
Gross Profit	3,872	2,629	47.3	7,538	4,887	54.2
Total Operating Expenses	(3,302)	(2,435)	35.6	(6,337)	(4,840)	30.9
Profit Before Tax	676	82	724.4	1,249	120	940.8
Net Profit	677	417	62.4	1,296	618	109.7

SINGAPORE, 8 February 2018 – Grand Banks Yachts Limited (“Grand Banks” or the “Group”) today announced its net profit has surged 109.7% to S\$1.3 million for the six months ended 31 December 2017 (“1H FY2018”) from S\$0.6 million a year ago (“1H FY2017”), propelled by improved utilisation rates and production processes at its Pasir Gudang yard.

The Singapore Exchange Mainboard-listed yacht builder said its fully revamped yard – which features new automation and streamlined operations – contributed to more yachts achieving construction milestones for revenue recognition in 1H FY2018. Coupled with the sale of seven inventory boats, of which four were trade-in boats, the Group generated S\$41.7 million revenue in 1H FY2018, 62.7% higher than the S\$25.6 million in 1H FY2017.

Gross profit grew 54.2% to S\$7.5 million in 1H FY2018 from S\$4.9 million in 1H FY2017. Gross profit margin decreased slightly to 18.1% from 19.1% over the comparative periods due to a product mix with more trade-in boats, which typically have lower margins.

For the three months ended 31 December 2017 (“2Q FY2018”), the Group’s revenue rose 61.8% to S\$20.3 million from S\$12.6 million a year ago (“2Q FY2017”). In line with the higher revenue, gross profit increased to S\$3.9 million from S\$2.6 million, reflecting gross profit margins of 19.0% and 20.9%, respectively.

Grand Banks achieved a S\$0.7 million net profit for 2Q FY2018, its third consecutive profitable quarter, which was 62.4% higher than the S\$0.4 million recorded in 2Q FY2017. It received seven new boat orders in 2Q FY2018 or 15 orders in 1H FY2018, bringing its net order book to S\$38.3 million as at 31 December 2017.

Earnings per share increased to 0.37 Singapore cent for 2Q FY2018 from 0.23 Singapore cent for 2Q FY2017. Net asset value amounted to 25.52 Singapore cents as at 31 December 2017, up from 24.54 Singapore cents as at 30 June 2017. The Group ended the quarter with cash and cash equivalents of S\$10.0 million.

Mr Mark Richards, Chief Executive Officer of Grand Banks, said: “The improvement in our top and bottom line reflects our enhanced production capabilities and strong demand for the Grand Banks and Palm Beach brands. We are on track to delivering more boats this year and will build on this momentum to accelerate our growth.”

Mr Heine Askaer-Jensen, Chairman of Grand Banks, said: "Our financial performance validates the execution capabilities of Mark and his team while underscoring Grand Banks' commitment to enhancing shareholder value. We expect to continue to grow our order book leveraging on the success of our new boat designs."

End of Release

About Grand Banks Yachts Limited

Grand Banks, a renowned manufacturer of luxury recreational motor yachts for 60 years, has designed and developed vessels that have become icons among boaters across the globe. While staying true to this heritage, Grand Banks continues to defy the expectations of yachtsmen with its timeless style, unique innovation and unyielding commitment to quality.

The Group manufactures yachts under the Grand Banks, Eastbay and Palm Beach brands out of its manufacturing yards at Pasir Gudang, Johor, Malaysia, and Berkeley Vale, Sydney, Australia. The yachts, which range between 42 feet and 70 feet, have a reputation for impeccable quality that delivers an unrivalled performance.

Grand Banks was listed on the Singapore Exchange Limited ("SGX") in 1987 and upgraded to the Main Board in 1993.

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

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