

GRAND BANKS YACHTS LIMITED

(Registration No: 197601189E)



GRAND BANKS.

Fourth Quarter And Full Year Unaudited Financial Statements for the Year Ended 30 June 2012

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 30-Jun-12 \$'000	3-Month Period Ended 30-Jun-11 \$'000	Inc / (Dec) %	12-Month Period Ended 30-Jun-12 \$'000	12-Month Period Ended 30-Jun-11 \$'000	Inc / (Dec) %
Revenue	11,469	6,562	74.8	32,759	28,083	16.7
Cost of sales	(8,976)	(5,877)	52.7	(29,675)	(25,780)	15.1
Gross Profit	2,493	685	263.9	3,084	2,303	33.9
Selling and marketing expenses	(1,181)	(1,210)	(2.4)	(4,724)	(5,065)	(6.7)
Administrative expenses	(803)	(1,250)	(35.8)	(3,479)	(4,728)	(26.4)
Other operating expense, net	(3,524)	(119)	2,861.3	(4,205)	(364)	1,055.2
Total operating expenses	(5,508)	(2,579)	113.6	(12,408)	(10,157)	22.2
Loss from operations	(3,015)	(1,894)	59.2	(9,324)	(7,854)	18.7
Other non-operating income/(expense), net	57	184	(69.0)	721	(96)	(851.0)
Loss before taxation	(2,958)	(1,710)	73.0	(8,603)	(7,950)	8.2
Income tax (expense)/credit	(2,594)	196	(1,423.5)	(2,616)	211	(1,339.8)
Net loss for the period	(5,552)	(1,514)	266.7	(11,219)	(7,739)	45.0

CONSOLIDATED PRO FORMA ANALYSIS (UNAUDITED) - in SGD

Net loss for the period	(5,552)	(1,514)	(11,219)	(7,739)
Add back exceptional non-cash charges	5,974	0	5,974	0
Pro Forma net profit/(loss) for the period excluding exceptional non-cash charges	422	(1,514)	(5,245)	(7,739)

Notes : For the 3-month & 12-month period, the total exceptional non-cash charges are comprised of the following:-

- Other operating expenses, net				
- Asset impairment	2,205	0	2,205	0
- Provision for doubtful debts	1,196	0	1,196	0
- Deferred tax written off	2,573	0	2,573	0
Total exceptional non-cash charges	5,974	0	5,974	0

Additional information to the income statement:

	Group		Group	
	3-Month Period Ended 30-Jun-12 \$'000	3-Month Period Ended 30-Jun-11 \$'000	12-Month Period Ended 30-Jun-12 \$'000	12-Month Period Ended 30-Jun-11 \$'000
		Change %		Change %
Reversal of allowance/(allowance) made for slow-moving materials	3	(12)	(268)	(110)
Reversal of allowance/(allowance) made for obsolescence on finished goods	62	(284)	200	(284)
Allowance made for doubtful debts	(1,196)	-	(1,196)	-
Depreciation of property, plant and equipment	(733)	(775)	(3,541)	(3,208)
Amortisation of intangibles	(14)	(14)	(57)	(59)
Foreign exchange gain/(loss)	(52)	131	343	(362)
(Loss)/Gain on disposal of property, plant and equipment	-	(1)	-	34
Fair valuation gain/(loss) on quoted debt securities held-for-trading	(1)	(3)	1	(35)
Impairment loss on intangible assets and property, plant and equipment included in other operating expenses, net	(2,205)	-	(2,205)	-
Interest income included in other non-operating income, net	94	39	319	180
Property, plant and equipment written off	(67)	(64)	(67)	(67)
Taxation:				
- deferred tax expense	(2,573)	-	(2,573)	-
- current tax	(21)	196	(43)	211

N.m - Percentage / Computation not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) - in SGD

	Group		Change %	Group		Change %
	3-Month Period Ended 30-Jun-12 \$'000	3-Month Period Ended 30-Jun-11 \$'000		12-Month Period Ended 30-Jun-12 \$'000	12-Month Period Ended 30-Jun-11 \$'000	
Net loss for the period	(5,552)	(1,514)	266.7	(11,219)	(7,739)	45.0
Net currency translation differences of financial statements of foreign subsidiaries	(690)	(865)	(20.2)	(460)	(2,151)	(78.6)
Total Comprehensive Income for the period	<u>(6,242)</u>	<u>(2,379)</u>	162.4	<u>(11,679)</u>	<u>(9,890)</u>	18.1

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-12	30-Jun-11	30-Jun-12	30-Jun-11
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	8,352	12,856	–	–
Subsidiaries	–	–	19,000	19,000
Intangible assets	–	155	–	–
Deferred tax assets	–	2,573	–	–
	<u>8,352</u>	<u>15,584</u>	<u>19,000</u>	<u>19,000</u>
Current assets				
Inventories	13,461	21,648	–	–
Trade and other receivables	218	1,844	38	380
Prepayments	865	743	1	1
Current tax recoverable	47	39	–	–
Investment held-for-trading	1,077	1,076	818	817
Cash and cash equivalents	22,561	18,161	6,307	6,554
	<u>38,229</u>	<u>43,511</u>	<u>7,164</u>	<u>7,752</u>
Total assets	<u>46,581</u>	<u>59,095</u>	<u>26,164</u>	<u>26,752</u>
Current liabilities				
Trade and other payables	6,995	7,643	377	298
Provision for warranty claims	1,448	1,509	–	–
Current tax payables	63	17	–	1
	<u>8,506</u>	<u>9,169</u>	<u>377</u>	<u>299</u>
Non-current liabilities				
Other payables	–	195	–	–
Total liabilities	<u>8,506</u>	<u>9,364</u>	<u>377</u>	<u>299</u>
Capital and reserves				
Share capital	23,823	23,761	23,823	23,761
Share-based compensation reserve	87	126	87	126
Accumulated profits	35,849	47,068	1,877	2,566
Foreign currency translation reserve	(21,684)	(21,224)	–	–
Total equity	<u>38,075</u>	<u>49,731</u>	<u>25,787</u>	<u>26,453</u>
Total equity and liabilities	<u>46,581</u>	<u>59,095</u>	<u>26,164</u>	<u>26,752</u>

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

Not applicable.

Detail of any collateral

Not applicable.

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-12 S'000	3-Month Period Ended 30-Jun-11 S'000	12-Month Year Ended 30-Jun-12 S'000	12-Month Year Ended 30-Jun-11 S'000
Operating activities				
Loss before taxation	(2,958)	(1,710)	(8,603)	(7,950)
<i>Adjustments for:-</i>				
Depreciation of property, plant and equipment	733	775	3,541	3,208
Amortisation of intangible assets	14	14	57	59
Allowance for doubtful debts	1,196	-	1,196	-
Loss/(Gain) on disposal of property, plant and equipment	-	1	-	(34)
Impairment loss on property, plant and equipment	2,109	-	2,109	-
Property, plant and equipment written off	67	64	67	67
Impairment of intangible assets	96	-	96	-
Interest income	(94)	(39)	(319)	(180)
Provision for warranty claims	218	273	616	1,139
Fair valuation (gain)/loss on quoted debt securities held-for-trading	1	3	(1)	35
Amortisation of equity-settled share based payment	15	125	23	105
	<u>1,397</u>	<u>(494)</u>	<u>(1,218)</u>	<u>(3,551)</u>
<i>Changes in working capital:</i>				
Decrease/(Increase) in inventories	1,352	3,635	7,947	(119)
Decrease/(Increase) in trade and other receivables	231	(1,267)	439	(1,064)
Decrease/(Increase) in prepayments	588	(301)	(139)	(41)
(Decrease)/Increase in trade and other payables	(1,449)	2,124	(650)	(157)
Net cash generated from/(used in) operations	<u>2,119</u>	<u>3,697</u>	<u>6,379</u>	<u>(4,932)</u>
Net income tax refund received/(paid)	33	207	(3)	(91)
Warranty claims paid	(246)	(415)	(649)	(1,205)
Cash flows from operating activities	<u>1,906</u>	<u>3,489</u>	<u>5,727</u>	<u>(6,228)</u>
Investing activities				
Interest received	56	39	281	180
Proceeds from disposal of property, plant and equipment	-	-	-	35
Purchase of property, plant and equipment	(369)	(170)	(1,412)	(420)
Cash flows from investing activities	<u>(313)</u>	<u>(131)</u>	<u>(1,131)</u>	<u>(205)</u>
Net increase/(decrease) in cash and cash equivalents	1,593	3,358	4,596	(6,433)
Cash and cash equivalents at beginning of period/year	21,144	14,890	18,161	24,754
Effect of exchange rate changes on balances held in foreign currency	(176)	(87)	(196)	(160)
Cash and cash equivalents at end of period/year	<u>22,561</u>	<u>18,161</u>	<u>22,561</u>	<u>18,161</u>

I(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 \$'000	Share-based compensation reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000
At 01-Jul-10	23,681	101	(19,073)	54,807	59,516
Issue of shares	80	(80)	-	-	-
Equity-settled performance shares	-	105	-	-	105
Total Comprehensive Income for the period	-	-	(2,151)	(7,739)	(9,890)
At 30-Jun-11	23,761	126	(21,224)	47,068	49,731
At 01-Jul-11	23,761	126	(21,224)	47,068	49,731
Issues of new shares	62	(62)	-	-	-
Equity-settled performance shares	-	23	-	-	23
Total Comprehensive Income for the period	-	-	(460)	(11,219)	(11,679)
At 30-Jun-12	23,823	87	(21,684)	35,849	38,075

Company	Share capital \$'000	Share-based compensation reserve \$'000	Accumulated profits \$'000	Total \$'000
At 01-Jul-10	23,681	101	2,919	26,701
Issue of shares	80	(80)	-	-
Equity-settled performance shares	-	105	-	105
Total Comprehensive Income for the period	-	-	(353)	(353)
At 30-Jun-11	23,761	126	2,566	26,453
At 01-Jul-11	23,761	126	2,566	26,453
Issue of shares	62	(62)	-	-
Equity-settled performance shares	-	23	-	23
Total Comprehensive Income for the period	-	-	(689)	(689)
At 30-Jun-12	23,823	87	1,877	25,787

- 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.**

The Company did not issue any shares during the 3-month period ended 30 June 2012 (30 June 2011: Nil ordinary shares). The Company issued 138,000 ordinary shares during the year ended 30 June 2012 (30 June 2011: 178,000 ordinary shares).

There are no outstanding convertibles as at the end of the current financial period 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 2012 and 30 June 2011. The Company's share capital consists of 96,116,250 ordinary shares as at 30 June 2012 (30 June 2011: 95,978,250 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 2011. In addition, the Group has adopted new/revised FRS and INT FRS that have become effective for the financial year beginning 1 July 2011.

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.**

From 1 July 2011, the Group applied the revised FRS 24 *Related Party Disclosures* (2010) to identify parties that are related to the Group and to determine the disclosures to be made on transactions and outstanding balances, including commitments, between the Group and its related parties. FRS 24 (2010) improved the definition of a related party in order to eliminate inconsistencies and ensure symmetrical identification of relationship between two parties.

The adoption of FRS 24 (2010) affects only the disclosures made in the financial statements.

There is no financial effect on the results and financial position of the Group for the current and previous financial years. Accordingly, the adoption of FRS 24 (2010) has no impact on earnings per share.

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-12	3-Month Period Ended 30-Jun-11	12-Month Year Ended 30-Jun-12	12-Month Year Ended 30-Jun-11
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Loss per ordinary share for the financial period based on net loss attributable to shareholders: -

- on weighted average number of ordinary shares in issue (cents)	(5.78)	(1.58)	(11.67)	(8.06)
- on a fully diluted basis (cents)	(5.78)	(1.58)	(11.67)	(8.06)

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		
Net asset value per ordinary share based on existing issued share capital at the end of the respective financial period/year (cents)	30-Jun-12	30-Jun-11	30-Jun-12	30-Jun-11
	39.61	51.81	26.83	27.56

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.**

The comments below should be read in conjunction with the Company's Corporate and Business Update ("Update") released on 18 July 2012.

Since the financial year ended 31 March 2008 ("FY 2008"), the global yacht market has been severely disrupted by the ongoing financial crisis. In line with initiatives outlined in the Update, the Group has recently introduced new models and built up revenue significantly at a time when the yachting industry, particularly in the United States, is showing signs of recovery.

The new models and market recovery accounted for the 74.8% increase in revenue for the quarter ended 30 June 2012 ("4Q 2012") to S\$11.5 million from S\$6.6 million in 4Q 2011. This is the single-highest quarterly sales performance since the January-March 2009 period, when the industry entered a downturn due to the global financial crisis triggered by the U.S. sub-prime problem. It is also the highest year-on-year quarterly growth rate (in percentage terms) in the past four years, together with 1Q 2012. The strong sales in these two quarters helped lift revenue for the financial year ended 30 June 2012 ("FY 2012") by 16.7% to S\$32.8 million from S\$28.1 million in FY2011.

In line with the higher revenue, gross profit for 4Q 2012 rose 263.9% to S\$2.5 million from S\$0.7 million in 4Q 2011 (the highest percentage increase for any single reporting period in the last 10 years except for the October-December 2010 period). For the whole of FY 2012 gross profit rose 33.9% to S\$3.1 million from S\$2.3 million in FY 2011. In addition, gross margin for 4Q 2012 was 21.7% compared to 10.4% in 4Q 2011 and 9.4% for FY 2012 compared to 8.2% for FY 2011. The increase in the gross margin was due to improvements in internal efficiency following the restructuring of the Group's operations as well as a better product mix and increased sales from Company-owned stores.

In FY 2012, the Group recognized a non-cash asset impairment charge of S\$2.2 million, and a S\$2.6 million non-cash write-down of deferred tax assets since the expected returns to be generated by these assets had been adversely impacted by the prolonged industry downturn. In addition, the Group took a provision for doubtful debts of S\$1.2 million as one of its independently owned European dealers has encountered difficulties as customers remain cautious given the Eurozone debt crisis. The exceptional non-cash charges totaled S\$6.0 million in FY2012 (nil in FY2011) and resulted in Other Operating Expenses in FY 2012 rising sharply to S\$4.2 million compared to S\$0.4 million a year earlier.

Without the above exceptional non-cash charges, the Group lowered its Total Operating Expenses by S\$0.5 million to S\$2.1 million in 4Q 2012 vs 4Q 2011, and for the whole of FY2012 by approximately S\$1.2 million to S\$9.0 million compared to S\$10.2 million in FY2011. This was achieved by lowering payroll expenses and implementing other cost-saving measures.

As a result, the Group recorded a net loss of S\$5.6 million for 4Q 2012 compared to a net loss of S\$1.5 million for 4Q 2011. Excluding the exceptional non-cash charges, the Group recorded net profit of approximately S\$0.4 million in 4Q 2012, reversing the net loss of S\$1.5 million a year ago. For the whole of FY 2012, the Group's net loss was S\$11.2 million compared to a net loss of S\$7.7 million in FY 2011. Excluding the exceptional non-cash charges, the Group's pro forma net loss would have narrowed to S\$5.2 million for FY 2012 from a net loss of S\$7.7 million in FY2011.

b) **Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The Group's cash flow benefited principally from the successful sale of completed yachts out of inventory during 4Q 2012 and for the whole of FY 2012. This allowed the Group to generate positive cash flow from operating activities of approximately S\$1.9 million in 4Q 2012 and approximately S\$5.7 million for FY 2012. After deducting investments made in developing new products, cash and cash equivalents for 4Q 2012 increased by S\$1.4 million to S\$22.6 million as compared to the balance as at 31 March 2012. This represents the first time in four years that the Group has generated positive cash flow in three consecutive quarters, which in turn allowed the Group to record positive operating cash flow of S\$5.7 million for FY 2012, reversing sharply from a negative S\$6.2 million in FY 2011.

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

The Group had stated in previous quarterly announcements that an operating loss was expected for the current financial year ended 30 June 2012. The Group had also stated in its Update that it anticipated a loss for FY 2012 of between S\$10 million to S\$12 million. Excluding exceptional non-cash charges for FY 2012, the loss was expected at between S\$4.5 million to S\$5.5 million. The Group had also estimated that its 4Q 2012 would be operationally profitable (excluding the exceptional non-cash charges) and would end the financial year with a cash balance of approximately S\$22 million. The unaudited results have reflected these statements.

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.**

There are some signs that the yacht industry in the United States – one of the two most important global markets – is starting to recover. Indications of this include the sales of two new designs – the 54 Heritage EU and the 50 Eastbay SX – even before the first hull of either model has been displayed in the market. Underscoring the recovery, nearly half the planned production for FY 2013 is already sold and the Group is optimistic about securing more orders in the coming months given current sales activity levels. With improving sentiments, the Group's order book backlog grew to S\$13.2 million as at 30 June 2012, almost double the S\$7.1 million figure a year ago.

Having initiated the strategic roadmap articulated in the Update, the Group is striving to increase top-line sales as well as to improve internal efficiencies. The Group is investing in significant upgrades to its product line-up as indicated by the S\$1.4 million of capital expenditures incurred in FY 2012, an increase of nearly S\$1.0 million as compared to last year. Apart from developing new products, the Group also intends to open additional Company-owned retail stores, widen its sales network in Asia, achieve optimal levels of yacht inventory and explore potential commercial vessel ventures.

As some of the initiatives enumerated above will require significant funding, the Group may seek to raise additional capital to cover these expenditures while maintaining a strong cash position given the current global economic uncertainty. In addition, in its efforts to look for new revenue streams, the Group may forge strategic partnerships in order to better utilize its production facility in Malaysia. The Group is self-financed with no bank borrowings and enjoys a strong cash position of S\$22.6 million as at 30 June 2012.

With these efforts, the Group is aggressively targeting a return to profitability in the next financial year or two, with a view to increasing its market capitalization and ensuring the timely removal of Grand Banks Yachts Limited from the Watch List administered by the Singapore Exchange.

On 27 July 2012, the Board of Directors ("the Board" or "the Directors") received a special notice from two members of the Company stating their intention to call for an extraordinary general meeting of the Company to remove all four existing directors and to replace them with one new executive director and three new independent directors, pursuant to Section 177 of the Companies Act (Cap. 50) of Singapore ("Companies Act"). On 10 August 2012, the Board received an amended and restated special notice from the same members, this time requisitioning for the Board to convene an extraordinary general meeting of the Company instead, pursuant to Section 176 of the Companies Act. The Directors are currently seeking legal advice on this matter and will continue to keep shareholders updated of any material developments.

The commentary above remains subject to further developments as at the present moment, the precise intentions of the members seeking to replace the entire Board are not clear including whether they intend to continue with the above initiatives made by the current Board. As such, the outlook expressed by the current Board in the Update that "...the Directors believe that the worst is over and expect the Group's performance in FY2013 to be significantly better than in FY2012" may also be subject to revision. In this regard, shareholders should accordingly exercise caution, and consult their professional advisers should they have any doubts.

11. **Dividend**

a) **Current Financial Period Reported on 30 June 2012**

Any dividend declared for the current financial year reported on?

No.

b) **Corresponding Period of the immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

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

No dividend has been declared.

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.

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

Not applicable for announcement of full year financial statements.

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	← Reconciliation →											
	Manufacturing & Wholesale		Retail		Corporate		Elimination		Consolidated			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
12-month year ended 30-Jun-12	12-month year ended 30-Jun-11	12-month year ended 30-Jun-12	12-month year ended 30-Jun-11	12-month year ended 30-Jun-12	12-month year ended 30-Jun-11	12-month year ended 30-Jun-12	12-month year ended 30-Jun-11	12-month year ended 30-Jun-12	12-month year ended 30-Jun-11	12-month year ended 30-Jun-12	12-month year ended 30-Jun-11	
Revenue & expenses												
External revenue	23,397	20,896	9,362	7,187	—	—	—	—	—	32,759	28,083	
Inter-segment revenue	6,362	4,380	—	—	588	610	(6,950)	(5,190)	—	—	—	
Total revenue	29,759	25,476	9,362	7,187	588	610	(6,950)	(5,190)	32,759	28,083	28,083	
Segment results*	394	(1,432)	(754)	(456)	(2,016)	(3,525)	453	550	(1,923)	(4,863)	(4,863)	
Depreciation, impairment & amortisation	(4,709)	(3,132)	(35)	(32)	(50)	(103)	(2,205)	—	(6,999)	(3,267)	(3,267)	
Interest income	326	183	41	23	88	67	(136)	(93)	319	180	180	
Interest expense	—	—	(136)	(93)	—	—	136	93	—	—	—	
Operating loss before tax	(3,989)	(4,381)	(884)	(558)	(1,978)	(3,561)	(1,752)	550	(8,603)	(7,950)	(7,950)	
Income tax credit / (expense)	(2,549)	(36)	(13)	4	(39)	243	(15)	—	(2,616)	211	211	
Segment loss	(6,538)	(4,417)	(897)	(554)	(2,017)	(3,318)	(1,767)	550	(11,219)	(7,739)	(7,739)	

* Segment results: Earnings Before Interest, Taxation, Depreciation, Amortisation & Impairment

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-12 \$'000	% of Total Revenue	12-Month Year Ended 30-Jun-11 \$'000	% of Total Revenue
USA	15,603	47.7	9,590	34.2
Europe *	8,200	25.0	13,014	46.3
Others	8,956	27.3	5,479	19.5
Total Revenue	32,759	100.0	28,083	100.0

* comprises mainly France, Holland & Italy

17. A breakdown of revenue:

	Group		
	12-Month Year Ended 30-Jun-12 \$'000	12-Month Year Ended 30-Jun-11 \$'000	Change %
(a) Revenue reported for the first half of the financial year	13,440	10,278	30.8
(b) Loss reported for the first half of the financial year	(4,071)	(4,554)	(10.6)
(c) Revenue reported for the second half of the financial year	19,319	17,805	8.5
(d) Loss reported for the second half of the financial year	(7,148)	(3,185)	124.4

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:

	12-Month Year Ended 30-Jun-12 \$'000	12-Month Year Ended 30-Jun-11 \$'000	Change %
	Final dividend net of tax	Nil	Nil

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 disclose that the chief executive officer is the son of a substantial shareholder. Other than the above, the Company confirms 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.

By Order of the Board
GRAND BANKS YACHTS LIMITED

Peter Kevin Poli
Executive Director
18 August 2012