



GB GRAND BANKS YACHTS

**2013 ANNUAL GENERAL MEETING
GRAND BANKS YACHTS LIMITED
NAVIGATING WITH CONFIDENCE**

- 1. Yacht Market Update**
- 2. Grand Banks' Niche**
- 3. Order Intake & Backlog Status**
- 4. Financial Review (FY2013 & Q1 2014)**
- 5. Results of Rights Issue**
- 6. SGX Watch List update**
- 7. Outlook**

- ❖ **Industry** rocked by 2008-2009 crisis; some players have exited or consolidated.
 - ❖ Small investment group in USA buys Hinckley & Hunt
 - ❖ Ferretti luxury yacht group bought by China's biggest manufacturer of bulldozers (Shandong)
 - ❖ Luhrs Marine group consisting of 9 boat companies bankrupt and subsequently sells assets to Marlow
 - ❖ Inventory down & recent vintage used boats more difficult to find
 - ❖ U.S. market finally picking up this year

- ❖ Classic look; seaworthy; experienced owners; abundant craftsmanship; price worthy of brand
- ❖ **New designs**
 - ❖ Positive feedback from U.S. and Asia-Pacific Markets
 - ❖ 50 Eastbay; 54 Heritage; 43 Heritage
- ❖ Actively participating in **boat shows** around the globe, garnering media coverage, and tweaking dealer network
 - ❖ Cannes; Newport; Seattle; Norwalk; Ft. Lauderdale; Genoa



2. Grand Banks' Niche – 50SX New Design





2. Grand Banks' Niche – 54EU New Design





2. Grand Banks' Niche – 43EU New Design



- Biggest boat show globally
 - GB's largest display in 10 years
- To display 6 boats – 50 Eastbay SX, 46 Eastbay SX, 65 Aleutian RP, 54 Heritage EU, 47 Heritage CL, 43 Heritage EU; compared to 3 boats a year ago



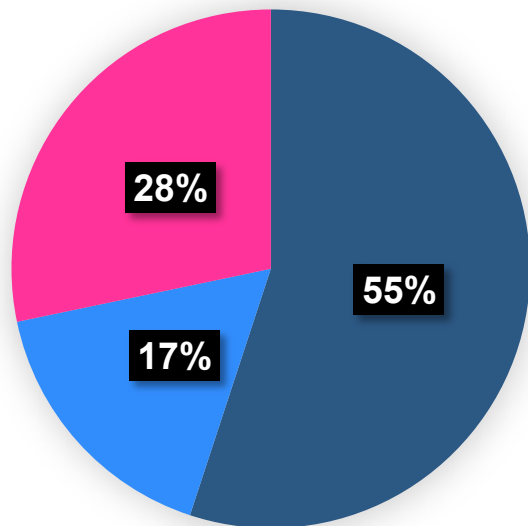
New designs = Good editorial coverage

- 55 Eastbay FB in Soundings and 46 Eastbay SX in Pacific Yachting, October 2013 Issue
- November 2013 Issue: Yachting (GB50SX)

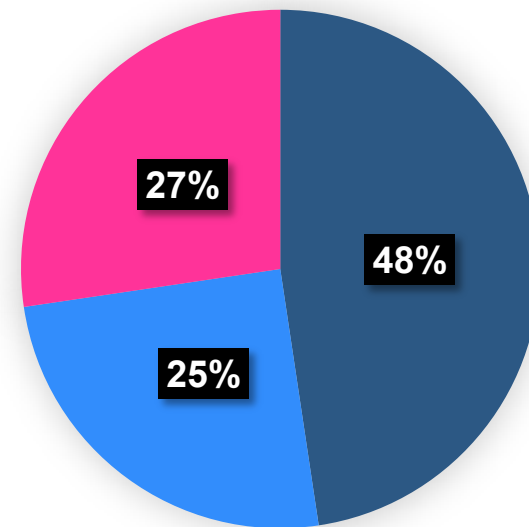


- FY2013: U.S. Market +24.4% to S\$19.4M; Asia-Pacific +11.3% to S\$10.0M
- Upward trend with robust activity from the U.S. and Australian Markets

FY2013 Sales
S\$35.3M



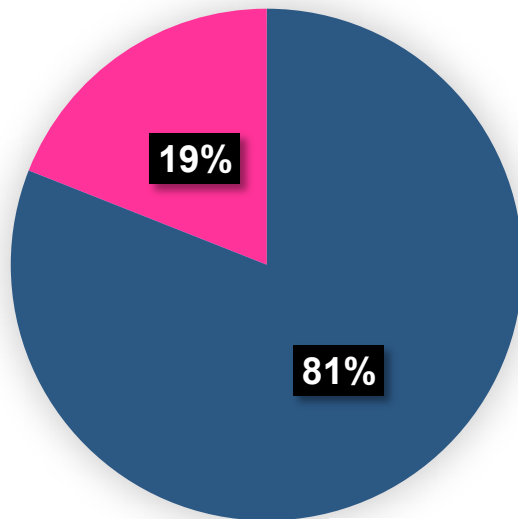
FY2012 Sales
S\$32.8M



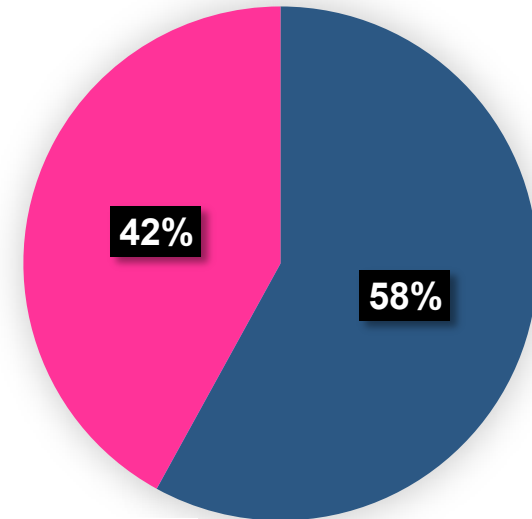
■ N. America ■ Europe ■ Asia-Pacific

- New designs preferred; more boats being built
- Received more orders from U.S. which has had good market traction in recent quarters
- More hot leads in Q1 2014 than same period last year

30 September 2013
S\$14.2M



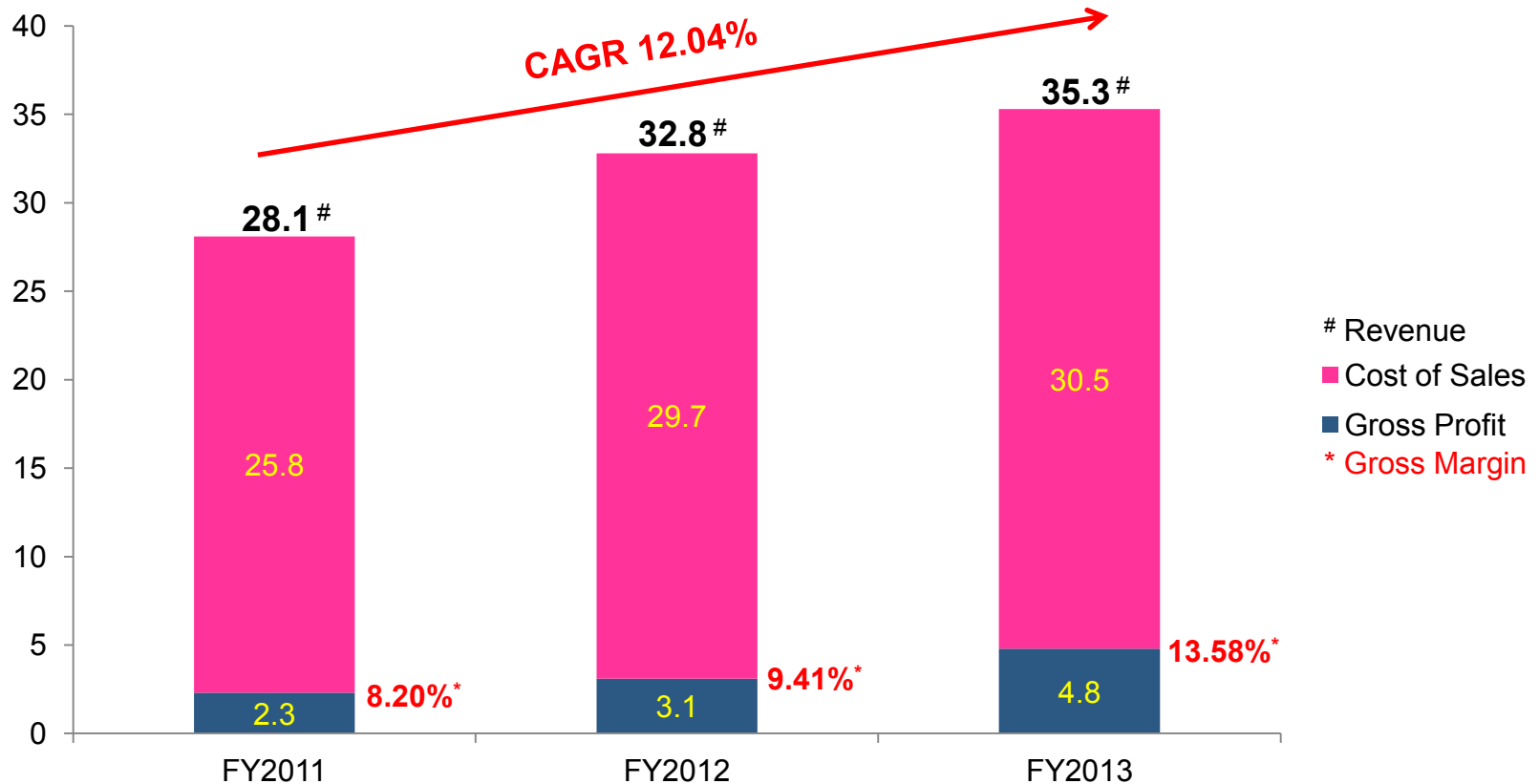
30 June 2013
S\$13.3M



■ N. America ■ Europe ■ Asia-Pacific

4. Financial Review – FY13 Snapshot

(S\$'million)



- Gross margin improved in line with higher utilisation at Malaysian facility
- Consequently, FY2013 loss from operations narrowed due to higher revenue, improved gross margin and lower operating expenses

4. Financial Review – Q1 Snapshot

Ending 30 Sep (S\$'million)	1Q 2014	1Q 2013	%
Revenue	9.5	6.5	46.3
Gross Profit	1.8	1.1	55.1
Gross Margin	18.6%	17.6%	--
Operating Expenses	2.2	2.4	(9.4)
Loss Before Tax	(0.6)	(1.4)	(61.0)
Operating Cash Flow	0.6	(1.7)	135.3

- 1Q performance improved due to recovery in U.S. luxury boat market and response to new models
- Operating cash flow reversed to positive from negative as working capital generated positive cash flow mainly due to delivery of yachts



- Delivered/shipped five boats in 1Q 2014; bringing additional cash flow worth over S\$8M
- Received six new orders in 1Q 2014
- Further streamline senior management positions; expected savings of S\$0.7M p.a.
- Completed rights issue of one-for-two shares held; raise approx. S\$12.3M to fund investment initiatives

5. Results Of Rights Issue

- Raised approx. S\$12.3M to fund investment initiatives, including new products, yacht inventory, potential business acquisitions and for general working capital
- 57.7M new shares from rights issue of one-for-two shares held at 22 cents
- Enlarge share capital base to 173.0M
- Change in large shareholders

Controlling Shareholders	Shares held before	Shares held after	% after
Exa Limited	17,185,585	39,383,197	22.8%
Merlion LP	26,250,000	26,250,000	15.2%
Cheng Lim Kong	9,700,000	9,700,000	5.6%

- ❖ Placed on the Watch-List effective 5 December 2011
- ❖ Given 24-month deadline
- ❖ Have requested for extension



Following rights issue, market capitalisation increased

- before rights – 115.3M @ S\$0.318 = S\$36.67M
- after rights – 173.0M @ S\$0.22 = S\$38M

FY2013 loss before tax lower by 41.5% vs FY2012; 1Q 2014 loss before tax narrowed further by 61.0% vs 1Q 2013

1Q 2014 operating cash of S\$0.6M reversed from negative S\$1.7M in 1Q 2013



- U.S. boat market recovery has continued to gain momentum; Grand Banks order backlog at S\$14.2M
- Looking out for new products & investment opportunities to widen market reach and broaden revenue streams
- Stepping up sales activities combined with efforts to streamline operating efficiencies
- Management team working with Board to do everything possible to restore GB to profitability



Thank You

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