

# GRAND BANKS YACHTS LIMITED

(Registration No: 197601189E)



## Fourth Quarter And Full Year Unaudited Financial Statements for the Period Ended 30 June 2014

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-14 S'000	3-Month Period Ended 30-Jun-13 S'000	Inc / (Dec) %	12-Month Period Ended 30-Jun-14 S'000	12-Month Period Ended 30-Jun-13 S'000	Inc / (Dec) %
Revenue	13,217	11,803	12.0	40,349	35,253	14.5
Cost of sales	(10,873)	(11,034)	(1.5)	(32,509)	(30,466)	6.7
<b>Gross Profit</b>	<b>2,344</b>	<b>769</b>	<b>204.8</b>	<b>7,840</b>	<b>4,787</b>	<b>63.8</b>
Selling and marketing expenses	(422)	(1,350)	(68.7)	(3,755)	(4,644)	(19.1)
Administrative expenses	(803)	(1,068)	(24.8)	(2,774)	(3,680)	(24.6)
Other operating income/(expense)	(298)	(286)	4.2	(12)	(1,218)	(99.0)
Total operating expenses	(1,523)	(2,704)	(43.7)	(6,541)	(9,542)	(31.5)
<b>Profit/(Loss) from operations</b>	<b>821</b>	<b>(1,935)</b>	<b>(142.4)</b>	<b>1,299</b>	<b>(4,755)</b>	<b>(127.3)</b>
Other non-operating (expense)/income, net	(33)	(317)	(89.6)	(257)	(276)	(6.9)
<b>Profit/(Loss) before taxation</b>	<b>788</b>	<b>(2,252)</b>	<b>(135.0)</b>	<b>1,042</b>	<b>(5,031)</b>	<b>(120.7)</b>
Income tax credit/(expense)	13	(19)	(168.4)	(9)	(184)	(95.1)
<b>Net profit/(loss) for the period</b>	<b>801</b>	<b>(2,271)</b>	<b>(135.3)</b>	<b>1,033</b>	<b>(5,215)</b>	<b>(119.8)</b>

Additional information to the income statement:

	Group		Group	
	3-Month Period Ended	3-Month Period Ended	12-Month Period Ended	12-Month Period Ended
	30-Jun-14 \$'000	30-Jun-13 \$'000	30-Jun-14 \$'000	30-Jun-13 \$'000
		Change %		Change %
Reversal of allowance/(allowance made) for slow-moving materials	64	(62)	29	(98)
Allowance made for obsolescence on finished goods	--	(229)	--	(229)
(Doubtful debt provision)/Recovery of doubtful trade receivables	(6)	--	374	--
Depreciation of property, plant and equipment	(432)	(446)	(1,806)	(1,632)
Foreign exchange loss	(75)	(343)	(478)	(535)
Gain on disposal of property, plant and equipment	29	--	29	--
Fair valuation loss on quoted debt securities held-for-trading	(1)	(9)	(8)	(41)
Interest income included in other non-operating income, net	24	28	91	233
Property, plant and equipment written off	(6)	(85)	(9)	(87)
Taxation:				
- current tax expense	(35)	(19)	(83)	(83)
- over/(under) provision in respect of prior years	48	--	74	(101)

N.m - Percentage / Computation not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) - in SGD

	Group		Group	
	3-Month Period Ended 30-Jun-14 \$'000	3-Month Period Ended 30-Jun-13 \$'000	12-Month Period Ended 30-Jun-14 \$'000	12-Month Period Ended 30-Jun-13 \$'000
		Change %		Change %
<b>Net profit/(loss) for the period</b>	801	(2,271)	1,033	(5,215)
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Net currency translation differences of financial statements of foreign subsidiaries	281	47	(539)	102
<b>Total Comprehensive Income for the period</b>	<u>1,082</u>	<u>(2,224)</u>	<u>494</u>	<u>(5,113)</u>

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-14 \$'000	30-Jun-13 \$'000	30-Jun-14 \$'000	30-Jun-13 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	7,166	8,277	-	-
Subsidiaries	-	-	19,000	19,000
	7,166	8,277	19,000	19,000
<b>Current assets</b>				
Inventories	22,656	23,385	-	-
Trade and other receivables	882	1,331	8,356	167
Prepayments	1,129	1,580	28	15
Current tax recoverable	15	63	-	-
Derivative assets	-	1	-	-
Investment held-for-trading	322	792	322	792
Cash and cash equivalents	26,604	13,560	13,779	10,055
	51,608	40,712	22,485	11,029
<b>Total assets</b>	58,774	48,989	41,485	30,029
<b>Current liabilities</b>				
Trade and other payables	6,177	8,891	547	266
Provision for warranty claims	1,611	1,681	-	-
Current tax payables	21	161	-	-
	7,809	10,733	547	266
<b>Capital and reserves</b>				
Share capital	41,251	29,062	41,251	29,062
Share-based compensation reserve	142	142	142	142
Accumulated profits/(loss)	31,693	30,634	(455)	559
Foreign currency translation reserve	(22,121)	(21,582)	-	-
	50,965	38,256	40,938	29,763
<b>Total equity and liabilities</b>	58,774	48,989	41,485	30,029

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-14 S'000	3-Month Period Ended 30-Jun-13 S'000	12-Month Period Ended 30-Jun-14 S'000	12-Month Period Ended 30-Jun-13 S'000
<b>Operating activities</b>				
Profit/(Loss) before taxation	788	(2,252)	1,042	(5,031)
<i>Adjustments for:-</i>				
Depreciation of property, plant and equipment	432	446	1,806	1,632
Gain on disposal of property, plant and equipment	(29)	-	(29)	-
Property, plant and equipment written off	6	85	9	87
Interest income	(24)	(28)	(91)	(233)
Provision for warranty claims	239	213	815	802
Fair valuation (gain)/loss on quoted debt securities held-for-trading	1	9	8	41
Gain from change in fair value of financial derivatives	-	(1)	-	(1)
Amortisation of equity-settled share based payment	-	55	-	55
	<u>1,413</u>	<u>(1,473)</u>	<u>3,560</u>	<u>(2,648)</u>
<i>Changes in working capital:</i>				
Decrease/(Increase) in inventories	2,075	(4,397)	211	(10,091)
Decrease/(Increase) in trade and other receivables	1,214	(1,032)	382	(1,155)
Decrease/(Increase) in prepayments	534	(518)	414	(733)
(Decrease)/Increase in trade and other payables	(1,480)	2,052	(2,439)	2,249
Net cash from/(used in) operations	<u>3,756</u>	<u>(5,368)</u>	<u>2,128</u>	<u>(12,378)</u>
Net income tax paid	(6)	(33)	(100)	(102)
Warranty claims paid	(487)	(314)	(847)	(563)
Proceeds from cash previously restricted/(Restricted cash)	-	(317)	317	(317)
<b>Cash flows from/(used in) operating activities</b>	<u>3,263</u>	<u>(6,032)</u>	<u>1,498</u>	<u>(13,360)</u>
<b>Investing activities</b>				
Interest received	26	65	90	255
Proceeds from disposal of/matured debt securities held-for-trading	-	-	462	244
Proceeds from disposal of property, plant and equipment	35	-	35	-
Purchase of property, plant and equipment	(59)	(339)	(922)	(1,673)
<b>Cash flows used in investing activities</b>	<u>2</u>	<u>(274)</u>	<u>(335)</u>	<u>(1,174)</u>
<b>Financing activities</b>				
Receipt of unclaimed dividends	26	-	26	-
Proceeds from issue of shares	-	-	12,189	5,239
(Deposits pledged)/Proceeds from deposits previously pledged	(3)	(998)	56	(998)
<b>Cash flows from/(used in) financing activities</b>	<u>23</u>	<u>(998)</u>	<u>12,271</u>	<u>4,241</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>3,288</u>	<u>(7,304)</u>	<u>13,434</u>	<u>(10,293)</u>
Cash and cash equivalents at beginning of period	22,310	19,581	12,245	22,561
Effect of exchange rate changes on balances held in foreign currency	80	(32)	(1)	(23)
<b>Cash and cash equivalents at end of period</b>	<u>25,678</u>	<u>12,245</u>	<u>25,678</u>	<u>12,245</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

<b>Group</b>	<b>Share capital \$'000</b>	<b>Share-based compensation reserve \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total \$'000</b>
At 1-Jul-2012	23,823	87	(21,684)	35,849	38,075
Issue of shares	5,239	-	-	-	5,239
Equity-settled performance shares	-	55	-	-	55
Total Comprehensive Income for the period	-	-	102	(5,215)	(5,113)
At 30-Jun-2013	29,062	142	(21,582)	30,634	38,256
At 1-Jul-2013	29,062	142	(21,582)	30,634	38,256
Issues of shares	12,189	-	-	-	12,189
Receipt of unclaimed dividends	-	-	-	26	26
Total Comprehensive Income for the period	-	-	(539)	1,033	494
At 30-Jun-2014	41,251	142	(22,121)	31,693	50,965

<b>Company</b>	<b>Share capital \$'000</b>	<b>Share-based compensation reserve \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total \$'000</b>
At 1-Jul-2012	23,823	87	1,877	25,787
Issue of shares	5,239	-	-	5,239
Equity-settled performance shares	-	55	-	55
Total Comprehensive Income for the period	-	-	(1,318)	(1,318)
At 30-Jun-2013	29,062	142	559	29,763
At 1-Jul-2013	29,062	142	559	29,763
Issue of shares	12,189	-	-	12,189
Receipt of unclaimed dividends	-	-	26	26
Total Comprehensive Income for the period	-	-	(1,040)	(1,040)
At 30-Jun-2014	41,251	142	(455)	40,938

- 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 2014 (30 June 2013: Nil ordinary shares). The Company issued 57,669,749 ordinary shares during the year ended 30 June 2014 (30 June 2013: 19,223,500 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 2014 and 30 June 2013. The Company's share capital consists of 173,009,249 ordinary shares as at 30 June 2014 (30 June 2013: 115,339,500 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 2013. In addition, the Group has adopted new/revised FRS and INT FRS that have become effective for the financial year beginning 1 July 2013.

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 2013, the Group has applied the amendments to *FRS 113, Fair Value Measurement* and *FRS 107, Offsetting financial assets and financial liabilities*.

The amendments to FRS 113, *Fair Value Measurement* replace the fair value measurement guidance contained in individual FRSs with a single source of fair value measurement guidance. It does not change or extend the use of fair value accounting prescribed in the FRSs, but merely provides guidance on how it should be applied where its use is already required or permitted by other standards within FRSs. Under FRS 113, fair value is defined as an exit price. A comprehensive framework for measuring such fair values has been established in the standard. It has also prescribed additional disclosure requirements for fair value measurements.

The amendments to FRS 107, *Offsetting financial assets and financial liabilities* contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position subject to master netting arrangements or similar arrangements.

Notwithstanding the above, the change had no material financial impact on the Group's results and financial position for the current and previous periods.

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-14	Re-Styled 3-Month Period Ended 30-Jun-13 [Note 1]	12-Month Period Ended 30-Jun-14	Re-Styled 12-Month Period Ended 30-Jun-13 [Note 1]
Earnings/(Loss) per ordinary share for the financial period based on net profit/(loss) attributable to shareholders: -				
- on weighted average number of ordinary shares in issue (cents)	0.46	(1.94)	0.66	(4.64)
- on a fully diluted basis (cents)	0.46	(1.94)	0.66	(4.64)

**Note 1** - Earnings per share for the 3-months period ended 30 June 2013 and for the year ended 30 June 2013 had been restated to account for the effects of the Rights Issue undertaken by the Company during the year.

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)	29.46	25.80
	Jun-14	Jun-13
	Jun-14	Jun-13
	29.46	23.66
	33.17	25.80



**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 for the quarter ended 30 June 2014 ("4Q 2014") grew 12.0% to S\$13.2 million from S\$11.8 million in 4Q 2013. Driven by recovery of the North American boat market and growth in Asia, this is the highest quarterly revenue achieved since 4Q 2009.

Gross profit rose 204.8% to S\$2.3 million in 4Q 2014 – the highest since 4Q 2012 – from S\$0.8 million in 4Q 2013, lifting gross profit margin to 17.7% in 4Q 2014 from 6.5% in 4Q 2013. The significant improvement in gross profit was due to stringent efforts to increase productivity and utilization rates at the Group's manufacturing location in Pasir Gudang, Johor, Malaysia and to a lesser extent the write back of certain sales incentives.

Total operating expenses in 4Q 2014 fell to S\$1.5 million from S\$2.7 million in 4Q 2013, mainly due to better operating efficiencies, and a 68.7% and 24.8% reduction in sales and marketing expenses and administrative expenses, respectively. This is the combined result of reduced headcount, lower travel and entertainment expenses, forfeiture of dealer deposits as well as the restructuring of the Group's offices in U.S.A. and Australia. For the whole of FY 2014, annual operating expenses decreased to S\$6.5 million from S\$9.5 million a year earlier, its lowest in five years.

As a result of the above, the Group achieved profit before tax of S\$1.0 million in FY2014 compared to a loss before tax of S\$5.0 million in FY2013.

The Group recorded its third consecutive quarter of net profit of S\$0.8 million in 4Q 2014, reversing a net loss of S\$2.3 million in 4Q 2013 – a positive swing of approximately S\$3.1 million. As a result of the combined efforts, the Group reported a net profit for FY 2014 of S\$1.0 million, its first annual profit since FY 2008, compared to a net loss of S\$5.2 million in FY 2013.

**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 operating cash flow improved to S\$3.3 million for 4Q 2014 compared to cash outflow of S\$6.0 million for 4Q 2013, mainly due to the reversal to profit in 4Q 2014 from a loss in 4Q 2013, as well as decreases in inventories and receivables. For the whole of FY 2014, operating cash flow improved to S\$1.5 million compared to cash outflow of S\$13.4 million for FY 2013. Cash and cash equivalents, as per the cash flow statement, increased to S\$25.7 million as at 30 June 2014 from S\$12.2 million as at 30 June 2013 due in part to the S\$12.2 million in net proceeds raised from the one-for-two rights issue in October 2013.

The Group's inventory decreased to S\$22.7 million as at 30 June 2014 from S\$23.4 million as at 30 June 2013 mainly due to the sale of two completed boats from inventory. Trade and other receivables decreased to S\$0.9 million from S\$1.3 million over the same comparative periods, mainly due to collection from dealers. Trade and other payables decreased to S\$6.2 million from S\$8.9 million as the Group had completed a portion of its net order book recorded earlier in the financial year under review.

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

In line with the earlier guidance that the Group "remains resolute in its commitment to report a profit for the whole of the financial year ending 30 June 2014," Grand Banks reported its third consecutive quarterly profit in 4Q 2014 and a profit for the whole of FY 2014, after five years of annual losses.

**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.**

On 15 July 2014, shareholders of the Company approved the acquisition of the entire issued and paid-up share capital of Palm Beach Motor Yacht Co Pty Ltd ("Palm Beach") of Australia. The acquisition allows Grand Banks to acquire a profitable business, broaden its product line and streamline operational efficiency by tapping Palm Beach's manufacturing techniques and processes. This will further strengthen the positioning of the enlarged Group as a global luxury boat company with two world-class brands that are well represented in the leading markets of North America, Australia, Asia and Europe.

Under the terms of the acquisition, Palm Beach's founder, Mr. Mark Richards, was appointed on 1 August 2014 as Chief Executive Officer of the enlarged Group, filling a critical leadership role for Grand Banks. The acquisition creates the opportunity for Palm Beach to scale up production by utilizing Grand Banks' manufacturing facility in Malaysia.

Grand Banks' aggregate net order book (inclusive of Palm Beach) stood at approximately S\$19.8 million as at 31 July 2014. To continue to push global sales, the Group will be participating in the Newport, Norwalk, Annapolis, Fort Lauderdale, Seattle boat shows in the United States and the Cannes Boat Show in Europe, among others, in the next three months. Some of the boats to be showcased include new models such as the Grand Banks GB50 Flybridge and the Palm Beach PB52.

Following completion of the acquisition of Palm Beach on 1 August 2014, the Group immediately commenced integration of the operations for both organizations that will address sales, marketing, manufacturing, financial reporting and personnel. The success of which, coupled with the synergies expected, will have an impact on the Group's future performance.

In view of the profit before tax recorded for FY 2014 and taking into consideration the financial performance of the Group for FY 2014, the Company intends to submit an application to the SGX-ST, after its audited results for FY 2014 are released, to apply for its exit from the Watch-List.

**11. Dividend**

**a) Current Financial Period Reported on 30 June 2014**

**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	12-month year ended 30-Jun-14	12-month year ended 30-Jun-13	\$'000	12-month year ended 30-Jun-14	12-month year ended 30-Jun-13	\$'000	12-month year ended 30-Jun-14	12-month year ended 30-Jun-13	\$'000	12-month year ended 30-Jun-14	12-month year ended 30-Jun-13	\$'000	12-month year ended 30-Jun-14	\$'000	12-month year ended 30-Jun-13
<b>Revenue &amp; expenses</b>																
External revenue	29,868	29,894	10,481	5,359	—	—	—	—	—	—	—	—	—	40,349	35,253	—
Inter-segment revenue	7,515	4,817	—	—	619	632	(8,134)	(5,449)	—	—	—	—	—	—	—	—
Total revenue	37,383	34,711	10,481	5,359	619	632	(8,134)	(5,449)	—	—	—	—	—	40,349	35,253	—
Segment results*	4,651	590	77	(854)	(1,965)	(3,238)	(6)	(130)	—	—	—	—	—	2,757	(3,632)	(3,632)
Depreciation & amortisation	(2,344)	(2,897)	(6)	(32)	(21)	(50)	565	1,347	—	—	—	—	—	(1,806)	(1,632)	(1,632)
Interest income	30	199	5	14	56	51	—	(31)	—	—	—	—	—	91	233	233
Interest expense	—	—	—	(31)	—	—	—	31	—	—	—	—	—	—	—	—
Operating profit/(loss) before tax	2,337	(2,108)	76	(903)	(1,930)	(3,237)	559	1,217	—	—	—	—	—	1,042	(5,031)	(5,031)
Income tax (expense)/credit	(33)	(58)	—	12	24	(138)	—	—	—	—	—	—	—	(9)	(184)	(184)
Segment profit/(loss)	2,304	(2,166)	76	(891)	(1,906)	(3,375)	559	1,217	—	—	—	—	—	1,033	(5,215)	(5,215)

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

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-14 \$'000	% of Total Revenue	12-Month Year Ended 30-Jun-13 \$'000	% of Total Revenue
USA	25,546	63.3	19,406	55.0
Europe *	1,782	4.4	5,878	16.7
Australia	4,312	10.7	2,652	7.5
Singapore	3,519	8.7	3,353	9.5
Japan	4,311	10.7	2,148	6.1
Others	879	2.2	1,816	5.2
<b>Total Revenue</b>	<b>40,349</b>	<b>100.0</b>	<b>35,253</b>	<b>100.0</b>

\* comprises France & Holland (2013 : Holland & Italy )

17. A breakdown of revenue:

	Group		
	12-Month Year Ended 30-Jun-14 \$'000	12-Month Year Ended 30-Jun-13 \$'000	Change %
(a) Revenue reported for the first half of the financial year	19,005	13,185	44.1
(b) Loss reported for the first half of the financial year	(310)	(2,223)	(86.1)
(c) Revenue reported for the second half of the financial year	21,344	22,068	(3.3)
(d) Profit/(Loss) reported for the second half of the financial year	1,343	(2,992)	(144.9)

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-14 \$'000	12-Month Year Ended 30-Jun-13 \$'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 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.**

The Group has fully utilised the net proceeds of approximately S\$12.2 million from the issue of 57,699,749 Right Shares on 25 October 2013. The proceeds have been used for the acquisition of Palm Beach Motor Yacht Co Pty Ltd, new product development, factory improvements, an increase in yacht inventory for sale and working capital, as disclosed in the announcement dated 18 August 2014.

By Order of the Board  
**GRAND BANKS YACHTS LIMITED**

Peter Kevin Poli  
Executive Director  
27 August 2014