

**GRAND BANKS YACHTS LIMITED**

(Company Reg. No.: 197601189E)

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Singapore 238881

## Grand Banks Yachts Reverses Losses To Post S\$1.0M Net Profit For FY 2014

- Profit before tax for FY 2014 was S\$1.0M
- Gross profit margin increased to 19.4% in FY 2014 from 13.6% in FY 2013
- Highest full year revenue in five years of S\$40.3M
- FY 2014 operating expenses decreased to lowest level in five years
- The Group will be applying for its exit from the SGX Watch-List on completion of the FY 2014 audit

S\$'000 (ended 30 June)	4Q'14 S\$	4Q'13 S\$	Change %	FY'14 S\$	FY'13 S\$	Change %
Revenue	13,217	11,803	12.0	40,349	35,253	14.5
Gross Profit	2,344	769	204.8	7,840	4,787	63.8
Total Operating Expenses	(1,523)	(2,704)	43.7	(6,541)	(9,542)	31.5
Profit/(Loss) before taxation	788	(2,252)	135.0	1,042	(5,031)	120.7
Net Profit/(Loss) for the Period	801	(2,271)	135.3	1,033	(5,215)	119.8
Earnings Per Share (cents)	0.46	(1.94)	123.7	0.66	(4.64)	114.2

**SINGAPORE, 27 August 2014** – Grand Banks Yachts Limited (“Grand Banks” or “the Group”) announced today its first full-year profit in six years, lifted by its strongest quarterly net profit performance for the April-to-June 2014 period (“4Q 2014”) since 2008, propelled by luxury boat sales in North America and growth in Asia.

The SGX-listed builder of two world-class luxury boat brands recorded 4Q 2014 net profit of S\$0.8 million – its third consecutive quarter of profit which reversed sharply a loss of S\$2.3 million a year ago. Revenue rose 12.0% to S\$13.2 million from S\$11.8 million over the comparative periods.

The improved performance in the last three quarters lifted the net profit for the whole of the financial year ended 30 June 2014 (“FY 2014”) to S\$1.0 million compared to a loss of S\$5.2 million in FY 2013, a positive swing of S\$6.3 million.

Revenue increased 14.5% to S\$40.3 million in FY 2014 from S\$35.3 million a year earlier as sales in North America – which account for 63.3% of global sales – entered a second year of recovery after the 2008-2009 global financial crisis which had led to a steep plunge in boat sales. Asian buyers are also showing more interest, with the region accounting for 19.4% of FY 2014 sales.

Gross profit for FY 2014 increased 63.8% to S\$7.8 million from S\$4.8 million in FY 2013. Gross profit margin increased to 19.4% from 13.6% due to stringent efforts to increase productivity and utilisation at the Group's yard in Pasir Gudang, Malaysia, over the comparative periods.

Annual operating expenses fell to S\$6.5 million in FY 2014 – its lowest in five years – from S\$9.5 million a year earlier due to forfeiture of dealer deposits, reductions in travel and entertainment expenses and headcount after the offices in the United States and Australia were restructured.

Earnings per share increased to 0.66 cent in FY 2014 from a loss of 4.64 cents in FY 2013 despite an increase in the number of shares from the rights issue on 25 October 2013. Net asset value per share stood at 29.46 cents as at 30 June 2014 compared to 33.17 cents as at 30 June 2013.

The Group's cash and cash equivalents, as per the cash flow statement, stood at S\$25.7 million as at 30 June 2014.

On 1 August 2014, Grand Banks completed its first-ever acquisition, of Palm Beach Motor Yacht Co Pty Ltd ("Palm Beach"), appointing Mr. Mark Richards as its Chief Executive Officer and Executive Director of the enlarged Group. The Group intends to leverage on Palm Beach's technologies and processes to streamline operational efficiency and develop new products. The acquisition also creates an opportunity for Palm Beach to scale up its production by utilising Grand Banks' Malaysian yard.

Grand Banks' aggregate net order book – inclusive of Palm Beach – stood at S\$19.8 million as at 31 July 2014. The Group will participate in the Newport, Norwalk, Annapolis, Fort Lauderdale, Seattle boat shows in the U.S. and the Cannes Boat Show in Europe, in the next three months, displaying new models like the Grand Banks GB50 Flybridge and the Palm Beach PB52.

Mr. Peter Poli, Executive Director and CFO of Grand Banks, said, "Our strongest financial performance in five years is the direct result of major efforts to improve sales and internal efficiencies. The North American market is clearly recovering, a trend we intend to leverage on as we continue to build up our order books for the enlarged Group with two renowned brands."

Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said, "This year marks an important milestone for Grand Banks as we achieved our first full-year profit since 2008 and completed the Palm Beach acquisition. Moving forward, with Mark Richards' guidance and knowledge, I believe we are on an accelerated route towards achieving our goal of being a global leader in the luxury boating industry with two world-class brands."

Mr. Mark Richards, CEO of Grand Banks, said, "We have already begun integration activities for Palm Beach and Grand Banks to further streamline our operations. We are also harnessing synergies between both brands in order to take the Group to the next level."

In view of the profit before tax achieved for FY 2014 and taking into consideration the Group's financial performance this year, the Company intends to submit an application to the Singapore Exchange to apply for its exit from the Watch-List, after the audit of the FY 2014 results.

**## 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 2014, Grand Banks underwent 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 45 feet to 65 feet.

For more information, visit: [www.grandbanks.com](http://www.grandbanks.com); [www.pbmotoryachts.com](http://www.pbmotoryachts.com)

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