



**GRAND BANKS YACHTS LIMITED**

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## **SGX-Listed Grand Banks Yachts Announces 1Q 2015 Results**

**SINGAPORE, 14 November 2014** –Grand Banks Yachts Limited (“Grand Banks” or “the Group”) announced today its financial results – which include two months of financial contribution from Palm Beach Motor Yacht Co Pty Ltd (“Palm Beach”) of Australia – for the first quarter ended 30 September 2014 (“1Q 2015”).

The SGX Mainboard-listed builder of luxury boats, which completed the acquisition of Palm Beach on 1 August 2014, said that revenue decreased by 31.5% to S\$6.5 million from S\$9.5 million in 1Q 2014 due to delays in the sale of inventory yachts.

Gross profit declined to S\$0.6 million from S\$1.8 million over the comparative periods, attributable to the lower revenue, amortization of assets relating to the acquisition and restructuring costs in relation to the Group’s streamlining and integration of operations. As a result, gross profit margin declined to 9.5% in 1Q 2015 from 18.6% in 1Q 2014.

Total operating expenses decreased to S\$2.1 million in 1Q 2015 from S\$2.2 million in 1Q 2014 largely due to a 42% reduction in sales and marketing expenses from S\$1.45 million to S\$0.84 million. This was offset by an increase in administrative expenses, after inclusion of Palm Beach’s expenses and the salaries of newly appointed executives. Other operating expenses increased due to one-off professional fees incurred in relation to the Palm Beach acquisition.

As a result of the above, the Group recorded a net loss of S\$1.3 million in 1Q 2015, compared to a net loss of S\$0.6 million in 1Q 2014.

Cash and cash equivalents in the statements of financial position decreased to S\$17.2 million as at 30 September 2014 from S\$26.6 million as at 30 June 2014 impacted by the loss for the quarter, increase in working capital and the Palm Beach acquisition.

The enlarged Group’s aggregate net order book stood at approximately S\$17.5 million as at 30 September 2014 which will be largely recognised through the remainder of FY2015.

The Group has commenced integration of operations in its two manufacturing locations– its facility at Pasir Gudang, Malaysia, where Grand Banks boats have been built since 1995, and its sister facility at Berkeley Vale, Sydney, Australia, where Palm Beach boats have been and will continue to be built. In 1Q 2015, new tooling and moulds have been shipped to Pasir Gudang allowing some Palm Beach boats to be built there.

Mr. Mark Richards, Chief Executive Officer of Grand Banks, said, "By utilising our Pasir Gudang yard, we are able to scale up Palm Beach production immediately which will allow us to meet additional potential demand. We have begun construction at Pasir Gudang on the first two Palm Beach models, which are expected to be substantially completed this financial year."

The Group continues to drive production and internal efficiencies with best practice manufacturing techniques. The organizational structure of senior management at its Pasir Gudang facility has been streamlined through the re-assignment of staff tasks, centralization of management locations within the facility to help achieve further man-hours savings, and employment of two new manufacturing managers to facilitate implementation of new processes in boat building.

In October 2014, the Group participated in the Annapolis and Fort Lauderdale U.S. boat shows which attracted considerable buyer interest in both Grand Banks and Palm Beach models, including the Group's inventory yachts on display in key strategic markets.

The Group intends to expand its product line further and invest in new Grand Banks and Palm Beach models to stimulate market interest and maximise sales potential. The first of these new models will be launched later this financial year.

Grand Banks was removed from the SGX Watch-List effective from 9 October 2014.

Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said, "With an enlarged range of yachts, management is working tirelessly to increase the Group's top line while driving internal and financial efficiencies to improve margins and enhance shareholder value. Moving forward, we remain committed to grow Grand Banks as a leading boat builder with two distinct world-class brands."

**## 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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