

**GRAND BANKS YACHTS LIMITED**

(Company Reg. No.: 197601189E)

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Singapore 588213

## Grand Banks Yachts Posts Third Consecutive Profitable Quarter; Order Book At Seven-Year High Of S\$40.0M

As at 31 March S\$'000	3Q FY2016	3Q FY2015	Change (%)	9M FY2016	9M FY2015	Change (%)
Revenue	17,257	6,320	173.1	42,689	25,515	67.3
Gross Profit	2,429	497	388.7	8,669	3,337	159.8
Gross Profit Margin	14.1%	7.9%	6.2 ppt*	20.3%	13.1%	7.2 ppt*
Total Operating Expenses	(2,267)	(1,985)	14.2	(6,875)	(6,090)	12.9
Profit/(Loss) from Operations	162	(1,488)	N.M.#	1,794	(2,753)	N.M.#
Net Profit/(Loss) for the Period	375	(1,144)	N.M.#	1,963	(2,356)	N.M.#

\* ppt – percentage points

# N.M. – Not Meaningful

**SINGAPORE, 9 May 2016** – SGX Mainboard-listed **Grand Banks Yachts Limited** (“**Grand Banks**” or “**the Group**”) said today it posted a profit for its third quarter and nine months ended 31 March 2016 after successful integration of operations at its two brands. This represents the Group's third consecutive profitable quarter.

The luxury yacht maker – which owns the Grand Banks and Palm Beach Motor Yacht brands – turned in a 3Q 2016 net profit of S\$0.4 million as revenue more than doubled to S\$17.3 million from S\$6.3 million for the same quarter last year (“3Q 2015”), when it incurred a net loss of S\$1.1 million.

The rise in revenue came as more boats achieved construction milestones for revenue recognition and sale of four trade-in yachts. With the higher revenue, gross profit rose to S\$2.4 million in 3Q 2016 from S\$0.5 million in 3Q 2015, while gross profit margin increased to 14.1% from 7.9%. Excluding the sale of the four trade-in yachts, gross profit margin would have increased to 18.2% in 3Q 2016.

In 3Q 2016, the Group received orders for eight new boats, including new designs such as the Grand Banks 44, Grand Banks 60 and the Palm Beach 42. This pushed up its net order book to a seven-year high of S\$40.0 million as at 31 March 2016. In March alone, the Group secured S\$16.3 million worth of new orders following the Miami International Boat Show in February.

Earnings per share for 3Q 2016 came to 0.20 cent compared to a loss per share of 0.62 cent for 3Q 2015. Net asset value per share as at 31 March 2016 rose to 25.12 cents from 24.34 cents as at 30 June 2015. The Group ended the quarter with cash and cash equivalents of S\$14.7 million.

For the nine months to 31 March 2016, the Group made a net profit of S\$2.0 million, reversing a loss of S\$2.4 million for the same period a year earlier. The turnaround came on the back of various initiatives undertaken by the Group after it acquired Australia-based Palm Beach Motor Yacht Co Pty Ltd in 2014. These include a factory-direct sales model, increased marketing efforts, and enhanced manufacturing processes.

In April 2016, the Group showcased the new Palm Beach 42 yacht, alongside the Palm Beach 65, at the Singapore Yacht Show. This marked the first time the Palm Beach brand made its debut in Asia.

Mr. Mark Richards, Chief Executive Officer of Grand Banks, said, “The strong order book reflects the demand for our new yacht designs. We are excited to have showcased the Palm Beach brand in Singapore last month and look forward to the upcoming Sanctuary Cove Boat Show in May 2016.”

Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said, “The results underscore the success of our efforts to integrate the operations of two world-class yacht brands. We will continue to work towards improving profitability and enhance shareholder value in the long run.”

As announced on 13 April 2016, the Group signed a 30-year land lease renewal for its manufacturing yard in Pasir Gudang, Johor, Malaysia. The new lease expires on 29 October 2052, allowing the Group to continue operating many years from now. 30% of the total renewal consideration of RM18.3 million (approximately S\$6.2 million) has been paid. The remaining 70% will be paid by 21 June 2016 using internal funds and bank borrowings.

Barring any unforeseen circumstances, the Board of Directors expects the Group’s FY2016 performance to improve significantly compared to FY2015, when it incurred a net loss of S\$4.8 million.

**## 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 completed 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 42 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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