

**GRAND BANKS YACHTS LIMITED**

(Company Reg. No.: 197601189E)
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Grand Banks Yachts' Reverses To Net Profit Of S\$2.0 Million In FY2016

- Net profit of S\$2.0M in FY2016 versus net loss of S\$4.8M in FY2015
- Higher revenue and recognition of deferred tax assets lifted net profit
- Generated net cash of S\$6.5M from operations
- Healthy order book of S\$34.1M as at 30 June 2016

As at 30 June S\$'000	4Q FY2016	4Q FY2015	Change (%)	FY2016	FY2015	Change (%)
Revenue	15,978	13,675	16.8	58,667	39,190	49.7
Gross Profit	1,528	536	185.1	10,197	3,873	163.3
Gross Profit Margin (%)	9.6	3.9	5.7 ppt	17.4	9.9	7.5 ppt
Total Operating Expenses	(2,163)	(2,519)	(14.1)	(9,038)	(8,609)	5.0
(Loss)/Profit Before Tax	(1,011)	(2,427)	(58.3)	1,268	(4,538)	N.M.
Tax credit/(expense)	1,018	(16)	N.M.	702	(261)	N.M.
Net Profit/(Loss) for the Period	7	(2,443)	N.M.	1,970	(4,799)	N.M.

* ppt – percentage points

N.M. – Not Meaningful

SINGAPORE, 29 August 2016 – Grand Banks Yachts Limited (“Grand Banks” or “the Group”) reported today a net profit of S\$2.0 million for the 12 months ended 30 June 2016 (“FY2016”), reversing a net loss of S\$4.8 million a year ago (“FY2015”), driven by the integration of its two yacht brands.

The Group, which owns the Grand Banks and Palm Beach brands, also received a boost to its FY2016 bottom line through a deferred tax asset.

Gross profit margin rose to 17.4% from 9.9% as initiatives put in place over the last two years to streamline operations and boost efficiency bore fruit. These included the adoption of a factory-direct sales model and enhancement of manufacturing processes.

Revenue increased 49.7% to S\$58.7 million from S\$39.2 million in FY2015, with more yachts achieving construction milestones as the Group ramped up manufacturing at its Pasir Gudang yard in Johor. In FY2016, it sold eight inventory yachts and received orders for all four of its new models – the Grand Banks 60, Eastbay 44 and 52, and Palm Beach 42.

As at 30 June 2016, the Group had an order book of S\$34.1 million. It generated net cash of S\$6.5 million from operations in FY2016, compared to S\$2.7 million in FY2015. Cash and cash equivalents amounted to S\$16.4 million, compared to S\$21.7 million as at 30 June 2015.

Earnings per share for FY2016 amounted to 1.07 Singapore cents, compared to a loss per share of 2.62 cents for FY2015. Net asset value per share was 24.71 Singapore cents as at 30 June 2016, up from 24.34 Singapore cents as at 30 June 2015.

For the fourth quarter ended 30 June 2016 (“4Q FY2016”), the Group broke even, reversing a loss of S\$2.4 million for the same period a year earlier (“4Q FY2015”). Revenue for 4Q FY2016 increased 16.8% to S\$16.0 million from S\$13.7 million for 4Q FY2015.

Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said: “Our financial turnaround in FY2016 underscores the success of the initiatives put in place since 2014. We will build on the momentum to further strengthen our market position and drive sustainable growth.”

The Group acquired Australia-based Palm Beach Motor Yacht Co Pty Ltd in August 2014 and successfully integrated the operations of both Grand Banks and Palm Beach brands in FY2016.

Mr. Mark Richards, CEO of Grand Banks, said: “We have set in motion a corporate transformation starting with the integration of both our brands. The Group is now in a stronger position and we look forward to the launch of our new yacht models. Our order book remains healthy and we look forward to doing even more to create value for shareholders.”

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 August 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; www.pbmotoryachts.com

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