

**GRAND BANKS**

GRAND BANKS YACHTS LIMITED
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Grand Banks Yachts' Net Order Book Up 66.5% to S\$54.6 Million; FY2019 Net Profit At S\$1.5 Million

As at 30 June S\$'000	4Q FY2019	4Q FY2018 (Restated) ¹	Change (%)	FY2019	FY2018 (Restated) ¹	Change (%)
Revenue	25,659	14,824	73.1	79,568	81,965	(2.9)
Gross Profit	2,941	5,333	(44.9)	16,933	20,363	(16.8)
Total Operating Expenses	(3,023)	(4,088)	(26.1)	(14,405)	(15,296)	(5.8)
(Loss)/Profit Before Tax	(570)	1,135	NM*	1,221	5,197	(76.5)
Net Profit	122	4,797	(97.5)	1,499	8,878	(83.1)

*NM: Percentage/computation not meaningful

SINGAPORE, 29 August 2019 – SGX Mainboard-listed **Grand Banks Yachts Limited** (“Grand Banks” or “the Group”) said today its net order book rose S\$21.8 million to S\$54.6 million as at 30 June 2019, from S\$32.8 million as at 30 June 2018, as a result of 11 new boat orders and three trade-in boat orders during the quarter ended 30 June 2019 (“4Q FY2019”).

Revenue for FY2019 amounted to S\$79.6 million, 2.9% lower than FY2018, due to fewer boats in production reaching maturity.

In line with the lower revenue, Grand Banks’ gross profit for FY2019 decreased to S\$16.9 million from S\$20.4 million in FY2018. Gross profit margin declined to 21.3% from 24.8% over the comparative periods due to lower brokerage commission income.

Cash flow used for operations in FY2019 was S\$1.4 million, as compared to S\$0.1 million in FY2018. This was primarily due to lower net profit, increase in inventories and contract assets as well as a decrease in trade and other payables. Cash and cash equivalents increased to S\$8.6 million as at 30 June 2019 from S\$8.4 million as at 30 June 2018.

¹ The restated FY2018 results reflect its retrospective adoption of the Singapore Financial Reporting Standards International (“SFRS(I)”), whereby revenue is progressively recognised based on a cost-to-cost method

Earnings per share for FY2019 amounted to 0.81 Singapore cent compared to 4.82 Singapore cents in FY2018, while net asset value per share decreased to 29.95 Singapore cents as at 30 June 2019 from 30.57 Singapore cents a year ago.

For the quarter ended 30 June 2019 (“4Q FY2019”), revenue increased 73.1% to S\$25.7 million from S\$14.8 million in 4Q FY2018. However, gross profit decreased 44.9% to S\$2.9 million from S\$5.3 million in FY2018, while gross profit margin declined to 11.5% from 36.0% over the comparative periods.

The lower margins in the final quarter were due to more lower margin inventory and trade-in boat sales, and lower brokerage commission income. Accordingly, net profit decreased to S\$0.1 million in 4Q FY2019 from S\$4.8 million in 4Q FY2018.

Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said: “The commendable year-on-year growth of our order book reflects Grand Banks’ strong product program, exceptional customer service and successful marketing and sales initiatives. It is a strong start to FY2020, and I look forward to continue adding value to our shareholders.”

Mr. Mark Richards, CEO of Grand Banks, said: “Following our successful restructuring initiatives over the past four years, Grand Banks is poised to bear the fruits of its labour. With a stronger foundation for growth, a wider range of boat models and a larger, state-of-the-art factory in Pasir Gudang, we will be able to push out orders faster than ever. We will focus on more intensive marketing and sales to maintain the growth of our order book in FY2020 and beyond.”

According to Mr Richards, the order book is expected to remain robust, as the Group prepares for the debut of bigger, sleeker and better-performing luxury boat models, such as the Grand Banks 54, Palm Beach GT60 and Palm Beach 70 which will debut in the forthcoming four boatshows in USA.

End of Release

About Grand Banks Yachts Limited

Grand Banks, a renowned manufacturer of luxury recreational motor yachts for 60 years, has designed and developed vessels that have become icons among boaters across the globe. While staying true to this heritage, Grand Banks continues to defy the expectations of yachtsmen with its timeless style, unique innovation and unyielding commitment to quality.

The Group manufactures yachts under the Grand Banks, Eastbay and Palm Beach brands out of its manufacturing yards at Pasir Gudang, Johor, Malaysia, and Berkeley Vale, Sydney, Australia. The yachts, which range between 42 feet and 70 feet, have a reputation for impeccable quality that delivers unrivalled performance.

Grand Banks was listed on the Singapore Exchange Limited ("SGX") in 1987 and upgraded to the Mainboard in 1993.

For more information, visit: www.grandbanks.com; www.pbmotoryachts.com

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