

GRAND BANKS YACHTS LIMITED

(Registration No.: 197601189E)



GRAND BANKS

Second Quarter Unaudited Financial Statements for the Period Ended 31 December 2019

I(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT (UNAUDITED) - in SGD

	Group			Group		
	3-Month Period Ended 31-Dec-19 S'000	3-Month Period Ended 31-Dec-18 S'000	Inc / (Dec) %	6-Month Period Ended 31-Dec-19 S'000	6-Month Period Ended 31-Dec-18 S'000	Inc/(Dec) %
Revenue	19,035	17,296	10.1	45,082	38,906	15.9
Cost of sales	(14,010)	(12,873)	8.8	(33,893)	(28,911)	17.2
Gross Profit	<u>5,025</u>	<u>4,423</u>	13.6	<u>11,189</u>	<u>9,995</u>	11.9
Selling and marketing expenses	(2,568)	(2,582)	(0.5)	(4,651)	(5,053)	(8.0)
Administrative expenses	(1,350)	(1,209)	11.7	(2,857)	(2,411)	18.5
Other operating expenses	(168)	(144)	16.7	(442)	(386)	14.5
Total operating expenses	(4,086)	(3,935)	3.8	(7,950)	(7,850)	1.3
Profit from operations	<u>939</u>	<u>488</u>	92.4	<u>3,239</u>	<u>2,145</u>	51.0
Other non-operating income/(expense), net	72	(131)	N.m	78	(434)	N.m
Finance costs	(209)	(89)	> 100	(421)	(155)	> 100
Profit before tax	<u>802</u>	<u>268</u>	> 100	<u>2,896</u>	<u>1,556</u>	86.1
Tax expense	(441)	(184)	> 100	(854)	(326)	> 100
Net profit for the period	<u><u>361</u></u>	<u><u>84</u></u>	> 100	<u><u>2,042</u></u>	<u><u>1,230</u></u>	66.0

N.m - Percentage Computation not meaningful

Additional information to the income statement:

	Group			Group		
	3-Month Period Ended 31-Dec-19 \$'000	3-Month Period Ended 31-Dec-18 \$'000	Inc/(Dec) %	6-Month Period Ended 31-Dec-19 \$'000	6-Month Period Ended 31-Dec-18 \$'000	Inc/(Dec) %
(Allowance)/Reversal of inventory obsolescence	(130)	33	N.m	(160)	3	N.m
Depreciation of property, plant and equipment	(1,065)	(840)	26.8	(2,442)	(1,602)	52.4
Amortisation of intangible assets	(30)	(32)	(6.3)	(60)	(64)	(6.3)
Foreign exchange loss/(gain), net	66	(151)	N.m	36	(481)	N.m
Interest income included in other non-operating income	4	4	0.0	14	9	55.6
Interest expense included in finance costs	208	89	> 100	416	155	> 100
Property, plant and equipment written off	(15)	(81)	(81.5)	(52)	(111)	(53.2)
Interest expense on lease liabilities	-	-	-	(4)	-	N.m
Tax:						
- current tax expense	(492)	(237)	> 100	(956)	(434)	> 100
- deferred tax credit	51	53	(3.8)	102	108	(5.6)

N.m - Percentage / Computation not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION (UNAUDITED) - in SGD

	Group		Company	
	31-Dec-19 \$'000	30-Jun-19 \$'000	31-Dec-19 \$'000	30-Jun-19 \$'000
Non-current assets				
Property, plant and equipment	32,561	32,163	–	–
Right-of-use assets [1(b)(ii)]	375	–	–	–
Subsidiaries	–	–	38,016	38,016
Goodwill	6,325	6,361	–	–
Intangible assets	1,327	1,402	–	–
Deferred tax assets	4,479	4,998	–	–
	<u>45,067</u>	<u>44,924</u>	<u>38,016</u>	<u>38,016</u>
Current assets				
Inventories	29,978	28,121	–	–
Contract assets	8,705	10,533	–	–
Trade and other receivables	4,714	496	7,285	7,843
Prepayments	1,370	866	40	102
Current tax recoverable	–	124	–	–
Cash and cash equivalents	8,435	8,552	64	22
	<u>53,202</u>	<u>48,692</u>	<u>7,389</u>	<u>7,967</u>
Total assets	<u>98,269</u>	<u>93,616</u>	<u>45,405</u>	<u>45,983</u>
Current liabilities				
Contract liabilities	11,465	9,568	–	–
Trade and other payables	9,641	10,044	228	374
Lease liabilities [1(b)(ii)]	271	–	–	–
Provision for warranty claims	2,771	2,469	–	–
Interest bearing loans and borrowings [1(b)(iii)]	9,284	8,399	–	–
Deferred consideration [1(b)(iii)]	487	480	–	–
Current tax payables	195	–	–	–
	<u>34,114</u>	<u>30,960</u>	<u>228</u>	<u>374</u>
Non-current liabilities				
Lease liabilities [1(b)(ii)]	104	–	–	–
Deferred tax liabilities	308	422	–	–
Interest bearing loans and borrowings [1(b)(iii)]	4,721	5,005	–	–
Deferred consideration [1(b)(iii)]	1,870	2,126	–	–
	<u>7,003</u>	<u>7,553</u>	<u>–</u>	<u>–</u>
Total liabilities	<u>41,117</u>	<u>38,513</u>	<u>228</u>	<u>374</u>
Capital and reserves				
Share capital	43,045	43,045	43,045	43,045
Share-based compensation reserve	381	381	381	381
Accumulated profits	14,192	12,150	1,751	2,183
Foreign currency translation reserve	(466)	(473)	–	–
	<u>57,152</u>	<u>55,103</u>	<u>45,177</u>	<u>45,609</u>
Total equity and liabilities	<u>98,269</u>	<u>93,616</u>	<u>45,405</u>	<u>45,983</u>

1(b)(ii) The adoption of SFRS(I) 16 *Leases* resulted in certain leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right-to-use the leased item) and financial liability to pay rentals are recognised. Please refer to para 5 for more details; and

1(b)(iii) Aggregate amount of group's borrowings and debt securities

	31-Dec-2019 \$'000	30-Jun-2019 \$'000
Interest bearing loans and borrowings - short-term	9,284	8,399
Deferred consideration - short-term	487	480
Interest bearing loans and borrowings - long-term	4,721	5,005
Deferred consideration - long-term	1,870	2,126
	<u>16,362</u>	<u>16,010</u>

Group's borrowings as at 31 Dec 2019 were S\$16.4 million (30 June 2019 : S\$16.0 million) for the partial financing of the renewal consideration for the lease extension of the Group's manufacturing yard in Pasir Gudang, Johor, Malaysia, the partial financing of the acquisition of Stuart Yacht Corporation (SYC) and partial financing of inventory boats.

Detail of any collateral

The Group's borrowings are secured by charge on the lease of the Group's manufacturing yard in Pasir Gudang, Johor, Malaysia, corporate guarantee by the Company, charge on the shares of SYC and charge on boats.

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) - in SGD

	Group		Group	
	3-Month Period Ended 31-Dec-19 S'000	3-Month Period Ended 31-Dec-18 S'000	6-Month Period Ended 31-Dec-19 S'000	6-Month Period Ended 31-Dec-18 S'000
Operating activities				
Profit after taxation	361	84	2,042	1,230
<i>Adjustments for:-</i>				
Depreciation of property, plant and equipment	1,065	840	2,442	1,602
Amortisation of intangible assets	30	32	60	64
Property, plant and equipment written off	15	81	52	111
Allowance/(Reversal) made for slow moving materials	130	(33)	160	(3)
Interest income	(4)	(4)	(14)	(9)
Interest expense	208	89	416	155
Provision for warranty claims	776	537	1,247	839
Equity-settled share based expense	-	2	-	5
Tax expense	441	184	854	326
Unrealised foreign exchange loss/(gain)	66	94	(97)	363
	<u>3,088</u>	<u>1,906</u>	<u>7,162</u>	<u>4,683</u>
<i>Changes in working capital:</i>				
Increase in inventories	(3,684)	(6,819)	(1,840)	(11,419)
Decrease/(Increase) in contract assets	4,424	1,836	1,845	(712)
(Increase)/Decrease in trade and other receivables	(3,573)	2,196	(4,696)	4,720
(Increase)/Decrease in prepayments	(285)	137	(504)	(159)
Increase/(Decrease) in contract liabilities	4,135	106	2,054	(3,583)
(Decrease)/Increase in trade and other payables	(599)	6,145	(293)	6,912
	<u>3,506</u>	<u>5,507</u>	<u>3,728</u>	<u>442</u>
Net cash from operations	3,506	5,507	3,728	442
Net income tax paid	(65)	(137)	(110)	(294)
Warranty claims paid	(644)	(655)	(1,100)	(1,091)
Cash flows from/(used in) operating activities	<u>2,797</u>	<u>4,715</u>	<u>2,518</u>	<u>(943)</u>
Investing activities				
Interest received	4	4	14	9
Purchase of property, plant and equipment	(1,288)	(2,139)	(2,707)	(4,018)
Cash flows used in investing activities	<u>(1,284)</u>	<u>(2,135)</u>	<u>(2,693)</u>	<u>(4,009)</u>
Financing activities				
Interest paid	(199)	(81)	(420)	(147)
Dividend Paid	-	(921)	-	(921)
Repayment of lease liabilities	(104)	-	(208)	-
Repayment of deferred consideration (i)	(167)	(113)	(287)	(227)
Repayment of interest bearing loans and borrowings (i)	(384)	(141)	(4,372)	(243)
Proceeds from interest bearing loans and borrowings	2,588	9,865	4,977	11,010
Cash flows from/(used in) financing activities	<u>1,734</u>	<u>8,609</u>	<u>(310)</u>	<u>9,472</u>
Net increase/(decrease) in cash and cash equivalents	<u>3,247</u>	<u>11,189</u>	<u>(485)</u>	<u>4,520</u>
Cash and cash equivalents at beginning of period	5,079	1,522	8,425	8,305
Effect of exchange rate changes on balances held in foreign currency	109	437	495	323
Cash and cash equivalents at end of period (ii)	<u>8,435</u>	<u>13,148</u>	<u>8,435</u>	<u>13,148</u>

(i) The repayment of deferred consideration, loans and borrowings relates to the Group's borrowings for the partial financing of the renewal consideration for the lease extension of the Group's manufacturing yard in Pasir Gudang, Johor, Malaysia, the partial financing of the acquisition of Stuart Yacht Corporation and partial financing of inventory boats.

	<u>31-Dec-19</u>	<u>31-Dec-18</u>
(ii) Cash and cash equivalents per statement of cash flows (S\$'000)	8,435	13,148
Deposits pledged (S\$'000)	-	129
Cash and cash equivalents per the statement of financial position (S\$'000)	<u>8,435</u>	<u>13,277</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY (UNAUDITED) - in SGD

Group	Share capital S'000	Share-based compensation reserve S'000	Foreign currency translation reserve S'000	Accumulated profits/(loss) S'000	Total S'000
At 1-Jul-2018	43,045	370	1,342	11,790	56,547
Total comprehensive income for the period					
Profit for the period	–	–	–	1,230	1,230
Other comprehensive income					
Translation differences relating to financial statements of foreign subsidiaries	–	–	(1,098)	–	(1,098)
Total other comprehensive income	–	–	(1,098)	–	(1,098)
Total comprehensive income for the period	–	–	(1,098)	1,230	132
Transactions with owners, recorded directly in equity					
Equity-settled performance shares	–	5	–	–	5
Final dividend paid in respect of financial year ended 30 June 2018 of 0.05 cents per share one-tier tax exempt (30 June 2017 : Nil)	–	–	–	(921)	(921)
At 31-Dec-2018	43,045	375	244	12,099	55,763
At 1-Jul-2019	43,045	381	(473)	12,150	55,103
Total comprehensive income for the period					
Profit for the period	–	–	–	2,042	2,042
Other comprehensive income					
Translation differences relating to financial statements of foreign subsidiaries	–	–	7	–	7
Total other comprehensive income	–	–	7	–	7
Total comprehensive income for the period	–	–	7	2,042	2,049
At 31-Dec-2019	43,045	381	(466)	14,192	57,152
Company					
At 1-Jul-2018	43,045	370	265	–	43,680
Total comprehensive income for the period					
Profit for the period	–	–	(540)	–	(540)
Total comprehensive income for the period	–	–	(540)	–	(540)
Transactions with owners, recorded directly in equity					
Equity-settled performance shares	–	5	–	–	5
Final dividend paid in respect of financial year ended 30 June 2018 of 0.05 cents per share one-tier tax exempt (30 June 2017 : Nil)	–	–	(921)	–	(921)
At 31-Dec-2018	43,045	375	(1,196)	–	42,224
At 1-Jul-2019	43,045	381	2,183	–	45,609
Total comprehensive income for the period					
Profit for the period	–	–	(432)	–	(432)
Total comprehensive income for the period	–	–	(432)	–	(432)
At 31-Dec-2019	43,045	381	1,751	–	45,177

- 1(d) (ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company did not issue any shares during the 3-month period ended 31 December 2019 (31 December 2018: No change).

There were 3,300,000 outstanding options as at 31 December 2019 (31 December 2018: 3,300,000 options).

Except for the above, there are no outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of immediately preceding financial year.

- 1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.**

The Company did not hold any treasury shares as at 31 December 2019 and 30 June 2019. The Company's share capital consists of 184,234,649 ordinary shares as at 31 December 2019 (30 June 2019: 184,234,649 ordinary shares).

- 1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Company did not have any treasury shares during the period under review.

- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period, as those of the most recent audited financial statements for the financial year ended 30 June 2019.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2019. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s.

The adoption of the SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have significant impact on the financial statements of the Group.

SFRS(I) 16 Leases

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019. The Group applied SFRS(I) 16 using the modified retrospective approach and accordingly, the comparative information presented is not restated.

SFRS(I) 16 has resulted in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right-to-use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term leases and leases of low value assets.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

Upon application of SFRS(I) 16 on 1 July 2019, the impact to balance sheet are summarised as below:

	As at 1 July 2019 Reported under SFRS(I) 16 S\$'000
Addition of right-of-use assets	375
Addition of lease liabilities (current)	271
Addition of lease liabilities (non-current)	104
Net impact on net assets	0

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend.

3-Month Period Ended	3-Month Period Ended	6-Month Period Ended	6-Month Period Ended
31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18

Earnings per ordinary share for the financial period based on net profit attributable to shareholders: -

- on weighted average number of ordinary shares in issue (cents)	0.20	0.05	1.11	0.67
- on a fully diluted basis (cents)	0.20	0.05	1.11	0.66

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :-

(a) Current period reported on; and

(b) Immediately preceding financial year.

	Group	Company
	Dec-19	Jun-19
	Dec-19	Jun-19
Net asset value per ordinary share based on existing issued share capital at the end of the respective financial period/year (cents)	31.02	29.91
	24.52	24.76

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

a) Any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors.

Revenue

The Group's revenue for the quarter ended 31 December 2019 ("2Q FY2020") increased 10.1% to S\$19.0 million from S\$17.3 million for the quarter ended 31 December 2018 ("2Q FY2019"), primarily due to more orders and boats in production reaching maturity.

The Group's revenue for the half year ended 31 December 2019 ("1H FY2020") increased 15.9% to S\$45.1 million from S\$38.9 million for the half year ended 31 December 2018 ("1H FY2019"), due to the same reasons as for 2Q FY2020.

Gross profit

In line with higher revenue, gross profit amounted to S\$5.0 million in 2Q FY2020, up 13.6% from S\$4.4 million in 2Q FY2019. Gross profit margin increased marginally to 26.4% from 25.6% over the comparative period mainly due to incoming boat sales being built-to-order, which have higher margins.

Similarly, gross profit amounted to S\$11.2 million in 1H FY2020, up 11.9% from S\$10.0 million in 1H FY2019. Gross profit margin decreased marginally to 24.8% from 25.7% over the comparative period mainly due to two stock boat sales and a trade-in sale in 1Q FY2020.

Operating expenses

Total operating expenses – which include costs relating to boat shows, sales and marketing, as well as salaries, commissions and professional fees – increased to S\$4.1 million in 2Q FY2020 from S\$3.9 million in 2Q FY2019 mainly due to higher commissions payable and payroll costs.

Total operating expenses remained fairly constant at S\$8.0 million in 1H FY2020 compared to S\$7.9 million in 1H FY2019.

Other non-operating income in 2Q FY2020 and 1H FY2020 was due to foreign exchange gains while Other non-operating expenses in 2Q FY2019 and 1H FY2019 were due to foreign exchange losses. The higher finance costs in 2Q FY2020 and 1H FY2020 compared to 2Q FY2019 and 1H FY2019 were due to higher borrowings in FY2020.

Taxation

The tax expenses for all the periods arose from the profitable subsidiaries.

Net profit

As a result of the above, the Group's net profit was S\$0.4 million in 2Q FY2020 (2Q FY2019: S\$0.1 million) and S\$2.0 million in 1H FY2020 (1H FY2019: S\$1.2 million), an increase of 330% and 66% over the respective comparative periods.

b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group's cash flow generated from operations was S\$2.8 million in 2Q FY2020 (from S\$4.7 million in 2Q FY2019), due primarily to higher contract liabilities and lower contract assets, partially offset by higher inventory and receivables.

The increase in contract liabilities was due to deposits received from customers for new orders in 2Q FY2020. The increase in inventory was due to higher value of stock boats while the increase in receivables was caused by delayed receipts from customers due to the year-end festive season. S\$3.9 million was received from customers subsequent to the quarter end.

Cash flows used in investing activities amounted to S\$1.3 million in 2Q FY2020 compared to S\$2.1 million in 2Q FY2019 due to lower spending on improvements to the Pasir Gudang facility. Investing activities for the quarter mainly went to the development of new products.

Cash flows from financing activities amounted to S\$1.7 million in 2Q FY2020 (compared to S\$8.6 million in 2Q FY2019), due to proceeds from interest-bearing stock boat financing loans, partially offset by the repayments of principal and interest of loans and deferred consideration.

On a half-year basis, the Group's cash flow generated from operations was S\$2.5 million in 1H FY2020, compared to cash flow used in operations of S\$0.9 million in 1H FY2019. This was primarily due to better profits for the period in review, higher contract liabilities and lower contract assets, partially offset by higher inventory and receivables.

The increase in contract liabilities, inventory and receivables was contributed by the same factors as in 2Q FY2020.

Cash flows used in investing activities amounted to S\$2.7 million in 1H FY2020 compared to S\$4.0 million in 1H FY2019 due to lower spending on improvements to the Pasir Gudang facility. Investing activities for the half year mainly went to the development of new products.

Cash flows used in financing activities amounted to S\$0.3 million in 1H FY2020 due to the repayments of principal and interest of loans and deferred consideration, partially offset by proceeds from interest-bearing stock boat financing loans. In 1H FY2019, cash flows from financing activities amounted to S\$9.5 million due to proceeds from interest-bearing stock boat financing loans, partially offset by the repayments of principal and interest of loans and deferred consideration.

As a result of the above, cash and cash equivalents were S\$8.4 million as at 31 December 2019 compared to S\$5.2 million as at 30 September 2019 and S\$8.6 million as at 30 June 2019.

Non-current assets came to S\$45.1 million as at 31 December 2019, consistent with S\$44.9 million as at 30 June 2019. Current assets amounted to S\$53.2 million as at 31 December 2019 compared to S\$48.7 million as at 30 June 2019, primarily due to increase in receivables and inventory.

Total liabilities increased to S\$41.1 million as at 31 December 2019 from S\$38.5 million as at 30 June 2019, due mainly to increase in contract liabilities and borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group ended the first half of the financial year on a strong note: net profit and net profit margin have increased in line with revenue, a reflection of the strong market demand for the Group's yachts and earlier efforts to improve boat design, quality and production efficiency.

The Group received ten new orders in 2Q FY2020, resulting in a net order book of S\$63.9 million as at 31 December 2019 compared to S\$42.8 million as at 31 December 2018 – an encouraging start to the second half of the financial year. In view of the larger order book, the production capacity at Pasir Gudang has been increased in order to meet production requirements and deadlines.

The Group's Palm Beach 70 recently debuted at the Fort Lauderdale International Boat Show; the Group will be busy driving growth in orders with a fresh line of bigger, sleeker, and better-performing luxury boat models such as the Grand Banks 54, Palm Beach GT60 and the Grand Banks 85 – all of which are set to make their appearance within the calendar year.

With the redevelopment of its 550,000-square feet facility in Pasir Gudang completed, the Group will direct its capital expenditure towards product development. The Group will also be improving its yard in Stuart, Florida which will serve as the main service facility and hub for the U.S. region, as well as the headquarters for the Group's sales and marketing operations.

The Group will continue to focus on its marketing and sales initiatives to grow the order book for its wider range of boat models, while also reviewing its operating cost to improve margins.

11. Dividend

**a) Current Financial Period Reported On
Any dividend declared for the current financial year reported on?**

No.

- b) **Corresponding Period of the immediately Preceding Financial Year**
Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

12. **If no dividend has been declared / recommended, a statement to that effect.**

No dividend has been declared.

13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained from shareholders for IPT.

Mr. Mark Jonathon Richards, the Group's Chief Executive Officer, owns the manufacturing facility at Berkeley Vale, Sydney, Australia. This facility is leased to PBM Y, one of the Group's subsidiary companies. For the period from 1 October 2019 through 31 December 2019, the monthly rental amount paid by PBM Y for use of the manufacturing facility was approximately S\$23,000. The transaction has been reviewed by the Risk Management & Audit Committee ("RMAC") of the Company, and the RMAC is of the view that the terms of the transaction is on normal commercial terms, and is not prejudicial to the interest of the Company and its minority shareholders.

14. **Negative confirmation by the Board pursuant to Rule 705(5).**

The Board of Directors of the Company hereby confirms to the best of its knowledge that nothing has come to its attention which may render the financial statements for the second quarter ended 31 December 2019 to be false or misleading in any material respect.

15. **Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1).**

The Company has procured undertakings from all its directors and executive officers as required by Rule 720(1).

16. **The status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use.**

Not applicable.

By Order of the Board
GRAND BANKS YACHTS LIMITED

Chiam Heng Huat
Chief Financial Officer

Date: 13 February 2020