

**GRAND BANKS YACHTS LIMITED**

(Company Reg. No.: 197601189E)
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Grand Banks Yachts' Net Order Book Reaches 10-Year High of S\$63.9 Million; 1H FY2020 Net Profit Rises 66% to S\$2.0 Million

| As at 31 December S\$'000 | 2Q FY2020 | 2Q FY2019 | Change (%) | 1H FY2020 | 1H FY2019 | Change (%) |
|---------------------------|-----------|-----------|------------|-----------|-----------|------------|
| Revenue | 19,035 | 17,296 | 10.1 | 45,082 | 38,906 | 15.9 |
| Gross Profit | 5,025 | 4,423 | 13.6 | 11,189 | 9,995 | 11.9 |
| Total Operating Expenses | (4,086) | (3,935) | 3.8 | (7,950) | (7,850) | 1.3 |
| Profit Before Tax | 802 | 268 | 199.3 | 2,896 | 1,556 | 86.1 |
| Net Profit | 361 | 84 | 329.8 | 2,042 | 1,230 | 66.0 |

SINGAPORE, 13 February 2020 – Singapore Exchange Mainboard-listed luxury yacht builder, **Grand Banks Yachts Limited** (“Grand Banks” or “the Group”), announced today a 66% increase in net profit for the six months ended 31 December 2019 (“1H FY2020”) as its net order book rose to a 10-year high of S\$63.9 million.

The builder of world-renowned Grand Banks and Palm Beach boat brands said net profit for the six months ended 31 December 2019 (“1H FY2020”) rose 66.0% from S\$1.2 million in 1H FY2019. This was achieved on the back of a rise in revenue to S\$45.1 million from S\$38.9 million over the comparative periods due to increased orders and more boats reaching maturity of completion.

Gross profit for the three months ended 31 December 2019 (“2Q FY2020”) amounted to S\$5.0 million, against revenue of S\$19.0 million, a 13.6% increase from S\$4.4 million, against revenue of S\$17.3 million in 2Q FY2019. Gross profit margin increased to 26.4% from 25.6% due to higher-margin boat sales.

Total operating expenses increased to S\$4.1 million in 2Q FY2020 due to higher commissions payable and payroll costs. Operating expenses for 1H FY2020 remained steady at S\$8.0 million compared to S\$7.9 million the previous year.

Earnings per share increased to 0.20 Singapore cent in 2Q FY2020 from 0.05 Singapore cent in 2Q FY2019 while net asset value per share grew to 31.02 Singapore cents as at 31 December 2019 from 29.91 Singapore cents a year ago. The Group ended the financial period with cash and cash equivalents of S\$8.4 million, including proceeds from the financing of inventory boats, compared to S\$13.3 million as at 31 December 2018.

Grand Banks said its net order book as at end-December 2019 rose to S\$63.9 million, a 10-year high, due to sales of ten new boats – reflecting strong market demand for its new line of boat models. The net order book a year earlier stood at S\$42.8 million.

The Group’s Palm Beach 70 model recently made its debut at the Fort Lauderdale International Boat Show, the first in a line of bigger, sleeker, better performing models which will include the Palm Beach GT60 and the highly anticipated Grand Banks 54. The Group is set to release its largest yacht model to date, the Grand Banks 85, within the calendar year.

The Group's 550,00-square feet manufacturing facility in Pasir Gudang, Malaysia, has undergone significant renovations to increase operational efficiency and production capacity to match the growing order book. The Group recently bagged the Innovation in a Production Process Award at the 2019 Boat Builder Awards for implementation of its robotic 8-axis mill in its production process.

Mr Heine Askaer-Jensen, Chairman of Grand Banks, said: "We have seen a strong rebound in profits compared to last year. With the net order book reaching a 10-year high, it is a promising start to the second half of the financial year. We will continue to focus our marketing efforts towards growing our order book for the next six months."

Mr. Mark Richards, Chief Executive Officer of Grand Banks, said, "The market has been hungry for Grand Banks models, and this is evident from the growing order book. We have comfortably met the growing production requirements through our revamp of Pasir Gudang and the gradual hiring of additional production staff."

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 55 feet.

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

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