



GRAND BANKS

GRAND BANKS YACHTS LIMITED

(Company Reg. No.: 197601189E)

21 Bukit Batok Crescent #06-74 Wcega Tower

Singapore 658065

Grand Banks Yachts FY2021 Net Profit Rises 300.5% to S\$4.2 Million Despite COVID-Related Temporary Shut-downs At Malaysian Yard

- 40 new boat orders and six trade-in boats recorded in FY2021, lifted by strong demand for yachts amid the pandemic
- Production at Pasir Gudang yard has been halted since 1 June 2021 in compliance with Malaysian Government's Movement Control Orders
- Initiative by Company to vaccinate all workers; gradual restart in August with limited workers and concurrent worker vaccination
- FY2021 gross profit margin increased to 21.5% from 18.3%, due to increased sales of higher-margin boats amid new digital marketing initiatives
- Proposes full-year final dividend of S\$0.005 per share

As at 30 June S\$'000	2H FY2021	2H FY2020	Change (%)	FY2021	FY2020	Change (%)
Revenue	42,616	58,152	(26.7)	96,061	103,234	(6.9)
Gross Profit	7,715	7,695	0.3	20,667	18,884	9.4
Gross Profit Margin	18.1%	13.2%	4.9 ppt*	21.5%	18.3%	3.2 ppt*
Total Operating Expenses	(7,925)	(8,740)	(9.3)	(15,534)	(16,690)	(6.9)
Profit/(Loss) Before Tax	401	(2,032)	NM	5,643	864	553.0
Net Profit/(Loss)	244	(987)	NM	4,226	1,055	300.5
Earnings Per Share (cents)	0.13	(0.53)	NM	2.29	0.57	300.5

*ppt: Percentage Points

^NM: Percentage/Computation Not Meaningful

SINGAPORE, 27 August 2021 – SGX Mainboard-listed **Grand Banks Yachts Limited** (“Grand Banks” or “the Group”) announced its net profit for the financial year ended 30 June 2021 (“FY2021”) rose 300.5% to S\$4.2 million as the pandemic led to strong demand for luxury boats in the United States, despite production halts at its Malaysian yard.

The builder of the prestigious Grand Banks, Eastbay and Palm Beach boats recorded revenue for the six months ended 30 June 2021 (“2H FY2021”) and FY2021 of S\$42.6 million and S\$96.1 million, respectively, representing decreases of 26.7% and 6.9% year-on-year, respectively. The lower top-line reflects several production halts at its yard in Pasir Gudang for almost two months in total, in compliance with Malaysian Government's Movement Control Orders to curb the spread of COVID-19.

Grand Banks recorded 40 new boat orders and six trade-in boat orders for FY2021, lifting the net order book to a record high since the Global Financial Crisis to S\$116.9 million as at 30 June 2021 compared to S\$48.9 million as at 30 June 2020.

Despite the lower revenue, gross profit for 2H FY2021 and FY2021 increased 0.3% and 9.4%, respectively, to S\$7.7 million and S\$20.7 million, respectively, as orders for bigger, higher-margin boats increased. Accordingly, gross profit margin increased to 18.1% and 21.5% in 2H FY2021 and FY2021 respectively.

The pandemic also led to the Group cutting participation in boat shows and related sales and marketing activities, leading to total operating expenses for FY2021 decreasing 6.9% to S\$15.5 million from S\$16.7 million a year ago. There was also an absence of restructuring costs of S\$1.5 million recorded in FY2020 relating to the closure of the Australian yard, offset by higher sales commissions and payroll costs in FY2021.

Earnings per share for FY2021 amounted to 2.29 Singapore cents compared to 0.57 Singapore cent in FY2020, while net asset value per share increased to 32.97 Singapore cents compared to 30.89 Singapore cents as at 30 June 2020.

Grand Banks has continued to strengthen its balance sheet, with cash and cash equivalents rising to S\$45.2 million as at 30 June 2021 from S\$10.7 million a year ago.

On the outlook, the Group expects demand for luxury boats, particularly in the United States, to continue to sustain due to restricted or curtailed travel-related leisure activities caused by the pandemic. To better engage customers in a post-COVID environment, the Group has stepped up digital marketing and enhancing the online experience of buying and owning a luxury boat amid reduced participation in physical boat shows.

The Group undertook a vaccination programme to vaccinate its yet to be vaccinated Malaysian workforce, with the first dose of the vaccine to its workers administered on 6 August 2021, and the second dose scheduled on 27 August 2021. Operations at the Pasir Gudang yard has partially resumed operations and is expected to progressively return to full capacity by mid-September 2021, barring unforeseen circumstances.

Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said: "The pandemic has led to temporary production halts in Malaysia on the one hand and increased demand for bigger luxury boats on the other. Despite the immense challenges, we have delivered a commendable performance in FY2021 with a healthy order book. We are grateful to CEO Mark Richards and his team for the hard work and leadership in navigating through this challenging period."

Mr. Mark Richards, CEO of Grand Banks, said: "I would like to thank our customers, contractors, management and staff for the perseverance and hard work to help the Company ride through this pandemic. Despite the disruption to operations due to the COVID-19 pandemic, our net profit has increased significantly. The global luxury boat market has expanded since the start of the pandemic even as we strive to engage customers better in the digital space. With a strong net order book closing at S\$116.9 million as at 30 June 2021, we look forward to early resumption of

production at our Malaysian yard. We are happy that we will have a fully vaccinated workforce very soon and look forward to returning to full operating capacity by mid-September 2021.”

End of Release

About Grand Banks Yachts Limited

Grand Banks, a renowned manufacturer of luxury recreational motor yachts for over 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 yard at Pasir Gudang, Johor, Malaysia and provides customer support out of its service yard at Stuart, Florida, USA. The yachts, which range between 42 feet and 85 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

Grand Banks Yachts Limited contact:

Chief Financial Officer
21 Bukit Batok Crescent
#06-74, Wcega Tower
Singapore 658065
Tel: (65) 6545-2929
Chiam Heng Huat,
hhchiam@grandbanks.com

Investor/Media Relations contact:

WeR1 Consultants Pte Ltd
3 Phillip Street
#12-01, Royal Group Building
Singapore 048693
Tel: (65) 6737-4844
Isaac Tang,
grandbanks@wer1.net