



GRAND BANKS YACHTS LIMITED

(Company Reg. No.: 197601189E)

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SGX-Listed Grand Banks Yachts To Acquire Australian Boat Builder Palm Beach for A\$10 Million; Entrepreneur and Yachting Champion Mark Richards To Be Named CEO On Completion

- **First-ever acquisition will position enlarged Group for global reach with two world-class brands – Grand Banks and Palm Beach**
- **Grand Banks will tap Palm Beach’s manufacturing processes and technology to further improve production efficiencies**
- **Transaction structured on earn-out model based on Palm Beach’s financial performance through 30 June 2015**

SINGAPORE, 11 April 2014 – Grand Banks Yachts Limited (“Grand Banks”) announced today it has entered into a conditional put and call option agreement to acquire the entire share capital of Palm Beach Motor Yacht Co Pty Ltd (“Palm Beach”) of Australia for up to A\$10.0 million (S\$11.7 million). Upon exercise of the option, Palm Beach founder Mr. Mark Richards (“Mr. Richards”) – one of Australia’s most successful yachtsmen in recent times – will be appointed Chief Executive Officer (“CEO”) of the enlarged Group.

Under the agreement, Grand Banks and Palm Beach will grant each other options such that when exercised, will see Grand Banks purchasing all of Palm Beach’s shares for up to A\$8.0 million (S\$9.4 million) in cash and A\$2.0 million (S\$2.3 million) in new Grand Banks shares to be issued. A portion of the payment will depend on the FY2014 and FY2015 financial performance of Palm Beach, which is based in Berkeley Vale, outside Sydney, Australia.

Grand Banks said the transaction would strengthen the position of the Singapore Exchange Mainboard-listed luxury motor yacht builder as a global company with two world-class brands that are well represented in the leading markets of North America, Australia, Asia and Europe. The manufacturing facilities of both brands will continue to operate at their respective locations – Grand Banks in Malaysia and Palm Beach in Australia.

Palm Beach designs and builds five different highly-customized yacht models ranging from 45 to 65 feet which are mostly sold in the United States - its largest market. Palm Beach was founded in 1995 by Mr. Richards, 46, a seven-time champion skipper of the 628-mile Sydney-to-Hobart yacht race between 2005 and 2013. Mr. Richards also led Australia to victory in the last Admiral’s Cup race in the U.K. in 2003 and has participated in two America’s Cup regattas, representing Australia.

Under Mr. Richards' leadership, Palm Beach has developed a global reputation for designing and producing one of the highest quality and most efficient luxury motor yachts in today's market by utilizing modern materials and construction technologies.

"With Mark as incoming CEO, this critical leadership role will be filled by a qualified boat-builder with a deep passion and experience for yachting, combined with a proven track record of technological innovation and success in building and marketing boats internationally. It is a rare combination and a remarkable fit coming at a critical juncture of Grand Banks' own transformation," said Mr. Heine Askaer-Jensen, Grand Banks' Chairman.

Mr. Richards said: "This transaction is a major personal decision which is driven by my firm belief that the expanded investment and development of both Palm Beach and Grand Banks, together with the skills and collective will of the two brands, will combine to make the enlarged Group one of the world's leading luxury boat-building companies. I have deep respect for the Grand Banks brand, and it will be a great honor for me to further strengthen the brand and to lead it to continued success."

The transaction is subject to satisfactory due diligence and Grand Banks' shareholders' approval at an Extraordinary General Meeting to be convened. Assuming all conditions are met, Grand Banks will issue Mr. Richards 11.03 million new Company shares at S\$0.2126 each, which he must hold for at least two years from completion of the transaction. This will give Mr. Richards a 6.0% stake in the enlarged share capital of Grand Banks which will increase from its current 173.00 million shares to 184.03 million shares.

Tan Sri Lim Kok Thay, the Chairman and CEO of the Genting Group, whose privately held Exa Limited is the largest shareholder of Grand Banks, said: "I welcome the proposed transaction which will add a second major global brand and scale to the Group. It offers tremendous synergies for technology transfer, with the rare combination of an incoming CEO who can build and sail yachts with world-class accomplishment."

Upon appointment of Mr. Richards as CEO, Mr. Peter Poli will relinquish his role as Acting CEO and continue with his role as Chief Financial Officer of the enlarged Group.

Grand Banks builds the Aleutian, Eastbay and Heritage series of yachts out of Pasir Gudang, in Johor, Malaysia. It recorded a net profit S\$0.27 million for the October-December 2013 ("2Q 2014") period, its first quarterly net profit since 2009 which reversed a loss of S\$0.78 million in 2Q 2013.

Upon completion of the transaction, the financial results of Palm Beach will be consolidated with Grand Banks', and will contribute to Grand Banks' financial performance.

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.

For more information, visit: www.grandbanks.com

About Palm Beach Motor Yacht Co Pty Ltd

Founded in 1995 by world-renowned sailor and seven-time Sydney to Hobart race winner Mr. Mark Richards, Palm Beach Motor Yachts is known for its modern technology and impeccable craftsmanship. All yachts are meticulously designed and constructed with cutting edge materials and allows for a full suite of customizable options. The company's headquarters and manufacturing facility operate out of Berkeley Vale, Australia.

For more information, visit: www.pbmotoryachts.com

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