

**GRAND BANKS YACHTS LIMITED**

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SGX-listed Grand Banks Yachts Records Second Consecutive Profitable Quarter since 2009; Reports Positive Nine-Month Cumulative Net Profit

- **Recorded net profit of S\$0.54 million in 3Q 2014, reversing net loss of S\$0.72 million in 3Q 2013**
- **Gross profit rose 32.3% to S\$1.7 million in 3Q 2014 from S\$1.3 million in 3Q 2013**
- **3Q 2014 operating expenses fell to lowest level in nearly five years amid accelerated efforts to streamline internal efficiencies**
- **9M 2014 revenue up 15.7% to S\$27.1 million from S\$23.5 million; first cumulative 9-month profit since FY2008**

In SGD Million (ending 31 March)	3Q'14 S\$	3Q'13 S\$	Change %	9M'14 S\$	9M'13 S\$	Change %
Revenue	8.1	10.3	(20.8)	27.1	23.5	15.7
Gross Profit	1.7	1.3	32.3	5.5	4.0	36.8
Gross Margin (%)	21.0	12.6	--	20.3	17.1	--
Total Operating Expenses	(1.2)	(2.1)	(43.5)	(5.0)	(6.8)	(26.6)
Net Profit/(Loss) for the Period	0.54	(0.72)	175.2	0.23	(2.94)	107.9
Earnings Per Share (cents)	0.31	(0.62)	150.0	0.15	(2.65)	105.7

SINGAPORE, 26 April, 2014 – Grand Banks Yachts Limited (“Grand Banks” or “the Group”) announced today that it recorded its second consecutive quarterly net profit of S\$0.54 million for the January-to-March 2014 period (“3Q 2014”), lifting profit for the nine months ended 31 March, 2014 (“9M 2014”) to S\$0.2 million and reversing the net loss of S\$2.9 million in 9M 2013.

Although revenue declined 20.8% for 3Q 2014 of S\$8.1 million from S\$10.3 million in 3Q 2013, gross profit rose 32.3% to S\$1.7 million from S\$1.3 million while gross profit margin improved significantly to 21.0% from 12.6%, respectively, due to higher factory utilization and continued efforts to streamline internal efficiencies.

The SGX-listed internationally renowned manufacturer of the Grand Banks brand of boats said that apart from improving cost-of-sales efficiencies, efforts to realign sales, marketing and administrative expenses also cut operating costs to its lowest level in nearly five years to S\$1.2 million in 3Q 2014 from S\$2.1 million in 3Q 2013.

Sales and marketing expenses and administrative expenses fell 28.0% and 28.6%, respectively, due to reduced headcount, lower travel and entertainment expenses as well as the restructuring of the Group's offices in the U.S.A. and Australia. The Group also benefited from recovery of doubtful debts and the forfeiture of a deposit.

For 9M 2014, the Group's gross profit growth of 36.8% to S\$5.5 million from S\$4.0 million outpaced revenue growth of 15.7% to S\$27.1 million from S\$23.5 million. The combination of increased gross profit and reduced operating expenses resulted in the Group recording its first cumulative profit since FY2008 of S\$0.23 million for 9M 2014 as compared to a net loss of S\$2.94 million in 9M 2013.

The Group's earnings per share improved to 0.31 cent in 3Q 2014 compared to a loss per share of 0.62 cent in 3Q 2013. Cash and cash equivalents remained healthy at S\$22.3 million as at 31 March, 2014.

Amidst the recovering U.S. luxury boat market, regional buying interest, especially in Singapore and Japan, has also picked up. After participating in several boat shows in recent months, the Group's net order book increased to S\$10.6 million as at 31 March, 2014 from S\$9.0 million at the end of 2Q 2014.

As announced on 11 April, 2014, the Group 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") to further strengthen the position of the Group as a global company with two world-class brands that are well represented in the leading markets of North America, Australia, Asia and Europe. Upon completion, it will appoint Mr. Mark Richards, founder and Chief Executive Officer ("CEO") of Palm Beach, as the new CEO of the enlarged Group.

Commenting on the results, Mr. Peter Poli, Acting CEO of Grand Banks, said, "Our accelerated efforts to return to profitability have started to show tangible results. We have now reported two consecutive quarters of profitability and improved financial performance as the luxury boat market continues to pick up."

Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said, "As outlined in our strategic roadmap, we want to exit from the SGX Watch-List and chart a dynamic new chapter of growth from the proposed acquisition of Palm Beach and induction of Mark Richards as the CEO of Grand Banks' enlarged Group with two world-class boat brands," he added.

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

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