

GB GRAND BANKS YACHTS

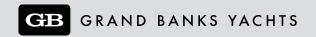
EXTRAORDINARY GENERAL MEETING VOTE TO ACQUIRE PALM BEACH MOTOR YACHTS

[15 JULY 2014 • SINGAPORE]











Agenda

- Overview
- Rationale for Acquisition
- Terms of Acquisition
- Financial Highlights
- > Outlook
- Mark Richards
- About Palm Beach Motor Yachts







Overview



Resolution 1:

 The proposed acquisition of the entire issued and paid-up shares in the capital of Palm Beach Motor Yacht Co Pty Ltd

Resolution 2:







 The proposed allotment and issuance of the consideration shares to the vendor





















Rationale for Proposed Acquisition

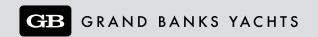
- Mark Richards brings with him a wealth of boatbuilding experience and has a keen eye for detail and design conceptualization
- Opportunity for Grand Banks to acquire a profitable business
- Palm Beach can scale up operations through Grand Banks' Pasir Gudang yard
- Produces synergies:
 - Improves purchasing power with common suppliers for building materials
 - Opportunities to cross sell to existing clients of both brands





Rationale for Proposed Acquisition

- Provides opportunity to expand beyond Grand Banks' three existing series of yachts
- Palm Beach has a strong order book
- Strengthens position of enlarged group as a global company with two world-class brands
- Provides access to Palm Beach's manufacturing techniques which will help streamline operational efficiencies
- Issuance of consideration shares increases Grand Banks' market capitalisation





Terms of Acquisition

Aggregate Consideration - Up to A\$10M

- (a) First Tranche A\$6M
 - Satisfied on completion date
 - A\$4M cash
 - A\$2M consideration shares
 - 11.03 million new shares at issue price S\$0.2126 per share
- (b) Second Tranche Up to A\$4M
 - Based on Target Profit PBT for FY2014 and FY2015 collectively
 - A\$4M if Target Profit exceeds A\$2.64M
 - If Target Profit falls below A\$2.64M, amount based on this formula: (Target Profits X AUD10,000,000) AUD6,000,000

AUD2,640,000

(i.e. the First Tranche Consideration)

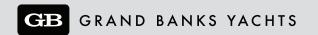




Financial Highlights - 3Q'14

In SGD Million	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
Net Profit/(Loss)	0.54	(0.72)	175.2	0.23	(2.94)	107.9

- Second consecutive profitable quarter since 2009
- First 9M'14 cumulative profit since FY2008
- Operating expenses at five-year low through ongoing efforts to improve internal efficiencies





Financial Highlights - Stock Movement



Market Capitalisation				
As at 1 Apr 2014	S\$36.3M			
As at 14 Jul 2014	S\$46.7M			

S\$46.7M





Outlook

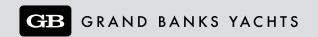
- On track to reporting a better financial performance for FY2014 compared to FY2013
- Critical leadership role will be filled by Mark Richards
- Working to develop new products for Grand Banks and Palm Beach
- Enlarged group will benefit from a geographical boost in branding
- Exploring how Grand Banks can leverage on its Malaysian yard to scale up Palm Beach's boat





Mark Richards

- Founded Palm Beach in 1995
 - With about 20 years of factory operations
- Passionate boater with a keen eye for design
- Qualified shipwright with over 34 years' experience in the boating industry
- Competitive sailing background:
 - 7-time champion skipper in the Sydney-to-Hobart race (between 2005 and 2013)
 - Represented Australia and won the Admiral's Cup Race (2003)
 - Represented Australia in the America's Cup (1991, 1995)



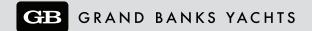


- Founded in 1995 in Berkeley Vale, NSW
- Sole shareholder: Mark Richards, founder & CEO
- Delivered approximately 75 boats to date
- Currently has 5 models of luxury motor yachts
 - 45 feet to 65 feet
 - Price range US\$1.3M to US\$3.8M
 - The latest model, a 52 feet, was launched this year

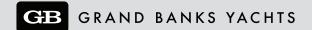


















Construction & Design

- Reputation for high quality and fuel efficient luxury motor yachts
- Efficient manufacturing processes that use cutting edge materials
- Allows for a full suite of customisable options





Awards

- Modern Boating
 - PB50: Best of the Year (2011)
 - PB65: Best Down East Styled Boat (2012)



- PB50: Best New Power Boat (2010)
- PB55: Best New Power Boat (2011)
- First consecutive two-time winner in history









Financial Performance (unaudited)

- FY2013 revenue A\$9.3M
- 9M'14 revenue A\$6.0M
- PBT FY2013 A\$525,353
- PBT 9M'14 A\$648,755 (↑ 23.5%)
- Net order book (as at 20 June 2014) A\$16.0M
 - Nine luxury motor yacht orders

