

**GRAND BANKS YACHTS LIMITED**

(Company Reg. No.: 197601189E)

UPDATE ON THE USE OF PROCEEDS FROM THE PLACEMENT OF NEW SHARES

The Board of Directors (the “**Board**”) of Grand Banks Yachts Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement made on 25 October 2013 in relation to the placement of 57,669,749 new ordinary shares by the Company. Of the net proceeds of approximately S\$12.2 million, the Board wishes to provide an update that as at 28 February 2014 the Group has used approximately S\$3.1 million.

The utilisation of the net proceeds is as follows:

Use of Proceeds	Initial Estimates (S\$'000)	Utilised up to 28 Feb 2014 (S\$'000)	Remarks
1. To fund investment initiatives, including <ul style="list-style-type: none">- investments in new products- inventory- business acquisitions	8,500 - 9,800	2,101 162 1,939 0	Development of new model Inventory yachts
2. For general working capital, including <ul style="list-style-type: none">- purchase of factory equipment and software- administrative and other general expenses	2,400 – 3,700	1,024 34 990	Purchase of factory equipment, IT hardware and software G&A and other operating expenses

The Company will make periodic announcements via SGXNET on the utilization of the net proceeds as and when the balance of the net proceeds are materially disbursed, and provide a status report on the use of net proceeds in its annual report.

By Order of the Board

GRAND BANKS YACHTS LIMITED

12 March 2014