



**GRAND BANKS YACHTS LIMITED**

(Company Reg. No.: 197601189E)

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**RESPONSES TO SGX-ST QUERIES ON FIRST QUARTER FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

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The Board of Directors of the Company ("**Board**") refers to the queries raised by SGX-ST on 27 November 2015 in relation to the Company's First Quarter Financial Statements for the period ended 30 September 2015 ("1Q2016"), announced on 27 October 2015. The Board wishes to provide the Company's responses to the queries as follows:

**Query 1**

**In paragraph 8 of the Company's 1Q2016 Results Announcement ("Announcement"), the Company announced that the increase in Other non-operating income from \$187,000 in 1Q2015 to \$702,000 in 1Q2016 was primarily due to foreign exchange gains.**

- i) Please provide an elaboration of the foreign exchange gains as mentioned in the Announcement.**

Company's Response

More than 80% of the Company's 1Q2016 revenue was denominated in US dollars while manufacturing costs were in US dollars (for certain raw material and equipment purchases), Malaysian Ringgit and Australian dollars. The US dollar appreciated against the Singapore dollar, the Ringgit and the Australian dollar during 1Q2016.

Other non-operating income of \$702,000 in 1Q2016 comprised of foreign exchange gains of \$634,000 (Page 2 of the Announcement) and miscellaneous income such as rental income of \$68,000. The foreign exchange gains came principally from the revaluation of monetary assets such as Cash and cash equivalents as well as Trade receivables denominated in foreign currencies, notably US dollar, at balance sheet date. These foreign exchange gains were partially offset by foreign exchange losses from the revaluation of monetary liabilities such as Trade payables denominated in foreign currencies, notably US dollar, at balance sheet date as well as realized foreign exchange losses from trade and non-trade transactions.

**Query 2**

**In paragraph 8 of the Announcement, the Company announced that the increase in receivables was due to the completion of a yacht at the end of September 2015, for which payment was received in early October 2015.**

- ii) Please disclose the proportion of the increase in Trade and Other receivables (as indicated in the Statement of Financial Position) that is attributable to the completion of the yacht as mentioned above.**

Company's Response

The amount due on the completed yacht contributed \$3,279,000 of the \$3,313,000 or 99.0% of the increase in Trade and Other receivables on 30 September 2015 compared to 30 June 2015.

By Order of the Board

**GRAND BANKS YACHTS LIMITED**

Ler Ching Chua  
Company Secretary  
1 December 2015