

GRAND BANKS YACHTS LIMITED

(Registration No.: 197601189E)



Second Quarter Unaudited Financial Statements for the Period Ended 31 December 2015

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT (UNAUDITED) - in SGD

	Group			Group		
	3-Month Period Ended 31-Dec-15 \$'000	3-Month Period Ended 31-Dec-14 \$'000	Inc / (Dec) %	6-Month Period Ended 31-Dec-15 \$'000	6-Month Period Ended 31-Dec-14 (i) \$'000	Inc/(Dec) %
Revenue	11,386	12,678	(10.2)	25,432	19,195	32.5
Cost of sales	(8,582)	(10,457)	(17.9)	(19,192)	(16,355)	17.3
Gross Profit	2,804	2,221	26.2	6,240	2,840	119.7
Selling and marketing expenses	(1,275)	(890)	43.3	(1,987)	(1,731)	14.8
Administrative expenses	(960)	(913)	5.1	(2,146)	(1,851)	15.9
Other operating expenses	(248)	(159)	56.0	(475)	(523)	(9.2)
Total operating expenses	(2,483)	(1,962)	26.6	(4,608)	(4,105)	12.3
Profit/(Loss) from operations	321	259	23.9	1,632	(1,265)	(229.0)
Other non-operating (expense)/income, net	(208)	134	(255.2)	494	321	53.9
Profit/(Loss) before tax	113	393	(71.2)	2,126	(944)	(325.2)
Tax credit/(expense)	251	(335)	(174.9)	(538)	(268)	100.7
Net profit/(loss) for the period	364	58	527.6	1,588	(1,212)	(231.0)
EBITDA (ii)	935	1,153	(18.9)	3,554	400	788.5

(i) Includes contributions from Palm Beach Motor Yacht Co Pty Ltd ("PBMV") arising from the acquisition of PBMV on 1 August 2014.

(ii) Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA").

Additional information to the income statement:

	Group		Group		Inc/(Dec) %
	3-Month Period Ended	3-Month Period Ended	6-Month Period Ended	6-Month Period Ended	
	31-Dec-15 \$'000	31-Dec-14 \$'000	31-Dec-15 \$'000	31-Dec-14 (i) \$'000	
Allowance made for slow-moving materials	(9)	(12)	(42)	(28)	50.0
Depreciation of property, plant and equipment	(775)	(522)	(1,294)	(965)	34.1
Amortisation of intangible assets	(55)	(249)	(156)	(401)	(61.1)
Foreign exchange (loss)/gain	(255)	72	379	230	64.8
Fair valuation loss on quoted debt securities held-for-trading	-	(2)	(4)	(6)	(33.3)
Interest income included in other non-operating income, net	8	11	22	22	-
Property, plant and equipment written off	-	-	-	(2)	(100.0)
Tax:					
- current tax credit/(expense)	188	(85)	(676)	(97)	597.0
- deferred tax credit/(expense)	63	(250)	138	(171)	(180.7)

N.m - Percentage / Computation not meaningful

(i) Includes contributions from Palm Beach Motor Yacht Co Pty Ltd ("PBMY") arising from the acquisition of PBMY on 1 August 2014.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) - in SGD

	Group		Group		Inc/(Dec) %
	3-Month Period Ended	3-Month Period Ended	6-Month Period Ended	6-Month Period Ended	
	31-Dec-15 \$'000	31-Dec-14 \$'000	31-Dec-15 \$'000	31-Dec-14 (i) \$'000	
Net profit/(loss) for the period	364	58	1,588	(1,212)	(231.0)
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Net currency translation differences of financial statements of foreign subsidiaries	476	(204)	(1,609)	(1,024)	57.1
Total Comprehensive Income for the period	<u>840</u>	<u>(146)</u>	<u>(21)</u>	<u>(2,236)</u>	(99.1)

(i) Includes contributions from Palm Beach Motor Yacht Co Pty Ltd ("PBMX") arising from the acquisition of PBMX on 1 August 2014.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION (UNAUDITED) - in SGD

	Group		Company	
	31-Dec-15	30-Jun-15	31-Dec-15	30-Jun-15
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	11,997	10,966	–	–
Subsidiaries	–	–	29,609	29,609
Goodwill	6,921	6,930	–	–
Intangible assets	1,997	2,153	–	–
Deferred tax assets	307	307	–	–
	<u>21,222</u>	<u>20,356</u>	<u>29,609</u>	<u>29,609</u>
Current assets				
Inventories	16,937	17,887	–	–
Trade and other receivables (i)	1,542	307	7,181	10,892
Prepayments	1,803	1,686	9	7
Current tax recoverable	1	–	–	–
Investment held-for-trading	306	310	306	310
Cash and cash equivalents	20,092	21,701	4,313	5,089
	<u>40,681</u>	<u>41,891</u>	<u>11,809</u>	<u>16,298</u>
Total assets	<u>61,903</u>	<u>62,247</u>	<u>41,418</u>	<u>45,907</u>
Current liabilities				
Trade and other payables (ii)	13,379	14,323	210	4,423
Hire purchase payable	24	27	–	–
Provision for warranty claims	1,338	1,295	–	–
Current tax payables	854	193	–	–
	<u>15,595</u>	<u>15,838</u>	<u>210</u>	<u>4,423</u>
Non-current liabilities				
Deferred tax liabilities	1,468	1,606	–	–
Total liabilities	<u>17,063</u>	<u>17,444</u>	<u>210</u>	<u>4,423</u>
Capital and reserves				
Share capital	42,999	42,999	42,999	42,999
Share-based compensation reserve	248	190	248	190
Accumulated profits/(losses)	28,485	26,897	(2,039)	(1,705)
Foreign currency translation reserve	(26,892)	(25,283)	–	–
Total equity	<u>44,840</u>	<u>44,803</u>	<u>41,208</u>	<u>41,484</u>
Total equity and liabilities	<u>61,903</u>	<u>62,247</u>	<u>41,418</u>	<u>45,907</u>

- (i) Group trade and other receivables as at 31 December 2015 included a receivable of S\$1.4 million from the completion of a yacht in December 2015.
- (ii) In connection with the PBMV acquisition, payables as at 30 June 2015 include an accrued amount of S\$4.1 million for the earn-out payment as PBMV's combined net profits before tax for the years ended 30 June 2014 and 30 June 2015 exceeded the required threshold of A\$2.64 million. The amount was paid in October 2015.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Not applicable.

Detail of any collateral

Not applicable.

- 1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) - in SGD

	Group		Group		(i)
	3-Month Period Ended 31-Dec-15 S'000	3-Month Period Ended 31-Dec-14 S'000	6-Month Period Ended 31-Dec-15 S'000	6-Month Period Ended 31-Dec-14 S'000	
Operating activities					
Profit/(Loss) after taxation	364	58	1,588	(1,212)	
<i>Adjustments for:-</i>					
Depreciation of property, plant and equipment	775	522	1,294	965	
Amortisation of intangible assets	55	249	156	401	
Property, plant and equipment written off	-	-	-	2	
Interest income	(8)	(11)	(22)	(22)	
Provision for warranty claims	172	176	406	356	
Fair valuation loss on quoted debt securities held-for-trading	-	2	4	6	
Equity-settled share based expense	22	-	58	-	
Tax expense/(credit)	(251)	335	538	268	
Unrealised foreign exchange gain	(9)	-	(864)	-	
	<u>1,120</u>	<u>1,331</u>	<u>3,158</u>	<u>764</u>	
<i>Changes in working capital:</i>					
Decrease/(Increase) in inventories	1,930	1,871	(359)	592	
Decrease/(Increase) in trade and other receivables	2,367	(4)	(1,219)	1,321	
Decrease/(Increase) in prepayments	108	39	(234)	(199)	
(Decrease)/Increase in trade and other payables	(2,275)	30	3,518	(2,104)	
Net cash from operations	<u>3,250</u>	<u>3,267</u>	<u>4,864</u>	<u>374</u>	
Net income tax paid	(16)	(15)	(32)	(24)	
Warranty claims paid	(87)	(64)	(264)	(415)	
Cash flows from/(used in) operating activities	<u>3,147</u>	<u>3,188</u>	<u>4,568</u>	<u>(65)</u>	
Investing activities					
Interest received	5	8	10	29	
Acquisition of a subsidiary (ii)	(3,985)	-	(3,985)	(3,434)	
Purchase of property, plant and equipment	(1,604)	(284)	(2,973)	(1,302)	
Proceeds from previously restricted cash/(Restricted cash) (iii)	4,800	-	4,800	(4,800)	
Cash flows (used in)/from investing activities	<u>(784)</u>	<u>(276)</u>	<u>(2,148)</u>	<u>(9,507)</u>	
Financing activities					
Receipt of unclaimed dividends	-	-	-	3	
Repayment of hire purchase liability	(1)	(1)	(2)	(1)	
Repayment of loan (iv)	-	-	-	(1,756)	
Deposits pledged	-	-	-	(793)	
Cash flows used in financing activities	<u>(1)</u>	<u>(1)</u>	<u>(2)</u>	<u>(2,547)</u>	
Net increase/(decrease) in cash and cash equivalents	<u>2,362</u>	<u>2,911</u>	<u>2,418</u>	<u>(12,119)</u>	
Cash and cash equivalents at beginning of period	17,719	10,732	16,754	25,678	
Effect of exchange rate changes on balances held in foreign currency	(123)	(170)	786	(86)	
Cash and cash equivalents at end of period (v)	<u>19,958</u>	<u>13,473</u>	<u>19,958</u>	<u>13,473</u>	

- (i) Includes contributions from Palm Beach Motor Yacht Co Pty Ltd ("PBM") arising from the acquisition of PBM on 1 August 2014.
- (ii) Relates to the acquisition of PBM - first cash payment in August 2014 and second & final cash payment in October 2015.
- (iii) Amounts were placed in escrow in July 2014 for the potential earn-out payment if PBM's combined net profits before tax for the years ended 30 June 2014 and 30 June 2015 are equal to or more than AUD2.64 million. The amounts were released from Escrow in October 2015.
- (iv) As part of the acquisition, the Group repaid AS\$1.5 million for a loan made to PBM.

	<u>31-Dec-15</u>	<u>31-Dec-14</u>
(v) Cash and cash equivalents per statement of cash flows (S\$'000)	19,958	13,473
Restricted cash (S\$'000)	-	4,800
Deposits pledged (S\$'000)	134	1,758
Cash and cash equivalents per the statements of financial position (S\$'000)	<u>20,092</u>	<u>20,031</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY (UNAUDITED) - in SGD

Group	Share capital \$'000	Share-based compensation reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000
At 1-Jul-2014	41,251	142	(22,121)	31,693	50,965
Total comprehensive income for the period					
Loss for the period	-	-	-	(1,212)	(1,212)
<i>Other comprehensive income</i>					
Translation differences relating to financial statements of foreign subsidiaries	-	-	(1,024)	-	(1,024)
Total other comprehensive income	-	-	(1,024)	-	(1,024)
Total comprehensive income for the period	-	-	(1,024)	(1,212)	(2,236)
Transactions with owners, recorded directly in equity					
Issue of new shares (i)	1,748	-	-	-	1,748
Receipt of unclaimed dividends	-	-	-	3	3
At 31-Dec-2014	42,999	142	(23,145)	30,484	50,480
At 1-Jul-2015	42,999	190	(25,283)	26,897	44,803
Total comprehensive income for the period					
Profit for the period	-	-	-	1,588	1,588
<i>Other comprehensive income</i>					
Translation differences relating to financial statements of foreign subsidiaries	-	-	(1,609)	-	(1,609)
Total other comprehensive income	-	-	(1,609)	-	(1,609)
Total comprehensive income for the period	-	-	(1,609)	1,588	(21)
Transactions with owners, recorded directly in equity					
Equity-settled performance shares	-	58	-	-	58
At 31-Dec-2015	42,999	248	(26,892)	28,485	44,840
Company					
At 1-Jul-2014	41,251	142	(455)	40,938	
Total comprehensive income for the period					
Loss for the period	-	-	(348)	(348)	
Total comprehensive income for the period	-	-	(348)	(348)	
Transactions with owners, recorded directly in equity					
Issue of new shares (i)	1,748	-	-	1,748	
Receipt of unclaimed dividends	-	-	3	3	
At 31-Dec-2014	42,999	142	(800)	42,341	
At 1-Jul-2015	42,999	190	(1,705)	41,484	
Total comprehensive income for the period					
Loss for the period	-	-	(334)	(334)	
Total comprehensive income for the period	-	-	(334)	(334)	
Transactions with owners, recorded directly in equity					
Equity-settled performance shares	-	58	-	58	
At 31-Dec-2015	42,999	248	(2,039)	41,208	

(i) Represents the estimated fair value of the shares paid in connection with the acquisition of PBMV in accordance with FRS 103 *Business Combinations*.

- 1(d) (ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company did not issue any shares during the three-month period ended 31 December 2015 (31 December 2014: Nil ordinary shares).

There were 200,000 Share Awards pursuant to the Grand Banks Performance Share Plan 2014 ("PSP") and 3,200,000 Share Options pursuant to the Grand Banks Employee Share Option Scheme 2014 ("ESOS") as at 31 December 2015 (31 December 2014: Nil Share Awards, Nil Share Options). 250,000 Share Options were terminated during the three-month period ended 31 December 2015. The share awards and options awarded do not vest until March 2017. Both the PSP and the ESOS were approved by shareholders on 8 October 2014.

There were no outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of immediately preceding financial year.

- 1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.**

The Company did not hold any treasury shares as at 31 December 2015 and 30 June 2015. The Company's share capital consists of 184,034,649 ordinary shares as at 31 December 2015 (31 December 2014: 184,034,649 ordinary shares).

- 1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Company did not have any treasury shares during the period under review.

- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period, as those of the most recent audited financial statements for the financial year ended 30 June 2015.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of the new/amended FRS, which became effective from 1 July 2015, does not have any significant impact on the financial statements.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend.

	3-Month Period Ended 31-Dec-15	3-Month Period Ended 31-Dec-14	6-Month Period Ended 31-Dec-15	6-Month Period Ended 31-Dec-14 (i)
Earnings/(Loss) per ordinary share for the financial period based on net loss attributable to shareholders: -				
- on weighted average number of ordinary shares in issue (cents)	0.20	0.03	0.86	(0.67)
- on a fully diluted basis (cents)	0.20	0.03	0.86	(0.67)

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :-

- (a) Current period reported on; and
(b) Immediately preceding financial year.

	Group	Company		
	Dec-15	Jun-15 (i)	Dec-15	Jun-15
Net asset value per ordinary share based on existing issued share capital at the end of the respective financial period/year (cents)	24.36	24.34	22.39	22.54

(i) Includes contributions from Palm Beach Motor Yacht Co Pty Ltd ("PBMV") arising from the acquisition of PBMV on 1 August 2014.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

a) Any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors.

The Group's revenue for the quarter ended 31 December 2015 ("2Q FY2016") decreased 10.2% to S\$11.4 million from S\$12.7 million for the quarter ended 31 December 2014 ("2Q FY2015"), due to fewer boats achieving the construction milestone for revenue recognition. The Group concentrated efforts on new boat designs, including the construction of a new model that will be showcased at the Miami International Boat Show in February 2016.

Despite the lower revenue, gross profit increased 26.2% to S\$2.8 million in 2Q FY2016 from S\$2.2 million in 2Q FY2015, while gross margin increased to 24.6% from 17.5% over the comparative periods. The improvement was a result of the change to a factory-direct sales model as well as the strengthening of the U.S. dollar – the transactional currency for more than half of the Group's boat sales – against the Australian dollar and Malaysian ringgit.

Operating expenses – including boat show and marketing costs, as well as salaries and professional fees – came to S\$2.5 million for 2Q FY2016 compared to S\$2.0 million for 2Q FY2015. Selling and marketing expenses increased to S\$1.3 million for 2Q FY2016 from S\$0.9 million in 2Q FY2015, due to higher brokers' commissions – as more boats were sold under the factory-direct sales model – as well as boat show and boat demonstration expenses.

Administrative expenses stood at S\$1.0 million while other operating expenses increased by S\$0.1 million to S\$0.2 million for 2Q FY2016, due to professional fees incurred to streamline the Group's internal and operating efficiencies.

Other non-operating expenses came to S\$0.2 million in 2Q FY2016 due to foreign exchange differences.

The tax credit in 2Q FY2016 was a tax provision reversal for a subsidiary company.

As a result of the above, the Group's net profit for 2Q FY2016 rose S\$0.3 million to S\$0.4 million from S\$0.1 million in 2Q FY2015.

b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group's operating cash flow stood at S\$3.1 million in 2Q FY2016, comparable to 2Q FY2015. This was primarily due to a decrease in inventory and receivables, which was partially offset by lower payables.

Inventory decreased due to the sale of two inventory yachts worth S\$2.2 million, partially offset by the addition of a trade-in yacht of S\$0.8 million and an increase in raw materials. The lower receivables were due to the receipt of payment of S\$3.3 million for a yacht completed in September 2015 as well as a decrease in other receivables, partially offset by a receivable of S\$1.4 million from the completion of a yacht at the end of December 2015. The decrease in payables was due to payments to vendors.

Cash flows used in investing activities totaled S\$0.8 million for 2Q FY2016, due to the second and final payment of S\$4.0 million in October 2015 in relation to the acquisition of PBMY; as well as capital expenditure of S\$1.6 million for the development of new Grand Banks and Palm Beach yacht models, which have generated new orders as at 31 December 2015. This was partially offset by proceeds of S\$4.8 million from deposits previously pledged for the second and final payment of the acquisition of PBMY. In comparison, cash flows used in investing activities in 2Q FY2015 amounted to S\$0.3 million for the purchase of property, plant and equipment.

The Group's cash flow from operating activities improved to S\$4.6 million for the half year ended 31 December 2015 ("1H FY2016"), compared to cash flow used in operating activities of S\$0.1 million in 1H FY2015. This was primarily due to the net profit achieved in 1H FY2016 and lower working capital from higher payables, partially offset by higher receivables. New orders secured led to more customer deposits and hence higher payables. The completion of a yacht at the end of December 2015 led to an increase in receivables.

As a result, cash and cash equivalents decreased to S\$20.1 million as at 31 December 2015 from S\$23.2 million as at 30 September 2015.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

In line with the earlier guidance, the Group reported its second consecutive profitable quarter in 2Q FY2016.

10. **A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group has executed the bulk of efforts to integrate operations – including sales, marketing, manufacturing, financial reporting and personnel functions – for both brands following the completion of the acquisition of Palm Beach Motor Yachts in 2014. The successful integration has helped Grand Banks reverse losses to record a net profit for the six months ended 31 December 2015 (“1H2016”).

The Group now has a stronger foundation for growth, having improved its design and production processes, aligned the utilisation of its Australian and Malaysian facilities, revamped its sales and distribution model, and introduced new boat models. It will continue to integrate manufacturing techniques and other operations across its brands.

The Group's restructured sales team – led by industry veterans, each with over 25 years' experience and expertise with the Grand Banks brand – has ramped up marketing efforts. The Group received five new orders in Q2 FY2016, bringing its net order book to S\$31.9 million as at 31 December 2015, similar to S\$32.1 million as at 30 September 2015 but higher than S\$25.2 million a year ago. The Group also completed and shipped its first Malaysian-built Palm Beach boat during the quarter under review.

The Group's transition to a factory-direct sales model in North America has resulted in an improved customer experience and lowered overall costs of distribution. The Group participated in the world's largest boat show at Fort Lauderdale in the U.S., where its boats received a positive reception. It will participate in several upcoming major boat shows, including the 11-15 February 2016 Miami International Boat Show – where it will showcase the new Grand Banks 44 – and the 7-10 April 2016 Singapore Yacht Show.

In view of the above factors, the Board of Directors expects the Group's FY2016 performance to improve compared to FY2015. The Group will continue to develop new boat designs, extend its marketing efforts and streamline Group-wide internal efficiencies with a view to enhancing shareholder value.

11. **Dividend**

a) Current Financial Period Reported on 31 December 2015

Any dividend declared for the current financial year reported on?

No.

b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

12. **If no dividend has been declared / recommended, a statement to that effect.**

No dividend has been declared.

13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained from shareholders for IPT.

In the Circular to Shareholders dated 30 June 2014, the Group disclosed that Palm Beach Motor Yachts (PBM Y), the acquisition of which was approved by shareholders on 15 July 2014 and subsequently closed on 1 August 2014, leased its manufacturing facility from an entity controlled by Mr. Mark Jonathon Richards, the Group's new CEO who was appointed on 1 August 2014. For the period from 1 October 2015 through 31 December 2015, the rental amount paid by PBM Y for use of the manufacturing facility in Berkeley Vale amounted to approximately S\$60,000. The transaction has been reviewed by the Risk Management & Audit Committee (“RMAC”) of the Company, and the RMAC is of the view that the terms of the transaction is on normal commercial terms, and is not prejudicial to the interest of the Company and its minority shareholders.

14. Negative confirmation by the Board pursuant to Rule 705(5).

The Board of Directors of the Company hereby confirms to the best of its knowledge that nothing has come to its attention which may render the financial statements for the second quarter ended 31 December 2015 to be false or misleading in any material respect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1).

The Company has procured undertakings from all its directors and executive officers as required by Rule 720(1).

16. The status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use.

Not applicable.

By Order of the Board
GRAND BANKS YACHTS LIMITED

Chiam Heng Huat
Chief Financial Officer
4 February 2016