

GRAND BANKS YACHTS LIMITED

(Company Reg. No.: 197601189E)

(the “**Company**”)

INCREASE IN ISSUED AND PAID-UP SHARE CAPITAL OF WHOLLY OWNED SUBSIDIARY

The Board of Directors (the “**Board**”) of the Company wishes to announce that its wholly-owned subsidiary, Grand Banks Yachts Sdn. Bhd. (“**GBY**”), has increased its issued and paid-up share capital from RM27,500,000 to RM50,000,000 by the allotment and issuance of the following new shares to the Company for a total consideration of RM22,500,000 (the “**Consideration**”):

- (i) 15,000,000 ordinary shares at an issue price of RM1.00 per share; and
- (ii) 7,500,000 non-cumulative redeemable convertible preference shares at an issue price of RM1.00 per share.

The Consideration was satisfied in full by way of the capitalisation of up to RM22,500,000 out of the total outstanding intercompany debt due payable from GBY to the Company.

The above transaction is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year ending 30 June 2018.

Mr Gerard Lim Ewe Keng, the Non-Executive and Non-Independent Director of the Company, is also a Director of GBY.

Save as disclosed above, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction, other than through their respective directorships and/or shareholding interests, if any, in the Company.

By Order of the Board

GRAND BANKS YACHTS LIMITED

Chiam Heng Huat

Chief Financial Officer

Date: 3 November 2017