



## **GRAND BANKS YACHTS LIMITED**

(Company Reg. No.: 197601189E)

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### **SGX QUERIES ON ANNUAL REPORT FOR FY 2014**

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#### SGX Queries on 3rd October 2014

In Grand Banks Yachts Limited's Annual Report for FY 2014, it is stated in Section 12.6 on Page 32 that "It is the opinion of the RMAC that the non-audit services provided by the external auditor do not affect the independence of the external auditors. The RMAC is satisfied with their independence...of the external auditors...". According to Page 67 of the Annual Report, the Group paid audit fees of \$117,000 and non-audit fees of \$169,000 to its auditors. As the non-audit fees exceed the audit fees, please disclose (a) the nature of the non-audit services; and (b) the basis for RMAC's opinion that the non-audit services provided by the external auditor do not affect the independence of the external auditor.

#### Company's Response

- (a) The Company retained KPMG Services Pte. Ltd. to provide financial and tax due diligence assistance in relation to the proposed acquisition of Palm Beach Motor Yacht Co Pty Ltd which was announced on 11 April 2014 and closed on 1 August 2014. The fee for the work performed was S\$145,000.

In addition, the Company retained KPMG Services Pte. Ltd. to provide statutory tax compliance services. Their fees for the year ended 30 June 2014 were S\$24,000.

- (b) The RMAC is of the view that the non-audit services do not affect the independence of the external auditor because the non-audit services were performed by separate groups of professionals, did not involve book-keeping or other services relating to the Company's accounting records or financial statements and all decisions were only made by management of the Company.

By Order of the Board

**GRAND BANKS YACHTS LIMITED**

Peter Kevin Poli  
Executive Director  
3rd October 2014