



GRAND BANKS YACHTS LIMITED

(Company Reg. No.: 197601189E)

Media Clarification to Straits Times article dated 31 July 2012

The Board of Directors of Grand Banks Yachts Limited (“Grand Banks” or “the Company”) refers to the Straits Times article headlined “Choppy seas ahead for Grand Banks Yachts” dated 31 July 2012.

The article states that Grand Banks expects to report a loss of S\$4.5 million to S\$5.5 million in the financial year ended 30 June 2012. As announced in the Company’s Corporate and Business Update dated on 18 July 2012, this expected range of loss (between S\$4.5 million to S\$5.5 million) excludes a) a non-cash charge of approximately S\$0.72 million for certain inventory materials and the accelerated appreciation of some tooling and other assets recognised in the quarter ended 31 March 2012; and b) an intended non-cash charge of approximately S\$5.0 million comprising, principally impairment of certain assets as well as the complete write-off of deferred tax assets, to be recognised for the fourth quarter and the financial year ended 30 June 2012. Including these non-cash items, the loss is expected to range between S\$10 million to S\$12 million.

By Order of the Board

GRAND BANKS YACHTS LIMITED

31 July 2012