



## **GRAND BANKS YACHTS LIMITED**

(Company Reg. No.: 197601189E)

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### **Quarterly Update Pursuant to Listing Rule 1313 (2)**

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With effect from 5 December 2011, Grand Banks Yachts Limited (the “Company”) was included on the Watch-List pursuant to Listing Rule 1311.

Pursuant to Listing Rule 1313 (2), the Board of Directors of the Company would like to provide an update of the Company and its subsidiaries (collectively the “Group”) for the quarter ended 30 September 2012 (to be read in conjunction with Sections 8, 9 & 10 of Appendix 7.2 released on 9 November 2012 via SGXNET).

#### 1. Financial Position

The Group’s cash flow and working capital for the quarter were affected by the increase in inventory and prepayments mainly associated with new yacht orders. In addition, the Group has increased its capital expenditures in line with its plan to upgrade its product line-up. The Company has issued 19.2 million new shares to two new strategic investors, thereby increasing its paid up capital. All these contributed to the increase in cash of S\$2.9 million to S\$25.5 million for 1Q 2013 from S\$22.6 million at 30 June 2012.

#### 2. Future Direction

In line with a strategic roadmap and the Corporate and Business Update announced on 18 July 2012, the Group is striving to increase top-line sales through new designs, a stronger customer experience as well as to improve internal efficiencies. In anticipation of a recovery, the Group is building up levels of yacht inventory and continuing to look for alternative revenue streams so as to increase factory utilization. The Group is self-financed with no bank borrowings and enjoys a strong cash position of S\$25.5 million as at 30 September 2012. During 1Q 2013, the Group announced sales or cross marketing agreements for representation of Grand Banks yachts in Malaysia and China.

With these efforts, the Group is aggressively targeting a return to profitability in either the current financial year or the fiscal year ending 30 June 2014, with a view to ensure the timely removal of the Company from the Watch-List administered by the Singapore Exchange.

By Order of the Board

GRAND BANKS YACHTS LIMITED

9 November 2012