



## GRAND BANKS YACHTS LIMITED

(Company Reg. No.: 197601189E)

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### AN UPDATE ON THE USE OF PROCEEDS FROM THE PLACEMENT OF NEW SHARES

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The Board of Directors (the “**Board**”) of Grand Banks Yachts Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement made on 17 September 2012 in relation to the placement of 19,223,250 new ordinary shares by the Company. Of the net proceeds of approximate S\$5,200,000, the Board wishes to provide an update that as at 31 March 2013 the Group has used approximately S\$2,700,000.

The utilisation of the net proceeds is as follows:

Use of Proceeds	Initial Estimates	Status
1. New Product Development	S\$2,600,000	- S\$290,000 has been used for development of two new models
2. Improvement and enhancement to manufacturing facilities	S\$1,040,000	- S\$90,000 has been used in expanding inspection shed, installing electrical earthing and new fencing
3. Open new retail stores, expansion of distribution network and increase inventory of new yachts	S\$1,040,000	- S\$1,450,000 has been used to commence building two inventory yachts
4. General working capital	S\$520,000	- S\$870,000 has been used to purchase teak inventory to meet increased production needs

The Company will make periodic announcements via SGXNET on the utilisation of the net proceeds as and when the balance of the net proceeds are materially disbursed, and provide a status report on the use of net proceeds in its annual report.

By Order of the Board

GRAND BANKS YACHTS LIMITED

15 May 2013