



GRAND BANKS YACHTS LIMITED
(Company Reg. No.: 197601189E)

**ARTICLES IN THE BUSINESS TIMES AND LIANHE ZAOBAO DATED 1 NOVEMBER 2013
- CLARIFICATIONS**

The Business Times Article

The Company refers to The Business Times article entitled “Grand Banks sets profit course to exit SGX watch-list” dated 1 November 2013, and in particular, the paragraph which states that:

“The group’s order book stands at \$14.2 million and this includes six new orders that it recently clinched, which are mostly due in the third quarter and will bring in about \$7.5 million of cash flow. It is also due to deliver two more boats to dealers in Japan and Australia in the next 30 days, which will bring in about \$2.5 million of cash flow.”

As announced by the Company in its first quarter results for the financial period ended 30 September 2013 (“**1QFY2014**”) and press release, both released on 28 October 2013, the order book of S\$14.2 million is current as at 30 September 2013. The six new orders and two new boats to be delivered form part of such order book. As in the ordinary course of business, upon fulfilment of such orders by the Company, the Company will receive cash flows arising therefrom.

Lianhe Zaobao Article¹

The Company also refers to the Lianhe Zaobao article entitled “GB obtains orders for six yachts in third quarter” similarly dated 1 November 2013.

Shareholders should note that the article title referring to the “*third quarter*” should instead refer to the Company’s first quarter period for the new financial year from 1 July 2013 to 30 September 2013, as the Company’s previous financial year ended on 30 June 2013 (“**FY2013**”), and the new orders were received in 1QFY2014.

It is also stated that “*Currently, 55% of the orders are from the United States, 28% are from the Asia-Pacific region, and the remaining 17% comes from Europe*”. This is incorrect, and the reference to “*orders*” should instead refer to the Company’s revenue for FY2013. In this regard, shareholders should refer to slide 9 of the presentation slides for the annual general meeting uploaded by the Company on 31 October 2013 (“**Presentation Slides**”).

It is further stated that “*The Company has achieved operating profit, profit margin increase and net cash inflow ...*”. The Company wishes to clarify that it has not “*achieved operating profit*”, as it is in net loss position for FY2013, and the reference to “*profit margin increase*” should refer more specifically to gross

¹ Extracts from the Lianhe Zaobao article are translated from the original Chinese language version as they appeared in the article.

profit margin increase for FY2013. The “net cash inflow” referred to is in respect of 1QFY2104. Shareholders should refer to the Company’s FY2013 full year financial statements announced on 29 August 2013, 1QFY2014 results announced on 28 October 2013 and slides 11 and 12 of the Presentation Slides.

By Order of the Board

GRAND BANKS YACHTS LIMITED

3 November 2013