



GRAND BANKS YACHTS LIMITED

(Company Reg. No.: 197601189E)

(the "**Company**")

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF STUART YACHT CORPORATION

- INDEPENDENT VALUATION IN RESPECT OF STUART SERVICE YARD ("*the Property*")

Reference is made to the announcement released by the Company on 26 February 2018 in relation to the Company's proposed acquisition of the entire issued and paid-up capital of Stuart Yacht Corporation ("**26 Feb Announcement**"). Capitalised terms used herein and not otherwise defined shall have the meanings set out in the 26 Feb Announcement.

The Board of Directors (the "**Board**") of the Company wishes to update shareholders that the Company has commissioned an independent valuation report, which has been issued by Thomas Johnson & Associates, Inc. on 5 March 2018 ("**Valuation Report**"), in respect of the Property. Based on the Valuation Report, the 'as is' market value of the Property as at 23 February 2018 is US\$3,250,000 based on the cost approach and sales comparison approach to value. An independent valuation of the Property was one of the conditions precedent to completion under the SPA.

Shareholders may wish to note that the net tangible asset value of the Target which was stated in paragraph 2.4 of the 26 Feb Announcement to be negative US\$209,000, was based on the historical net book value of the Property as at 31 May 2017, which was US\$142,316.

The Company will make further announcements as and when appropriate to keep shareholders updated on material developments to the Proposed Acquisition.

By Order of the Board

GRAND BANKS YACHTS LIMITED

Chiam Heng Huat

Chief Financial Officer

7 March 2018