GLOBAL YACHT SERVICES INC
Form PREM14C
February 06, 2004

SCHEDULE 14C INFORMATION STATEMENT
Information Statement Pursuant to Section 14(c)
of the Securities Exchange Act of 1934

[X] Filed by the Registrant
[ ] Filed by a Party other than the Registrant

Check the appropriate box:

[X] Preliminary Information Statement
[ ] Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e)(2))
[ ] Definitive Information Statement

Global Yacht Services, Inc.

Commission File Number: 000-49616

Payment of Filing Fee (Check the appropriate box):

[ ] No fee required

[x] Fee computed on table below per Exchange Act Rules 14(a)6(i)(1) and 011.

(1) Title of each class of securities to which investment applies: Common stock.

(2) Aggregate number of securities to which investment applies: 53,644,968.

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 011: (set forth the amount on which the filing fee is calculated and state how it was determined): The filing fee is determined based upon the sum of (a) the product of 34,999,701 shares of Hyalozyme's common stock, 6,886,807 options and warrants to purchase 11,758,460 shares of Hyalozyme's common stock outstanding on the date of this filing and the merger consideration of the market price of Global Yacht's common stock ($0.02 per share on the close of business on February 4, 2004 as reported on Yahoo! Finance), making the transaction value equal to $1,072,899.36. Pursuant to Section 14(g) of the Exchange Act, the fee was determined by multiplying the aggregate value of the transaction by 0.0001267.

(4) Proposed Global Yacht aggregate value of transaction: $1,072,899.36

(5) Total fee paid: $135.94

Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 011(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Global Yacht Services, Inc.
7710 Hazard Center Drive, Suite E-415
San Diego, California 92108

NOTICE OF ACTION TAKEN BY WRITTEN CONSENT OF MAJORITY SHAREHOLDERS

DEAR SHAREHOLDERS:

We are writing to advise you that Global Yacht Services, Inc. has entered into an Agreement and Plan of Merger ("Merger") with DeliaTroph Pharmaceuticals, Inc., dba Hyalozyme Therapeutics, Inc., ("Hyalozyme") a privately held corporation based in San Diego, California and its stockholders to merge with Hyalozyme. The Merger is to be accomplished after we form a wholly-owned merger subsidiary in Nevada which would then merge with and into Hyalozyme, with Hyalozyme being the survivor. In addition, Hyalozyme's outstanding shares would then be converted into a combination of shares of our common stock, as well as options and warrants to purchase restricted shares of our common stock. This share conversion is intended to correspond to the capitalization of Hyalozyme. After the merger is concluded, we will change our corporate name to Halozyme Therapeutics, Inc. We will also amend our Articles of Incorporation to increase the number of authorized shares of common stock to one hundred million and to authorize twenty million shares preferred stock for which our Board of Directors may set the designations and preferences.

The Merger, name change, increase in authorized common stock and authorization of preferred stock was approved on February 5, 2004, by unanimous approval of our Board of Directors. In addition, Mitch Keeler, our President, director and our majority shareholder, approved the Merger, name change, increase in authorized common stock and authorization of preferred stock by written consent in lieu of a meeting on February 5, 2004, in accordance with the relevant sections of the Nevada Revised Statutes.

The name change, increase in authorized common stock and authorization of preferred stock will not be effective until we amend our Articles of Incorporation by filing a Certificate of Amendment to our Articles of Incorporation with the Nevada Secretary of State. The Merger will not be effective until the Articles of Merger between the acquisition subsidiary and Hyalozyme are filed with the Nevada Secretary of State and the California Secretary of State. We intend to file the Certificates of Amendment and Articles of Merger twenty days after this information statement is first mailed to our shareholders.

Our purpose in entering into the Merger, changing our name to Halozyme Therapeutics, Inc., increasing our authorized common stock and authorizing preferred stock is to allow us to comply with the terms of an agreement we entered into with DeliaTroph Pharmaceuticals, Inc., a California corporation ("HTI") to acquire and operate HTI as our wholly-owned subsidiary. We believe that the acquisition of HTI will increase our profitability and the total value of the corporation to our investors.

No action is required by you. The accompanying information statement is

furnished only to inform our shareholders of the action described above before it takes effect in accordance with Rule 14c-2 promulgated under the Securities Act of 1934, as amended. This information statement is being mailed to you on or about February ___, 2004.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY. COMPLETION OF THE MERGER TRANSACTION WILL RESULT IN A CHANGE IN CONTROL BY HYALOZYME AND AN ASSUMPTION OF HYALOZYME'S ASSETS, LIABILITIES AND OPERATIONS.

PLEASE NOTE THAT THE COMPANY'S CONTROLLING STOCKHOLDERS HAVE VOTED TO APPROVE THE MERGER, NAME CHANGE, INCREASE IN AUTHORIZED COMMON STOCK AND AUTHORIZATION OF PREFERRED STOCK. THE NUMBER OF VOTES HELD BY THE CONTROLLING STOCKHOLDERS ARE SUFFICIENT TO SATISFY THE STOCKHOLDER VOTE REQUIREMENT FOR THESE ACTIONS AND NO ADDITIONAL VOTES WILL CONSEQUENTLY BE NEEDED TO APPROVE THESE TRANSACTIONS.

By order of the Board of Directors,

Mitch Keeler, President
San Diego, California
February ___, 2004

Global Yacht Services, Inc.

INFORMATION STATEMENT REGARDING
ACTION TAKEN BY WRITTEN CONSENT OF
MAJORITY OF SHAREHOLDERS

We are furnishing this shareholder information statement to you to provide you with information and a description of an action taken by written consent of our majority shareholder, on February 5, 2004, in accordance with the relevant Sections of the Nevada Revised Statutes. This action was taken by Mitch Keeler, our President, director and our majority shareholder, who owns in excess of the required majority of our outstanding common stock necessary for the adoption of the actions.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

This information statement is being mailed on or about February ___, 2004 to shareholders of record on February 5, 2004. The information statement is being delivered only to inform you of the corporate action described herein before it takes effect in accordance with Rule 14c-2 promulgated under the Securities Exchange Act of 1934, as amended.

We have asked brokers and other custodians, nominees and fiduciaries to forward this Information Statement to the beneficial owners of the common stock held of record by such persons and will reimburse such persons for out-of-pocket expenses incurred in forwarding such material.

THIS IS NOT A NOTICE OF A MEETING OF STOCKHOLDERS AND NO STOCKHOLDERS' MEETING WILL BE HELD TO CONSIDER ANY MATTER DESCRIBED HEREIN.

PLEASE NOTE THAT THE COMPANY'S CONTROLLING STOCKHOLDERS HAVE VOTED TO APPROVE THE MERGER, NAME CHANGE, INCREASE IN AUTHORIZED COMMON STOCK AND AUTHORIZATION OF PREFERRED STOCK. THE NUMBER OF VOTES HELD BY THE CONTROLLING STOCKHOLDERS IS SUFFICIENT TO SATISFY THE STOCKHOLDER VOTE REQUIREMENT FOR THE MERGER, THE NAME CHANGE AND AUTHORIZATION OF PREFERRED STOCK AND NO ADDITIONAL VOTES WILL CONSEQUENTLY BE NEEDED TO APPROVE THESE ACTIONS.

GENERAL

On February 5, 2004, our Board of Directors unanimously approved, subject to shareholder approval, entering into the Merger with Hyalozyme, and an amendment to our Articles of Incorporation to change our corporate name to "Halozyme Therapeutics, Inc.," increase our authorized common stock and authorize a class of preferred stock. On February 5, 2004, Mitch Keeler, our President, director and shareholder who owns in excess of the required majority of our outstanding common stock necessary for the adoption of the action, approved the name change and authorization of preferred stock by action taken by written consent. The increase in authorized common stock to one hundred million (100,000,000) shares will allow us to comply with the terms of the Merger Agreement. The authorization of twenty million (20,000,000) shares preferred stock will allow us to issue preferred stock since we currently have only one class of stock authorized. The full text of the proposed Merger Agreement is attached hereto as Exhibit A, the full text of the proposed Articles of Merger is attached hereto as Exhibit B and the full text of the proposed Certificate of Amendment to the Articles of Incorporation is attached hereto as Exhibit C.

Purpose of Merger

Our Board of Directors believes it is desirable to enter into the Agreement and Plan of Merger with Hyalozyme by means of forming an acquisition subsidiary and acquiring DeliaTroph Pharmaceuticals, Inc. doing business as Hyalozyme Therapeutics, Inc., a privately held California corporation ("HTI") as our wholly-owned subsidiary. We believe that the acquisition of HTI will increase our profitability and the total value of the corporation to our investors.

PROCEDURE FOR APPROVAL OF MERGER; VOTE REQUIRED

Because the contemplated Merger is to be accomplished by our acquisition subsidiary, shareholder vote by our shareholders is not required by the Nevada Revised Statutes. However, because we are qualified to do business in California the transaction may be governed by the California Corporations Code which requires that such action be approved by a majority of the outstanding shares entitled to vote. The Nevada Revised Statutes and California Corporations Code provides that any action which may be taken at a meeting of the shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, shall be signed by the holders of a majority of the outstanding shares entitled to vote.

On February 5, 2004, the record date for determination of the shareholders entitled to receive this Information Statement, there were 8,196,362 shares of common stock outstanding. The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of our shareholders. We needed the affirmative vote of at least a majority of the outstanding shares of our common stock to approve the name change. Our Board, by its unanimous written consent, adopted resolutions approving the Merger and the filing of the Certificate of Merger to consummate the transaction. By action of written consent, dated February 5, 2004, Mitch Keeler, our President, director and majority shareholder, who owns 4,275,000 shares, or 52.2% of the issued and outstanding shares of our common stock, approved the Merger and the filing of the Certificate of Merger with the Nevada Secretary of State and the California Secretary of State.

EFFECTIVE DATE OF MERGER

The Certificate of Merger, attached hereto as Exhibit B, will become effective upon its filing with the Nevada Secretary of State and the California Secretary of State. We intend to file the Certificates of Merger twenty days after this Information Statement is first mailed to shareholders.

Purpose of Change in Name of the Corporation, INCREASE IN AUTHORIZED COMMON STOCK and Authorization of Preferred Stock on Which the Board of Directors May Set the Designations and Preferences

Our Board of Directors believes it is desirable to change the name of the Company to "Halozyme Therapeutics, Inc.," to increase our authorized common stock and to authorize the issuance of preferred stock on which our Board of Directors may set the preferences and designations. Our purpose in changing our name to Halozyme Therapeutics, Inc. reflects the fact that we entered into an agreement with DeliaTroph Pharmaceuticals, Inc., a California corporation ("HTI") to acquire HTI as our wholly-owned subsidiary. The increase in authorized common stock to one hundred million (100,000,000) shares will allow us to comply with the terms of the Merger Agreement. The authorization of twenty million (20,000,000) shares preferred stock will allow us to issue preferred stock since we currently have only one class of stock authorized, and the authorization for the Board of Directors to set the preferences and designations on that preferred stock will allow such preferences and designations to be set without shareholder approval. We believe that these changes to our Articles and the acquisition of HTI will increase our profitability and the total value of the corporation to our investors, though there is no guarantee that these actions will have that result.

PROCEDURE FOR APPROVAL OF NAME CHANGE, INCREASE IN AUTHORIZED COMMON STOCK, AND AUTHORIZATION OF PREFERRED STOCK ON WHICH THE BOARD MAY SET PREFERENCES AND DESIGNATIONS; VOTE REQUIRED

The Nevada Revised Statutes require that, in order for us to amend our Articles of Incorporation, such amendment must be approved by our Board of Directors and approved by a majority of the outstanding shares entitled to vote. The Nevada Revised Statutes also provides that any action which may be taken at a meeting of the shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, shall be signed by the holders of a majority of the outstanding shares entitled to vote.

On February 5, 2004, the record date for determination of the shareholders entitled to receive this Information Statement, there were 8,196,362 shares of common stock outstanding. The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of our shareholders.

Thus, we needed the affirmative vote of at least a majority of the outstanding shares of our common stock , or 4,098,180 shares to approve the name change and authorization of preferred stock on which the Board of Directors may set the designations and preferences. Our Board, by its unanimous written consent, adopted resolutions approving an amendment to our Articles of Incorporation to effect the name change and authorization of preferred stock on which the Board of Directors may set the designations and preferences. By action of written consent, dated February 5, 2004, Mitch Keeler, our President, director and majority shareholder, who owns 4,275,000 shares, or 52.2% of the issued and outstanding shares of our common stock, approved the name change and authorization of preferred stock on which the Board of Directors may set the

designations and preferences.

EFFECTIVE DATE OF AMENDMENT

The amendment to our Articles of Incorporation will become effective upon the filing with the Nevada Secretary of State of a Certificate of Amendment to our Articles of Incorporation, attached hereto as Exhibit C. We intend to file the Certificates of Amendment twenty days after this Information Statement is first mailed to shareholders.

EFFECT ON CERTIFICATES EVIDENCING SHARES OF GLOBAL YACHT SERVICES, INC. STOCK

The change in the name of Global Yacht Services, Inc. will be reflected in its stock records by book-entry in Global Yacht Services, Inc.'s records. For those shareholders that hold physical certificates, please do not destroy or send to Global Yacht Services, Inc. your common stock certificates. Those certificates will remain valid for the number of shares shown thereon, and should be carefully preserved by you.

DISSENTERS' RIGHTS

Under Nevada law, a stockholder is entitled to dissent from, and obtain payment for the fair value of his or her shares (i) in the event of consummation of a plan of merger or plan of exchange in which the Nevada corporation is a constituent entity, and (ii) any corporate action taken pursuant to a vote of the stockholders to the extent that the articles of incorporation, by-laws or a resolution of the board of directors provides that voting or non-voting stockholders are entitled to dissent and obtain payment for their shares. The Nevada Revised Statutes does not provide for dissenters' right of appraisal in connection with the name change and authorization of preferred stock on which the Board of Directors may set the designations and preferences.

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director, executive officer, nominee for election as a director, associate of any director, executive officer or nominee or any other person has any substantial interest, direct or indirect, by security holdings or otherwise, in the Merger or name change which is not shared by all other shareholders of the Company.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of the shares of our common stock as of February 5, 2004, except as noted in the footnotes below, by:

- Each person who we know to be the beneficial owner of 5% or more of our outstanding common stock;
- Each of our executive officers;
- Each of our directors; and
- All of our executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. In computing the number of shares

beneficially owned by a person and the percentage of ownership of that person, shares of common stock subject to options held by that person that are currently exercisable or become exercisable within 60 days of February 5, 2004 are deemed outstanding even if they have not actually been exercised. Those shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person. As of February 5, 2004, 8,196,362 shares of our common stock were issued and outstanding. Unless otherwise indicated in the table, the persons and entities named in the table have sole voting and sole investment power with respect to the shares set forth opposite the shareholder's name, subject to community property laws, where applicable. The address of each shareholder is listed in the table.

The following table sets forth certain information regarding the beneficial ownership of our common stock as of February 5, 2004, by each person or entity known by us to be the beneficial owner of more than 5% of the outstanding shares of common stock, each of our directors and named executive officers, and all of our directors and executive officers as a group.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Owner
Common Stock	Mitch Keeler 7710 Hazard Center Drive, Suite E-415 San Diego, California 92108	4,275,000 shares, president, director
Common Stock	Melissa Day 7710 Hazard Center Drive, Suite E-415 San Diego, California 92108	21,375 shares, secretary, treasurer, director
Common Stock	Flexgene Corp. The Mill Mall, Barkers, P.O. Box 62 Roadtown, Tortola, BVI	771,873 shares
Common Stock	Carib-Ventures Inc. Caribbean Place, Suite #3, P.O. Box 599 Providenciales, Turks & Caicos Islands, BWI	415,624 shares
Common Stock	All directors and named executive officers as a group	4,296,375 shares

The officer, director and shareholder of Flexgene Corp. is Martin Regan. The director of Carib-Ventures Inc. is Sterling Directors Ltd. and Keith Burant. The shareholder of Carib-Ventures Inc. is Meridian Trust Company Limited, which is controlled by Keith Burant.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. In accordance with Securities and Exchange Commission rules, shares of our common stock which may be acquired upon exercise of stock options or warrants which are currently exercisable or which become exercisable within 60 days of the date of the table are deemed beneficially owned by the optionees. Subject to community property laws, where applicable, the persons or entities named in the table above have sole voting and investment power with respect to all shares of our common stock indicated as beneficially owned by them.

SUMMARY TERM SHEET

This summary term sheet does not contain all of the information that is important to you. You should carefully read the entire Information Statement and the Appendices, as well as the information we incorporate by reference.

The Companies

Global Yacht Services, Inc., a Nevada corporation, ("Global Yacht"). Global Yacht was incorporated in Nevada on February 21, 2001. Global Yacht Services provides a broad range of yacht services in the global marketplace. Our services include yacht rental and charter, yacht sales and yacht services, such as the provision of captain, crew, supplies, maintenance, delivery as well as full-scale contracted care of yachts. Our president, Mitch Keeler, is an experienced captain and possesses a captain certification from the U.S. Coast Guard. Mr. Keeler provides professional advice and consultation for all aspects of yacht lease, purchase and ownership and is available for on site assistance anywhere in the world. We currently generate revenues from our charter services, which range from day charters to full week charters. We currently offer private yacht charters in San Diego, usually of up to one week in duration as well as corporate charters, which are typically 3 to 5 hours and short range. We have very few charters that are longer than one week, however, they do occur. Our officers act as captain and crew for our charter services, but we often utilize outside businesses for services such as catering and bartending.

We have also generated revenues from our yacht management services and our delivery services. Yacht management services include managing the yacht for the owners including routine maintenance, repairs and electronics installation. Regular maintenance includes services such as exterior and interior cleaning, bottom cleaning, waxing and zinc replacement. Delivery services include delivering newly purchased yachts to various locations around the world. We use subcontractors on a per job basis for various services that we provide. Those subcontractors are paid by us when we are paid by the client. Subcontractors for our charter services may include, but are not limited to, the following: captains, deckhands, stewards, cooks, caterers, entertainment, and bartenders. Other subcontractors that we use include yacht repair persons and skilled electronics installers.

However, upon recent analysis of operations to date, Global Yacht has decided to focus on evaluating other opportunities that may enhance stockholder value, including the acquisition of a product or technology, or pursuing a merger or acquisition of another business entity with long-term growth potential. Global Yacht's shares currently are listed for quotation on the Over the Counter Bulletin Board under the symbol "GYHT" and the price of its shares of common stock on February 4, 2004 was $0.02 per share as reported on Yahoo! Finance.

DeliaTroph Pharmaceuticals, Inc., a California corporation, dba Hyalozyme Therapeutics, Inc. ("Hyalozyme"). Hyalozyme was incorporated in California on February 26, 1998. Hyalozyme is a product-focused biotechnology company dedicated to the development and commercialization of recombinant therapeutic enzymes and drug enhancement systems, based on intellectual property covering the family of human enzymes known as hyaluronidases. Hyalozyme's first products are human synthetic formulations of a hyaluronidase enzyme that replaces current animal slaughterhouse-derived enzymes that carry high risks of animal pathogen contamination and immunogenicity. These products are based on a highly versatile enzyme technology that has a wide range of therapeutic applications, and will enable Hyalozyme to help patients across multiple disease states while creating

significant shareholder value.

Pursuant to the terms of the Agreement, an acquisition subsidiary of Global Yacht Services will merge with and into Hyalozyme and the separate corporate existence of such acquisition subsidiary shall cease. Following the Merger, Global Yacht Services shall continue as the parent corporation of Hyalozyme, but will take the name "Halozyme Therapeutics, Inc." APPROVAL OF THIS MERGER WILL RESULT IN A CHANGE IN OUR CONTROL TO CONTROL BY HYALOZYME'S MANAGEMENT AND THE ASSUMPTION OF HYALOZYME'S OPERATIONS AND LIABILITIES.

Preexisting Relationships

Hyalozyme and Global Yacht did not have any preexisting relationship prior to entering into the Merger Agreement. To the best of our knowledge, none of Global Yacht's shareholders hold shares of Hyalozyme nor do any of the stockholders of Hyalozyme hold shares of Global Yacht Services.

Structure of the Merger

At the effective time of the Merger:

- Global Yacht will merge its acquisition subsidiary with and into Hyalozyme and the separate corporate existence of the acquisition subsidiary shall cease;
- Global Yacht will issue 34,999,701 shares of its restricted common stock, 6,886,807 options and 11,758,460 warrants to purchase additional shares of its restricted common stock to the shareholders of Hyalozyme in exchange for 100% of the issued and outstanding shares of common stock, and corresponding options and warrants to purchase shares of Hyalozyme's common stock; and
- A total of 4,296,375 shares of Global Yacht's current outstanding common stock will be tendered for redemption by Global Yacht in exchange for $43,000 or $0.01 per share.

As a result of the Merger, Global Yacht shall be the parent corporation of the acquisition subsidiary which shall continue as the surviving corporation and the shareholders of Hyalozyme will become stockholders of Global Yacht. The remaining stockholders of Global Yacht will own approximately 10% of the issued and outstanding shares of Global Yacht common stock, based on 38,899,688 Global Yacht shares outstanding after the Merger. The remaining shareholders of Global Yacht would own approximately 6.8% of the issued and outstanding shares of Global Yacht common stock if all 6,886,807 options and 11,758,460 warrants to purchase restricted shares of Global Yacht's common stock acquired pursuant to the Merger are exercised, which would result in 57,544,955 shares of common stock outstanding. On January 28, 2004, pursuant to an investment completed simultaneously with the Merger, Hyalozyme raised approximately $8.1 million.

We are relying on Rule 506 of Regulation D of the Securities Act of 1933, as amended (the "Act") in regard to the shares we anticipate issuing pursuant to the Merger. We believe this offering qualifies as a "business combination" as defined by Rule 501(d). Reliance on Rule 506 requires that there are no more than 35 non-accredited purchasers of securities from the issuer in an offering under Rule 506. Hyalozyme has represented to us that all of their stockholders have certified to Hyalozyme that they are `accredited investors' as defined in

Rule 501(a) of Regulation D. Hyalozyme also has represented to us that there has been no advertising or general solicitation in connection with this transaction.

Global Yacht's Reasons for the Merger

Global Yacht's board of directors considered various factors in approving the Merger and the Merger Agreement, including:

- its inability to expand its current level of operations;
- the available technical, financial and managerial resources possessed by Hyalozyme;
- prospects for the future;
- the quality and experience of management services available and the depth of Hyalozyme management;
- Hyalozyme's potential for growth or expansion;
- Hyalozyme's profit potential; and
- an anticipated increase in stockholder value as a result of the Merger.

Global Yacht's board of directors considered various factors, but primarily that Global Yacht's management has not been able to expand Global Yacht's operations to profitability. In considering the Merger with Hyalozyme, Global Yacht's board of directors anticipated that this lack of profitability was likely to continue for the foreseeable future. Given those circumstances, Global Yacht's board decided that the best course of action for Global Yacht and its shareholders was to enter into and conclude the proposed Merger with Hyalozyme, after which Global Yacht's management would resign. In agreeing to the Merger, Global Yacht's board hoped that by relinquishing control to Hyalozyme's management and adopting Hyalozyme's assets and operations, that such a move would eventually add value to Global Yacht and the interests of its shareholders. Global Yacht's board of directors reached this conclusion after analyzing Hyalozyme's operations, technical assets, intellectual property and managerial resources, which are described in more detail below and believes that acquiring Hyalozyme's potential for profitable operations by means of the Merger was the best opportunity to increase value to Global Yacht's shareholders. Global Yacht's board of directors did not request a fairness opinion in connection with the Merger.

Hyalozyme's Reasons for the Merger

Hyalozyme's board of directors considered various factors in approving the Merger and the Merger Agreement, including:

- the increased market liquidity expected to result from exchanging stock in a private company for publicly traded securities of Global Yacht;
- the ability to use registered securities to make acquisition of assets or businesses;
- increased visibility in the financial community;

- enhanced access to the capital markets;
- improved transparency of operations; and
- perceived credibility and enhanced corporate image of being a publicly traded company.

Hyalozyme's board of directors did not request a fairness opinion in connection with the Merger.

Risk Factors

The Merger entails several risks, including:

- Upon completion of the Merger, we will assume Hyalozyme's plan of operation, which is anticipated to require substantial additional funds to fully implement. Hyalozyme's management anticipates that after giving effect to the Merger, substantial additional funds will be required to implement its business plan. However, there can be no assurance that management will be successful in raising such additional capital.
- Our current stockholders will be diluted by the shares issued as part of the Merger and may be diluted by future issuances of shares to satisfy our working capital needs. Even though 4,296,375 shares held by certain of our shareholders will be redeemed, we are issuing 34,999,701 shares of our common stock, along with 6,886,807 options and 11,758,460 warrants to purchase additional shares of our common stock to the shareholders in Hyalozyme as part of the Merger. The above issuances, along with anticipated issuances to raise working capital, will reduce the percentage ownership of our stockholders.
- The market price of our common stock may decline as a result of the Merger if the integration of the Global Yacht and Hyalozyme businesses is unsuccessful.
- The stockholders of Hyalozyme will own approximately 90% of our common stock following completion of the Merger, even if none of the 6,886,807 options or 11,758,460 warrants to purchase our common stock are exercised, which will limit the ability of other stockholders to influence corporate matters.

Risks Related to Hyalozyme's Business

If Hyalozyme does not receive and maintain regulatory approvals for its product candidates, Hyalozyme will not be able to commercialize its products, which would substantially impair its ability to generate revenues and materially harm its business and financial condition.

None of Hyalozyme's product candidates has received regulatory approval from the FDA. Approval from the FDA is necessary to manufacture and market pharmaceutical products in the United States. Many other countries including major European countries and Japan have similar requirements.

The 510(k) and NDA processes are extensive, time-consuming and costly, and there is no guarantee that the FDA will approve 510(k)s or NDAs for any of Hyalozyme's product candidates, or that the timing of any such approval will be appropriate for its product launch schedule and other business priorities, which are subject to change.

Clinical testing of pharmaceutical products is also a long, expensive and uncertain process. Even if initial results of preclinical studies or clinical trial results are positive, Hyalozyme may obtain different results in later stages of drug development, including failure to show desired safety and efficacy.

The clinical trials of any of Hyalozyme's product candidates could be unsuccessful, which would prevent it from obtaining regulatory approval and commercializing the product. FDA approval can be delayed, limited or not granted for many reasons, including, among others:

- FDA officials may not find a product candidate safe or effective to merit an approval;
- FDA officials may not find that the data from preclinical testing and clinical trials justifies approval, or they may require additional studies that would make it commercially unattractive to continue pursuit of approval;
- the FDA might not approve Hyalozyme's manufacturing processes or facilities, or the processes or facilities of its contract manufacturers or raw material suppliers;
- the FDA may change its approval policies or adopt new regulations; and
- the FDA may approve a product candidate for indications that are narrow or under conditions that place our product at a competitive disadvantage, which may limit Hyalozyme's sales and marketing activities or otherwise adversely impact the commercial potential of a product;

If the FDA does not approve Hyalozyme's product candidates in a timely fashion on commercially viable terms or Hyalozyme terminates development of any of its product candidates due to difficulties or delays encountered in the regulatory approval process, it will have a material adverse impact on Hyalozyme's business and Hyalozyme will be dependent on the development of its other product candidates and/or our ability to successfully acquire other products and technologies.

In addition, Hyalozyme intends to market certain of its products, and perhaps have certain of its products manufactured, in foreign countries. The process of obtaining approvals in foreign countries is subject to delay and failure for similar reasons.

If Hyalozyme product candidates are approved by the FDA but do not gain market acceptance, its business will suffer because Hyalozyme may not be able to fund future operations.

A number of factors may affect the market acceptance of any of Hyalozyme's

existing products or any other products it develops or acquire in the future, including, among others:

- the price of Hyalozyme's products relative to other therapies for the same or similar treatments;
- the perception by patients, physicians and other members of the health care community of the effectiveness and safety of Hyalozyme's products for their prescribed treatments;
- Hyalozyme's ability to fund its sales and marketing efforts;
- the effectiveness of Hyalozyme's sales and marketing efforts; and
- the introduction of generic competitors.

In addition, Hyalozyme's ability to market and promote its products will be restricted to the labels approved by the FDA. If the approved labels are restrictive, Hyalozyme's sales and marketing efforts, as well as market acceptance and the commercial potential of its products may be negatively affected.

If Hyalozyme's products do not gain market acceptance, Hyalozyme may not be able to fund future operations, including the development or acquisition of new product candidates and/or its sales and marketing efforts for its approved products, which would cause its business to suffer.

If Hyalozyme is unable to sufficiently develop its sales, marketing and distribution capabilities or enter into agreements with third parties to perform these functions, Hyalozyme will not be able to commercialize products.

Hyalozyme is currently in the process of developing its sales, marketing and distribution capabilities. However, Hyalozyme's current capabilities in these areas are limited. In order to commercialize any products successfully, Hyalozyme must internally develop substantial sales, marketing and distribution capabilities, or establish collaborations or other arrangements with third parties to perform these services. Hyalozyme does not have extensive experience in these areas, and it may not be able to establish adequate in-house sales, marketing and distribution capabilities or engage and effectively manage relationships with third parties to perform any or all of such services. To the extent that Hyalozyme enters into co-promotion or other licensing arrangements, its product revenues are likely to be lower than if it directly marketed and sold its products, and any revenues it receives will depend upon the efforts of third parties, whose efforts may not be successful.

Hyalozyme has not generated any revenue from product sales to date; it has a history of net losses and negative cash flow, and may never achieve or maintain profitability.

Hyalozyme has not generated any revenue from product sales to date and may never generate revenues from product sales in the future. Even if Hyalozyme does achieve significant revenues from product sales, it expects to incur significant operating losses over the next several years. Hyalozyme has never been profitable, and may never become profitable. Hyalozyme will need to raise additional capital during the next twelve months, particularly if it obtains FDA approval for any of its products. If Hyalozyme engages in acquisitions of

companies, products, or technology in order to execute its business strategy, it may need to raise additional capital. Hyalozyme may be required to raise additional capital in the future through collaborative agreements, Private Investment in Public Equity ("PIPE") financings, and various other equity or debt financings. If Hyalozyme is required to raise additional capital in the future there can be no assurance that the additional financing will be available on favorable terms, or at all.

If Hyalozyme has problems with its sole contract manufacturer, its product development and commercialization efforts for its product candidates could be delayed or stopped.

Hyalozyme has signed an agreement with a contract manufacturing organization to produce bulk recombinant enzyme product for clinical use. Hyalozyme's contract manufacturer will produce the active pharmaceutical ingredient under cGMP's for commercial scale validation and will provide support for chemistry, manufacturing and controls sections for FDA regulatory filings. Hyalozyme has not established and may not be able to establish arrangements with additional manufacturers for these ingredients or products should the existing supplies become unavailable or in the event that its sole contract manufacturer is unable to adequately perform its responsibilities. Difficulties in Hyalozyme's relationship with its manufacturer or delays or interruptions in such manufacturer's supply of its requirements could limit or stop its ability to provide sufficient quantities of its products, on a timely basis, for clinical trials and, if Hyalozyme's products are approved, could limit or stop commercial sales, which would have a material adverse effect on its business and financial condition.

Hyalozyme's inability to retain key management and scientific personnel could negatively affect its business.

Hyalozyme's success depends on the performance of key management and scientific employees with biotech experience. Given its small staff size and programs currently under development, Hyalozyme depends substantially on its ability to hire, train, retain and motivate high quality personnel, especially its scientists and management team in this field. If Hyalozyme were to lose one or more of its key scientists, then it would likely lose some portion of its institutional knowledge and technical know-how, potentially causing a substantial delay in one or more of its development programs until adequate replacement personnel could be hired and trained.

Risks Related to Hyalozyme's Industry

Compliance with the extensive government regulations to which Hyalozyme is subject is expensive and time consuming, and may result in the delay or cancellation of product sales, introductions or modifications.

Extensive industry regulation has had, and will continue to have, a significant impact on Hyalozyme's business. All pharmaceutical companies, including Hyalozyme, are subject to extensive, complex, costly and evolving regulation by the federal government, principally the FDA and to a lesser extent by the U.S. Drug Enforcement Administration ("DEA"), and foreign and state government agencies. The Federal Food, Drug and Cosmetic Act, the Controlled Substances Act and other domestic and foreign statutes and regulations govern or influence the testing, manufacturing, packing, labeling, storing, record keeping, safety, approval, advertising, promotion, sale and distribution of our products. Under certain of these regulations, Hyalozyme and its contract suppliers and

manufacturers are subject to periodic inspection of its or their respective facilities, procedures and operations and/or the testing of products by the FDA, the DEA and other authorities, which conduct periodic inspections to confirm that Hyalozyme and its contract suppliers and manufacturers are in compliance with all applicable regulations. The FDA also conducts pre-approval and post-approval reviews and plant inspections to determine whether Hyalozyme's systems, or its contract suppliers' and manufacturers' processes, are in compliance with cGMP and other FDA regulations.

In addition, the FDA imposes a number of complex regulatory requirements on entities that advertise and promote pharmaceuticals, including, but not limited to, standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities, and promotional activities involving the Internet.

Hyalozyme is dependent on receiving FDA and other governmental approvals prior to manufacturing, marketing and shipping its products. Consequently, there is always a risk that the FDA or other applicable governmental authorities will not approve Hyalozyme's products, or will take post-approval action limiting or revoking its ability to sell its products, or that the rate, timing and cost of such approvals will adversely affect its product introduction plans or results of operations.

Hyalozyme's suppliers and sole manufacturer are subject to regulation by the FDA and other agencies, and if they do not meet their commitments, Hyalozyme would have to find substitute suppliers or manufacturers, which could delay the supply of its products to market.

Regulatory requirements applicable to pharmaceutical products make the substitution of suppliers and manufacturers costly and time consuming. Hyalozyme has no internal manufacturing capabilities and is, and expects to be in the future, entirely dependent on contract manufacturers and suppliers for the manufacture of its products and for their active and other ingredients. The disqualification of these suppliers through their failure to comply with regulatory requirements could negatively impact Hyalozyme's business because the delays and costs in obtaining and qualifying alternate suppliers (if such alternative suppliers are available, which Hyalozyme cannot assure) could delay clinical trials or otherwise inhibit Hyalozyme's ability to bring approved products to market, which would have a material adverse affect on Hyalozyme's business and financial condition.

Hyalozyme may be required to initiate or defend against legal proceedings related to intellectual property rights, which may result in substantial expense, delay and/or cessation of the development and commercialization of its products.

Hyalozyme relies on patents to protect its intellectual property rights. The strength of this protection, however, is uncertain. For example, it is not certain that:

- Hyalozyme's patents and pending patent applications cover products and/or technology that it invented first;
- Hyalozyme was the first to file patent applications for these inventions;
- others will not independently develop similar or alternative

technologies or duplicate Hyalozyme's technologies;

- any of Hyalozyme's pending patent applications will result in issued patents; and

- any of Hyalozyme's issued patents, or patent pending applications that result in issued patents, will be held valid and infringed in the event the patents are asserted against others.

Hyalozyme currently owns or licenses several U.S. and foreign patents and also has pending patent applications. There can be no assurance that Hyalozyme's existing patents, or any patents issued to it as a result of such applications, will provide a basis for commercially viable products, will provide Hyalozyme with any competitive advantages, or will not face third-party challenges or be the subject of further proceedings limiting their scope or enforceability.

Hyalozyme may become involved in interference proceedings in the U.S. Patent and Trademark Office to determine the priority of Hyalozyme's inventions. In addition, costly litigation could be necessary to protect Hyalozyme's patent position. Hyalozyme also relies on trademarks to protect the names of its products. These trademarks may be challenged by others. If Hyalozyme enforces its trademarks against third parties, such enforcement proceedings may be expensive. Hyalozyme also relies on trade secrets, unpatented proprietary know-how and continuing technological innovation that it seeks to protect with confidentiality agreements with employees, consultants and others with whom Hyalozyme discusses its business. Disputes may arise concerning the ownership of intellectual property or the applicability or enforceability of these agreements, and Hyalozyme might not be able to resolve these disputes in its favor.

In addition to protecting Hyalozyme's own intellectual property rights, third parties may assert patent, trademark or copyright infringement or other intellectual property claims against Hyalozyme based on what they believe are their own intellectual property rights. Hyalozyme may be required to pay substantial damages, including but not limited to treble damages, for past infringement if it is ultimately determined that its products infringe a third party's intellectual property rights. Even if infringement claims against Hyalozyme are without merit, defending a lawsuit takes significant time, may be expensive and may divert management's attention from other business concerns. Further, Hyalozyme may be stopped from developing, manufacturing or selling its products until it obtains a license from the owner of the relevant technology or other intellectual property rights. If such a license is available at all, it may require Hyalozyme to pay substantial royalties or other fees.

If third-party reimbursement is not available, Hyalozyme's products may not be accepted in the market.

Hyalozyme's ability to earn sufficient returns on its products will depend in part on the extent to which reimbursement for its products and related treatments will be available from government health administration authorities, private health insurers, managed care organizations and other healthcare providers.

Third-party payers are increasingly attempting to limit both the coverage and the level of reimbursement of new drug products to contain costs. Consequently, significant uncertainty exists as to the reimbursement status of newly approved healthcare products. If Hyalozyme succeeds in bringing one or more of its product candidates to market, third-party payers may not establish adequate levels of reimbursement for its products, which could limit their market acceptance and result in a material adverse effect on Hyalozyme's financial condition.

Hyalozyme faces intense competition and rapid technological change that could result in the development of products by others that are superior to the products Hyalozyme is developing.

Hyalozyme has numerous competitors in the United States and abroad, including, among others, major pharmaceutical and specialized biotechnology firms, universities and other research institutions that may be developing competing products. Such competitors may include Sigma-Aldrich Corporation, Ista Pharmaceuticals, Inc. and Alcon Laboratories, Inc., among others. These competitors may develop technologies and products that are more effective or less costly than Hyalozyme's current or future product candidates or that could render its technologies and product candidates obsolete or noncompetitive. Many of these competitors have substantially more resources and product development, manufacturing and marketing experience and capabilities than Hyalozyme does. In addition, many of Hyalozyme's competitors have significantly greater experience than Hyalozyme does in undertaking preclinical testing and clinical trials of pharmaceutical product candidates and obtaining FDA and other regulatory approvals of products and therapies for use in healthcare.

Hyalozyme is exposed to product liability claims, and insurance against these claims may not be available to it on reasonable terms or at all.

Hyalozyme might incur substantial liability in connection with clinical trials or the sale of its products. Product liability insurance is expensive and in the future may not be available on commercially acceptable terms, or at all. A successful claim or claims brought against Hyalozyme in excess of its insurance coverage could materially harm its business and financial condition.

Directors and Senior Management of Global Yacht Following the Merger

Following completion of the Merger, the board of directors of Global Yacht will resign and new appointees will consist of directors which will be designated by Hyalozyme. The management and directors are anticipated to include:

Jonathan E. Lim, MD, (32) President & Chief Executive Officer and Director. Dr. Lim joined Hyalozyme in 2003. From 2001 to 2003, Dr. Lim was a management consultant at McKinsey & Company, where he specialized in the health care industry, serving a wide range of start-ups to Fortune 500 companies in the biopharmaceutical, medical products, and payor/provider segments. From 1999 to 2001, Dr. Lim was a recipient of a National Institutes of Health Postdoctoral Fellowship, during which time he conducted clinical outcomes research at Harvard Medical School. He has published articles in leading peer-reviewed medical journals such as the Annals of Surgery and the Journal of Refractive Surgery. Dr. Lim's prior experience also includes two years of clinical training in general surgery at the New York Hospital-Cornell Medical Center and Memorial Sloan-Kettering Cancer Center; Founder and President of a seed-stage health care company; Founding Editor-in-Chief of the McGill Journal of Medicine; and basic science and clinical research at the Salk Institute for Biological Studies and Massachusetts Eye and Ear Infirmary. Dr. Lim is currently a member of the strategic planning committee of the American Medical Association. He earned his BS with honors and MS degrees in molecular biology from Stanford University, his MD degree from McGill University, and his MPH degree in health care management from Harvard University.

Gregory I. Frost, PhD, (32) Vice President & Chief Scientific Officer and Director. Dr. Frost joined Hyalozyme in 1999 and has spent more than ten years

researching the hyaluronidase family of enzymes. From 1998 to 1999, he was a Senior Research Scientist at the Sidney Kimmel Cancer Center (SKCC), where he focused much of his work developing the hyaluronidase technology. Prior to SKCC, his research in the Department of Pathology at the University of California, San Francisco, led directly to the purification, cloning, and characterization of the human hyaluronidase gene family, and the discovery of several metabolic disorders. He has authored over 13 scientific peer-reviewed and invited articles in the Hyaluronidase field, is an inventor on numerous patents, and has been the recipient of federal grants. Dr. Frost's prior experience includes serving as a scientific consultant to a number of biopharmaceutical companies, including Q-Med (SE), Biophausia AB (SE), and Active Biotech (SE). Dr. Frost is registered to practice before the US Patent Trademark Office, and earned his BA in biochemistry and molecular biology from the University of California, Santa Cruz, and his PhD in the department of Pathology at the University of California, San Francisco, where he was an ARCS-Scholar.

David A. Ramsay, MBA, (39) Vice President & Chief Financial Officer. Mr. Ramsay joined Hyalozyme in 2003 and brings 17 years of corporate financial experience spanning several industries. From 2000 to 2003, he was Vice President, Chief Financial Officer of Lathian Systems, a leading provider of technology-based sales solutions for the life sciences industry. Prior to Lathian, Mr. Ramsay was the Vice President, Treasurer of ICN Pharmaceuticals, a multinational, specialty pharmaceutical company with approximately $800 million in revenue and a market capitalization of $3 billion at the time. Mr. Ramsay joined ICN in 1998 from ARCO, where he spent four years in various financial roles, most recently serving as Manager of Financial Planning & Analysis for the company's 1,700-station West Coast Retail Marketing Network. Prior to ARCO, he served as Vice President, Controller for Security Pacific Asian Bank, a $500 million subsidiary of Security Pacific Corporation. He began his career as a Senior Auditor (CPA) at Deloitte & Touche after graduating from the University of California, Berkeley with a BS degree in Business Administration. Mr. Ramsay earned his MBA degree with a dual major in Finance and Strategic Management from The Wharton School at the University of Pennsylvania.

Don A. Kennard, (57) Vice President of Regulatory Affairs & Quality Assurance. Mr. Kennard joined Hyalozyme in 2004 and brings to Hyalozyme nearly 30 years of professional senior management experience in the fields of regulatory affairs (RA), clinical programs, and quality assurance (QA). He has worked directly with the U.S. Food and Drug Administration (FDA), as well as regulatory authorities of various foreign ministries of health, to secure registration, authorize commercialization, and successfully implement quality programs, for a broad range and extensive number of product approvals across pharmaceuticals, biologics, medical devices, and diagnostics. Prior to Hyalozyme, Mr. Kennard was Vice President of Worldwide RA/QA at Quidel, Inc., an $80 million manufacturer of diagnostic products, where he led the RA/QA and Clinical functions to increase product approvals by 40% and increase sales volume by 22%, while also establishing a Quality System CE marking program that enabled Quidel to expand and sustain sales in the EU. From 1991 to 2001, he was Vice President of RA/QA/R&D for Nobel Biocare, Inc. and Steri-Oss (acquired by Nobel Biocare), where he directed all regulatory affairs, quality assurance, clinical trials, and R&D activities. From 1981 to 1991, Mr. Kennard was Director of RA/QA at Allergan, Inc., where he directed RA/QA/QC in the development and manufacture of prescription and OTC ophthalmic and dermatological drugs, injectable drugs, biotechnology products (e.g., Botox), and ophthalmic products (e.g., contact lens, intraocular lens). Prior to Allergan, he was Director of Quality Control at B. Braun. Mr. Kennard holds a BS degree in Microbiology and a Regulatory Affairs Certificate.

Carolyn M. Rynard, PhD, (48) Vice President of Product Development & Manufacturing. Dr. Rynard joined Hyalozyme in 2003. Dr. Rynard's career in drug development spans 20 years in the pharmaceutical and biotech industries. Her broad experience includes project management, formulation, manufacturing, clinical supplies, validation, medical devices, and drug delivery systems. From 2001 to 2003, Dr. Rynard was Vice President of Product Development at Medinox, Inc., where she was directly responsible for Medinox's Chemistry, Manufacturing, and Controls (CM&C), formulation, analytical methods, and specification development. From 1994 to 2001, she worked for Amylin Pharmaceuticals, Inc., a San Diego, California-based pharmaceutical company where she held various positions of increasing responsibility, serving most recently as Senior Director of Product Development. At Amylin, Dr. Rynard managed seven functional areas and wrote CMC sections for US NDA and INDs; European MAA and CTX regulatory filings; as well as device 510(k) and CE mark technical files. Prior to joining Amylin, Dr. Rynard held various R&D positions at Baxter Healthcare and at Du Pont. Dr. Rynard earned her BSc degree in Chemistry and Biochemistry from the University of Toronto, and her PhD in Physical and Organic Chemistry from Stanford University.

Mark S. Wilson, MBA, (43) Vice President of Business Development. Mr. Wilson joined Hyalozyme in 2003 and has spent more than 15 years in the biotechnology/pharmaceutical industry, having most recently served as Founder and CEO of Biophysica Science, Inc. and Director of Strategic External Alliance Management at Pfizer Global R&D - La Jolla from 2001 to 2003. From 1996 to 2001, Mr. Wilson was Associate Director of Materials at Agouron Pharmaceuticals, Inc., where he identified and negotiated international supply agreements in excess of $120 million annually and served as Materials Manager for the launch of Viracept(R). From 1991 to 1996, Mr. Wilson was an Associate Director at Gensia Laboratories, Ltd., where he directed a wide range of business operations. Prior experience also includes various management and operational roles at Hybritech, Ferro Corporation, and TRW, Inc. Mr. Wilson earned his BS degree in engineering from the University of California, Berkeley, and his MBA degree at the Anderson Graduate School of Management at the University of California, Los Angeles.

Louis H. Bookbinder, PhD, (46) Director of Biochemistry. Dr. Bookbinder joined Hyalozyme in 2002. Dr. Bookbinder has extensive experience in the biotechnology industry, serving as a Consulting Research Scientist to a number of companies, including Molecular Diagnostic Solutions-USA (San Diego, CA), Zygam, Inc. (Vista, CA), Mycoferm Technologies (Bellevue, WA), and Syrrx, Inc. (San Diego, CA), from 2001 to 2002. From 1995 to 2001, he was a Principal Investigator and Senior Staff Scientist at Tera Biotechnology Corporation (San Diego, CA) and Favrille, Inc. (San Diego, CA), a VC funded spin-off of Tera Biotechnology. Dr. Bookbinder's scientific background includes Senior Research Scientist at the Sidney Kimmel Cancer Center; Research Scientist at the La Jolla Institute for Experimental Medicine; Research Fellow at the Scripps Research Institute; and Senior Research Fellow at the University of Washington. He has authored multiple scientific peer-reviewed articles in leading journals such as Science, Journal of Cellular Biology, and FASEB, and is a named inventor on numerous patents. Dr. Bookbinder earned his BA in biology at the University of California, Los Angeles, his MS in zoology at the University of Maine, Orono, and his PhD in biology at the University of California, San Diego.

Ira M. Lechner, (69) Director. Mr. Lechner currently serves as chairman of the board of the Sidney Kimmel Cancer Center in San Diego. This is an extension of a prestigious career in law, service as a Virginia state legislator, and a long history of trustee-level involvements in many organizations. Prior to assuming

the Board Chairmanship, Lechner served as SKCC's Vice Chairman of the Board of Trustees and as Chair of the SKCC Development and Planned Giving Committees. He currently serves on the Board of the Council on Higher Education Accreditation, and previously served as Vice Chair of the Randolph-Macon College Board of Trustees. For the past five years, Mr. Lechner has been employed as the sole proprietor of a law firm in the District of Columbia entitled Ira M. Lechner, Esq.

Edward L. Mercaldo, (62) Director. Mr. Mercaldo is a Financial Consultant and private investor, following his successful career as an International Commercial and Investment Banker for several leading companies including Bank of Montreal, Bankers Trust Company of New York, Gordon Capital and First Marathon Securities. Mr. Mercaldo also served as Executive Vice President, Chief Financial Officer and Director of Diamond Fields Resources, Inc., and following the purchase of Diamond Fields by Inco Ltd. in August 1996, he continued as a Director of Inco until September 2000. Mr. Mercaldo has served as a self-employed consultant to numerous companies for the past five years.

John S. Patton, PhD, (56) Director. Dr. Patton is co-Founder and Vice President, Research of Nektar Therapeutics (formerly Inhale Therapeutic Systems) and has served as Chief Scientific Officer since November 2001 and as a director since July 1990. He is a world-renowned expert in the delivery of peptides and proteins. Before co-founding Inhale, John led the drug delivery group at Genentech, Inc., where he demonstrated the feasibility of systemic delivery of large molecules through the lungs. Prior to joining Genentech, Inc., he was a tenured professor at the University of Georgia. He has published a wide range of articles and has presented his work in national and international arenas. Dr. Patton received his Ph.D. in Biology from the University of California, San Diego, and held post-doctoral positions in biomedicine at Harvard Medical School and the University of Lund in Sweden. Dr. Patton is both a personal investor in Hyalozyme and Chairs the Scientific and Clinical Advisory Board.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT FOLLOWING THE MERGER

The following table sets forth information with respect to the anticipated levels of beneficial ownership of our Common Stock owned after giving effect to the Merger, by:

- the holders of more than 5% of our Common Stock;
- each of our directors;
- our executive officers; and
- all directors and executive officers of our company as a group.

We currently have 8,196,362 shares of our common stock issued and outstanding. Pursuant to the terms of the Merger, we anticipate that 34,999,701 shares of our common stock will be issued to Hyalozyme's shareholders along with options to purchase an additional 6,886,807 shares of our common stock and warrants to purchase an additional 11,758,460 shares of our common stock, which could result in up to 57,544,955 shares of our common stock outstanding after giving effect to the Merger. We plan to redeem a total of 4,296,375 shares of common stock owned by certain of our shareholders in exchange for $43,000 or $0.01 per share upon the closing of the Merger.

APPROVAL OF THE MERGER WILL RESULT IN A CHANGE IN CONTROL FROM OUR MANAGEMENT TO CONTROL BY HYALOZYME'S MANAGEMENT AND THE ASSUMPTION OF HYALOZYME'S OPERATIONS AND LIABILITIES.

The following table sets forth certain information regarding the beneficial ownership of our common stock after giving effect to the Merger by each person or entity known by us to be the beneficial owner of more than 5% of the outstanding shares of common stock, each of our directors and named executive officers, and all of our directors and executive officers as a group. The table below assumes all 11,758,460 warrants anticipated to be outstanding after the Merger to purchase our common stock are exercised.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner
Common Stock	Cantonal Corporation (1)	6,644,054 shares
Common Stock	Gregory Frost (2)	3,429,016 shares
Common Stock	Jonathan Lim (3)	808,426 shares
Common Stock	Elliot Feuerstein (4)	3,504,373 shares
Common Stock	Ira Lechner (5)	1,152,329 shares
Common Stock	Edward Mercaldo (6)	819,938 shares
Common Stock	John S. Patton (7)	447,471 shares
Common Stock	Borgstrom Family Trusts (8)	2,710,474 shares
Common Stock	Peter Geddes (9)	2,528,542 shares
Common Stock	Jonathan Spanier (10)	2,629,436 shares
Common Stock	Jesse Grossman (11)	2,585,237 shares
Common Stock	All officers and directors as a group (12)	6,657,180 shares

Beneficial ownership is determined in accordance with the Rule 13d-3(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and generally includes voting or investment power with respect to securities. Except as subject to community property laws, where applicable, the person named above has sole voting and investment power with respect to all shares of Hyalozyme's common stock shown as beneficially owned by him.

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(1) Includes 4,621,036 shares and warrants to purchase 2,023,018 shares held in the name of the Cantonal Corporation.

(2) Includes 2,837,364 shares and warrants to purchase 22,241 shares held in the name of Dr. Frost; includes 116,415 shares and warrants to purchase 10,530 shares held in the name of the Frost Family Trust; and includes 190,072 shares and warrants to purchase 22,241 shares held in the name of Francis E. Frost. Also includes 230,153 shares issuable upon exercise of options exercisable within 60 days of which are held in Dr. Frost's name.

(3) Includes 484,497 shares and warrants to purchase 26,690 shares held in the name of Dr. Lim; and includes 266,101 shares and warrants to purchase 31,138 shares held in the name of family members of Dr. Lim.

(4) Includes 3,373,287 shares and warrants to purchase 131,086 shares held in the name of Mr. Feuerstein.

(5) Includes 705,210 shares and warrants to purchase 134,806 shares held in an IRA account for Mr. Lechner; and 190,072 shares and warrants to purchase 22,241 shares held in a charitable trust. Also includes 100,000 shares issuable upon exercise of options exercisable within 60 days of which are held in Mr. Lechner's name.

(6) Includes 126,944 shares held in the name of Mr. Mercaldo; 123,883 shares and warrants to purchase 44,483 shares held for the benefit of Karen and Mr. Mercaldo; and 380,145 shares and warrants to purchase 44,483 shares held in a family trust. Also includes 100,000 shares issuable upon exercise of options exercisable within 60 days of which are held in Mr. Mercaldo's name.

(7) Includes 232,830 shares and warrants to purchase 31,590 shares held in a family trust, and 83,051 shares held in the name of Dr. Patton. Also includes 100,000 shares issuable upon exercise of options exercisable within 60 days of which are held in Dr. Patton's name.

(8) Includes 2,710,474 shares held in family trusts.

(9) Includes 1,587,451 shares and 731,091 warrants to purchase shares, 140,000 shares and 50,000 warrants to purchase shares held by Peter Geddes under custodial accounts for the benefit of minors. Also includes 13,333 shares and 6,667 warrants to purchase shares held by Grove Capital, LLC in which Peter Geddes is a member. Peter Geddes may be deemed a beneficial owner of the shares held by Grove Capital, LLC however, he disclaims beneficial ownership except to the extent of his pecuniary interest therein.

(10) Includes 1,217,757 shares and 655,219 warrants to purchase shares, 474,890 shares and 211,570 warrants to purchase shares held by the Jonathan Spanier IRA Account, includes 50,000 shares held by Jonathan Spanier under a custodial account for the benefit of a minor. Also includes 13,333 shares and 6,667 warrants to purchase shares held by Grove Capital, LLC in which Jonathan Spanier and the Jonathan Spanier IRA Account are members. Each of Jonathan Spanier and the Jonathan Spanier IRA Account may be deemed beneficial owners of the shares held by Grove Capital, LLC however, each disclaims beneficial ownership except to the extent of their pecuniary interest therein.

(11) Includes 1,251,558 shares and 627,219 warrants to purchase shares, 474,890 shares and 211,570 warrants to purchase shares held by the Jesse Grossman Accountancy Corporation Retirement Trust. Also includes 13,333 shares and 6,667 warrants to purchase shares held by Grove Capital, LLC in which Jesse Grossman and the Jesse Grossman Accountancy Corporation Retirement Trust are members. Each of Jesse Grossman and the Jesse Grossman Accountancy Corporation Retirement Trust may be

deemed beneficial owners of the shares held by Grove Capital, LLC however, each disclaims beneficial ownership except to the extent of their pecuniary interest therein.

(12) See Notes 2,3,5,6 and 7. Includes 530,153 shares issuable upon exercise of options exercisable within 60 days.

Interests of Directors, Executive Officers and Principal Stockholders in the Merger

Some of the directors and executive officers of Hyalozyme have interests in the Merger that are different from, or are in addition to, the interests of their shareholders. These interests include positions as directors or executive officers of Global Yacht following the Merger, potential benefits under employment or benefit arrangements as a result of the Merger, and potential severance and other benefit payments in the event of termination of employment following the Merger. On January 8, 2004, Hyalozyme's directors, executive officers and their affiliates owned approximately 19.69% of Hyalozyme common stock entitled to vote on adoption of the Merger Agreement. The board of Global Yacht was aware of these interests and considered them in approving the Merger.

Anticipated Operations Following the Merger

Hyalozyme's Background. Hyalozyme was incorporated in California on February 26, 1998, as DeliaTroph Pharmaceuticals, Inc. After completing the Merger, Global Yacht will assume Hyalozyme's business operations, including their assets and liabilities as the parent corporation of the acquisition subsidiary into which Hyalozyme will merge. Hyalozyme is a product-focused biotechnology company dedicated to the development and commercialization of recombinant therapeutic enzymes and drug enhancement systems, based on intellectual property covering the family of human enzymes known as hyaluronidases. Hyalozyme's first products are human synthetic formulations of a hyaluronidase enzyme that replaces current animal slaughterhouse-derived enzymes that carry high risks of animal pathogen contamination and immunogenicity. These products are based on a highly versatile enzyme technology that Hyalozyme's management believes has a wide range of therapeutic applications, and which Hyalozyme's management anticipates will enable Hyalozyme to help patients across multiple disease states while creating significant shareholder value.

Products/services. Hyalozyme's patented technology is based on recombinant human PH20 (rHuPH20), a human synthetic hyaluronidase that degrades hyaluronic acid (HA), a space-filling "cement"-like substance that is a major component of tissues throughout the body (e.g., skin, cartilage). The PH20 enzyme is a naturally occurring enzyme that digests HA to break down the cement, thereby facilitating the penetration and diffusion of other drugs that are injected subcutaneously (i.e., in the skin) or intramuscularly (i.e., in the muscle). Hyalozyme has two product candidates it is currently focusing on:

- CUMULASE(TM)-IVF is an ex vivo formulation of rHuPH20 to replace the bovine enzyme currently used for the preparation of oocytes prior to IVF and cryopreservation during the process of ICSI (intracytoplasmic sperm injection), in which the enzyme is an essential component. The FDA considers hyaluronidase IVF products to be medical devices subject to 510K approval. Hyalozyme believes the total Cumulase(TM)-IVF

market consists of nearly 500,000 ICSI (intracytoplasmic sperm injection) cycles worldwide in 2004.

- OPTIPHASE(TM) is a low unit, fast-acting local formulation of rHuPH20 to replace Wydase(R), Wyeth's discontinued bovine enzyme previously used for over 50 years as a drug delivery agent to enhance diffusion of local anesthesia for ophthalmic surgery (mostly cataract surgery). Hyalozyme believes the total Optiphase(TM) market consists of approximately 6.4 million local anesthesia procedures (or 45% of the 14.3 million total estimated cataract surgery procedures) worldwide in 2004.

Intellectual property. The success of Hyalozyme's business will depend, in part, on its ability to obtain patent protection for its inventions, to preserve its trade secrets and to operate without infringing the proprietary rights of third parties. Hyalozyme's strategy is to actively pursue patent protection in the United States and foreign jurisdictions for technology that it believes to be proprietary and that offers a potential competitive advantage for its inventions. To date, Hyalozyme has licensed issued and pending US and International Patents, as well as filed new patent applications for novel compositions, formulations and uses of mammalian hyaluronidases.

In addition to patents, Hyalozyme relies on trade secrets and proprietary know-how. Hyalozyme seeks protection of these trade secrets and proprietary know-how, in part, through confidentiality and proprietary information agreements. Hyalozyme makes efforts to require its employees, directors, consultants and advisors, outside scientific collaborators and sponsored researchers, other advisors and other individuals and entities, to execute confidentiality agreements upon the start of employment, consulting or other contractual relationships with them. These agreements provide that all confidential information developed or made known to the individual or entity during the course of the relationship is to be kept confidential and not disclosed to third parties except in specific circumstances. In the case of employees and some other parties, the agreements provide that all inventions conceived by the individual will be the exclusive property of Hyalozyme. These agreements may not provide meaningful protection for or adequate remedies to protect its technology in the event of unauthorized use or disclosure of information. Furthermore, Hyalozyme's trade secrets may otherwise become known to, or be independently developed by, its competitors.

In addition, the approval process for patent applications in foreign countries may differ significantly from the process in the U.S. The patent authorities in each country administer that country's laws and regulations relating to patents independently of the laws and regulations of any other country, and the patents must be sought and obtained separately. Therefore, approval in one country does not necessarily indicate that approval can be obtained in other countries.

Government regulations. The FDA and comparable regulatory agencies in foreign countries regulate extensively the manufacture and sale of the pharmaceutical products that Hyalozyme currently is developing. The FDA has established guidelines and safety standards that are applicable to the nonclinical evaluation and clinical investigation of therapeutic products and stringent regulations that govern the manufacture and sale of these products. The process of obtaining FDA approval for a new therapeutic product usually requires a significant amount of time and substantial resources. The steps typically required before a product can be produced and marketed for human use include: 1) nonclinical pharmacological studies to obtain preliminary information on the safety and efficacy of a drug; and 2) nonclinical evaluation in vitro and in vivo, including extensive toxicology.

The results of these nonclinical studies may be submitted to the FDA as part of an investigational new drug application. The sponsor of an investigational new drug application may commence human testing of the compound only after being notified by the FDA that the agency has activated the investigational new drug application, which usually occurs within 30 days of submission of the application.

The clinical testing program for a drug typically involves three phases:

- Phase 1 investigations are generally conducted in healthy subjects. In certain instances, subjects with a terminal disease, such as cancer, may participate in Phase 1 studies that determine the maximum tolerated dose and initial safety of the product;

- Phase 2 studies are conducted in limited numbers of subjects with the disease or condition to be treated and are aimed at determining the most effective dose and schedule of administration, evaluating both safety and whether the product demonstrates therapeutic effectiveness against the disease; and

- Phase 3 studies involve large, well-controlled investigations in diseased subjects and are aimed at verifying the safety and effectiveness of the drug.

Data from all clinical studies, as well as all nonclinical studies and evidence of product quality, typically are submitted to the FDA in a new drug application.

The FDA's Center for Drug Evaluation and Research (CDER) or the Center for Biologics Evaluation and Research (CBER) must approve a new drug application or biologics license application for a drug before the drug may be marketed in the U.S. At the time, if ever, that Hyalozyme begins to market its proposed products for commercial sale in the U.S., any manufacturing operations that may be established in or outside the U.S. will be subject to rigorous regulation, including compliance with current good manufacturing practices. Hyalozyme also may be subject to regulation under the Occupational Safety and Health Act, the Environmental Protection Act, the Toxic Substance Control Act, the Export Control Act and other present and future laws of general application. In addition, the handling, care and use of laboratory mice, including the hu-PBL-SCID mice and rats, are subject to the Guidelines for the Humane Use and Care of Laboratory Animals published by the National Institutes of Health.

International. For marketing outside the United States, Hyalozyme is also subject to foreign regulatory requirements governing human clinical trials and marketing approval for pharmaceutical products. The requirements governing the conduct of clinical trials, product approval, pricing and reimbursement vary widely from country to country. Whether or not FDA approval has been obtained, approval of a product by the comparable regulatory authorities of foreign countries must be obtained before manufacturing or marketing the product in those countries. The approval process varies from country to country and the time required for such approvals may differ substantially from that required for FDA approval. Hyalozyme's management cannot give assurance that clinical trials conducted in one country will be accepted by other countries or that approval in one country will result in approval in any other country. For clinical trials conducted outside the United States, the clinical stages are generally comparable to the phases of clinical development established by the FDA.

Research and development. Since its inception, Hyalozyme has made substantial investments in research and development. During the years ended December 31, 2003 and 2002 and from the period February 26, 1998 (date of inception) to December 31, 2003, Hyalozyme spent $1.1 million, $0.8 million and $2.4 million, respectively, on research and development activities.

Employees. At February 5, 2004, Hyalozyme employed 13 full-time employees. Approximately 9 of its employees are involved in research and clinical development activities. Four of Hyalozyme's employees hold Ph.D. or M.D. degrees. Hyalozyme believes that its relationship with its employees is good.

Facilities. Hyalozyme's administrative offices and research facilities are located in San Diego, California. Hyalozyme leases approximately 5,700 square feet of office space which is adequate for its purposes for the next twelve to eighteen months. The lease expires on June 30, 2005.

Legal Proceedings. From time to time, Hyalozyme may be involved in litigation relating to claims arising out of its operations in the normal course of business. Hyalozyme currently is not a party to any legal proceedings, the adverse outcome of which, in its management's opinion, individually or in the aggregate, would have a material adverse effect on its results of operations or financial position.

Anticipated Liquidity and Capital Resources Following the Merger

We will assume Hyalozyme's assets and liabilities following the Merger.

Hyalozyme's management anticipates that after giving effect to the Merger, substantial additional capital will be required to implement its business plan. However, there can be no assurance that management will be successful. If additional funds are raised through the issuance of equity or convertible debt securities, the percentage ownership of our stockholders will be reduced, stockholders may experience additional dilution and such securities may have rights, preferences and privileges senior to those of our common stock. There can be no assurance that additional financing will be available on terms favorable to us or at all. If adequate funds are not available or are not available on acceptable terms, we may not be able to fund expansion, take advantage of unanticipated acquisition opportunities, develop or enhance services or products or respond to competitive pressures. Such inability could harm its business, results of operations and financial condition.

What We Need to Do to Complete the Merger

Global Yacht and Hyalozyme will complete the Merger only if the conditions set forth in the Merger Agreement are satisfied or, in some cases, waived. These conditions include:

- the approval and adoption of the Merger Agreement by the requisite vote of the stockholders of Global Yacht and Hyalozyme;
- no statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or enforced by any United States court or Governmental Entity which prohibits, restrains, enjoins or restricts the consummation of the Merger;

- accuracy of each company's representations and warranties;
- performance by each company of its obligations under the Merger Agreement; and
- the mailing of this information to all Global Yacht stockholders as of the record date.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Proxy Statement contain certain "forward-looking" statements of management of Global Yacht. Forward-looking statements are statements that estimate the happening of future events are not based on historical fact. Forward-looking statements may be identified by the use of forward-looking terminology, such as "may," "shall," "could," "expect," "estimate," "anticipate," "predict," "probable," "possible," "should," "continue," or similar terms, variations of those terms or the negative of those terms. The forward-looking statements specified in the following information have been compiled by our management on the basis of assumptions made by management and considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements.

The assumptions used for purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. We cannot guaranty that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements.

FINANCIAL AND OTHER INFORMATION

Global Yacht Audited Financial Statements

The financial statements of Global Yacht as of December 31, 2002 and 2001 and are contained in Global Yacht's Annual Report on Form 10-KSB for the year ended December 31, 2002 which is included in this document as Exhibit E. These financial statements have been audited by Hall & Company, independent auditors. You are encouraged to review the financial statements, related notes and other information included elsewhere in this filing.

Hyalozyme's Plan of Operations

Revenues. Hyalozyme has generated no revenues since its inception on February 26, 1998, and does not anticipate generating revenues before the last quarter of fiscal 2004. However, no assurances can be given as to the recognition of any revenues in fiscal 2004.

Expenses. Hyalozyme has generated net losses of $4.0 million from its inception through December 31, 2003. These losses are primarily due to research and

development expenses of $2.4 million, general and administrative expenses of $1.2 million, and interest expense of $.4 million.

Liquidity and Capital Resources. Hyalozyme has used $3.0 million net cash in its operating activities and purchased equipment for $.3 million from its inception through December 31, 2003. It has financed its operating and investing activities by raising $3.8 million in cash from the issuance of notes of $1.3 million, common stock of $.1 million, and preferred stock of $2.4 million. While Hyalozyme has $.5 million cash at December 31, 2003, additional financing is required in order to execute its business plan. There can be no assurance that additional financing will be available on terms favorable to Hyalozyme or at all. On January 28, 2004, pursuant to an investment completed simultaneously with the Merger, Hyalozyme raised approximately $8.1 million.

By adjusting its operations and development to the level of capitalization, management believes it has sufficient capital resources to meet projected cash flow deficits during 2004. However, if during that period or thereafter, we are not successful in generating sufficient liquidity from operations or in raising sufficient capital resources, on terms acceptable to us, this could have a material adverse effect on our business, results of operations liquidity and financial condition.

Merger. On January 28, 2004, Hyalzoyme entered into an Agreement and Plan of Merger (the "Merger Agreement") with Global Yacht Services, Inc., a publicly traded Nevada corporation ("Global Yacht"), Hyalozyme Acquisition Corporation, a Nevada corporation and wholly owned subsidiary of Global Yacht (the "Merger Sub") and certain other parties. The Merger Agreement will provide for Merger Sub to merge with and into Hyalozyme with Hyalozyme remaining as the surviving corporation (the "Merger") and becoming a public company. See Exhibit A, the Merger Agreement, for a detailed discussion of the terms and conditions of the merger.

Patents. Hyalozyme currently owns or licenses several U.S. and foreign patents and also has pending patent applications. There can be no assurance that Hyalozyme's existing patents, or any patents issued to it as a result of such applications, will provide a basis for commercially viable products, will provide Hyalozyme with any competitive advantages, or will not face third-party challenges or be the subject of further proceedings limiting their scope or enforceability.

Employees. At February 5, 2004, Hyalozyme employed 13 full-time employees. Approximately 9 of its employees are involved in research and clinical development activities. Four of Hyalozyme's employees hold Ph.D. or M.D. degrees. Hyalozyme anticipates hiring 5 to 10 additional employees by the end of 2004.

Hyalozyme Audited Financial Statements

The financial statements of Hyalozyme Therapeutics, Inc. ("Hyalozyme") for the years ending December 31, 2002 and December 31, 2003 are attached hereto as Exhibit F. These statements were prepared by Hyalozyme's management.

Summary Financial Information

The following gives a summary of the most recent unaudited balance sheet data of Global Yacht as of September 30, 2003 and (2) the unaudited statements of operations data of Global Yacht for the nine months ended September 30, 2003.

Income Statement	Global Yacht Nine month period ending September 30, 2003 $	Global Yacht Year ending December 31, 2002 $
Revenue	23,386	87,769
Gross Profit (Operating Loss)	(24,373)	38,095
Net Loss	(25,173)	(65,263)
Net Loss Per Share	(.01)	(.04)

Balance Sheet	September 30, 2003 $	December 31, 2002 $
Total Assets	68,149	97,249
Total Liabilities	4,752	10,434
Shareholders' Equity (Deficit)	63,397	86,815

The following gives a summary of the most recent unaudited balance sheet data of Hyalozyme for the years ended December 31, 2002 and December 31, 2003 and (2) the unaudited statements of operations data of Hyalozyme for the years ended December 31, 2002 and December 31, 2003.

Income Statement	Hyalozyme Year ending December 31, 2003 $	Hyalozyme Year ending December 31, 20 $
Revenue	0	0
Gross Profit (Operating Loss)	(1,721,872)	(1,152,902)
Net Loss	(2,115,025)	(1,134,765)
Net Loss Per Share	(.31)	(.25)

Balance Sheet	December 31, 2003 $	December 31, 20 $
Total Assets	647,247	230,580
Total Liabilities	273,440	610,140
Shareholders' Equity (Deficit)	373,807	(379,560)

This information is only a summary. You should also read the historical information, management's discussion and analysis and related notes of Global Yacht contained it its Quarterly Report on Form 10-QSB as filed with the Securities and Exchange Commission for the nine month period ended September 30, 2003, which are incorporated by reference into this document and the historical financial statements, management's discussion and analysis and related notes for Global Yacht contained elsewhere in this document.

We are providing above financial and other information for informational purposes only. It does not necessarily represent or indicate what the financial position and results of operations of Global Yacht will be once the merger is concluded.

ADDITIONAL INFORMATION

Global Yacht will furnish without charge to any stockholder, upon written or oral request, any documents filed by Global Yacht pursuant to the Securities Exchange Act. Requests for such documents should be addressed to Global Yacht, Inc., 7710 Hazard Center Drive, Suite E-415, San Diego, California 92108. Documents filed by Global Yacht pursuant to the Securities Exchange Act may be reviewed and/or obtained through the Securities and Exchange Commission's Electronic Data Gathering Analysis and Retrieval System, which is publicly available through the Securities and Exchange Commission's web site (http://www.sec.gov).

DISSENTERS' RIGHTS

As an owner of Global Yacht common stock, you have the right to dissent from this merger and obtain cash payment for the "fair value" of your shares, as determined in accordance with the Nevada Revised Statutes ("NRS"). Below is a description of the steps you must take if you wish to exercise dissenters' rights with respect to the merger under NRS Sections 92A.300 to 92A.500, the Nevada dissenters' rights statute. The text of the statute is set forth in Exhibit D. This description is not intended to be complete. If you are considering exercising your dissenters' rights, you should review NRS Sections 92A.300 to 92A.500 carefully, particularly the steps required to perfect dissenters' rights. Failure to take any one of the required steps may result in termination of your dissenters' rights under Nevada law. If you are considering dissenting, you should consult with your own legal advisor.

To exercise your right to dissent, you must:

- before the effective date of the merger, deliver written notice to us at Global Yacht, Inc., 7710 Hazard Center Drive, Suite E-415, San Diego, California 92108, Attn: Corporate Secretary, stating that you intend to demand payment for your shares if the merger is completed; and

- not vote your shares in favor of the merger, either by proxy or in person.

If you satisfy those conditions, we will send you a written dissenter's notice within 10 days after the merger is effective. This dissenter's notice will:

- specify where you should send your payment demand and where and when you must deposit your stock certificates, if any;

- inform holders of uncertificated shares to what extent the transfer of their shares will be restricted after their payment demand is received;

- supply a form of payment demand that includes the date the merger was first publicly announced and the date by which you must have acquired beneficial ownership of your shares in order to dissent;

- set a date by when we must receive the payment demand, which may not be less than 30 or more than 60 days after the date the dissenters' notice is delivered; and

- provide you a copy of Nevada's dissenters' rights statute.

After you have received a dissenter's notice, if you still wish to exercise your dissenters' rights, you must:

- demand payment either through the delivery of the payment demand form to be provided or other comparable means;
- certify whether you have acquired beneficial ownership of the shares before the date set forth in the dissenter's notice; and
- deposit your certificates, if any, in accordance with the terms of the dissenter's notice.

Failure to demand payment in the proper form or deposit your certificates as described in the dissenter's notice will terminate your right to receive payment for your shares pursuant to Nevada's dissenters' rights statute. Your rights as a stockholder will continue until those rights are canceled or modified by the completion of the merger.

Within 30 days after receiving your properly executed payment demand, we will pay you what we determine to be the fair value of your shares, plus accrued interest (computed from the effective date of the merger until the date of payment). The payment will be accompanied by:

- our balance sheet as of the end of a fiscal year ended not more than 16 months before the date of payment, an income statement for that year, a statement of changes in stockholders' equity for that year, and the latest available interim financial statements, if any;
- an explanation of how we estimated the fair value of the shares and how the interest was calculated;
- information regarding your right to challenge the estimated fair value; and
- a copy of Nevada's dissenters' rights statute.

We may elect to withhold payment from you if you became the beneficial owner of the shares on or after the date set forth in the dissenter's notice. If we withhold payment, after the consummation of the merger, we will estimate the fair value of the shares, plus accrued interest, and offer to pay this amount to you in full satisfaction of your demand. The offer will contain a statement of our estimate of the fair value, an explanation of how the interest was calculated, and a statement of dissenters' rights to demand payment under NRS Section 92A.480.

If you believe that the amount we pay in exchange for your dissenting shares is less than the fair value of your shares or that the interest is not correctly determined, you can demand payment of the difference between your estimate and ours. You must make such demand within 30 days after we have made or offered payment; otherwise, your right to challenge our calculation of fair value terminates.

If there is still disagreement about the fair market value within 60 days after we receive your demand, we will petition the District Court of Clark County,

Nevada to determine the fair value of the shares and the accrued interest. If we do not commence such legal action within the 60-day period, we will have to pay the amount demanded for all unsettled demands. All dissenters whose demands remain unsettled will be made parties to the proceeding, and are entitled to a judgment for either:

- the amount of the fair value of the shares, plus interest, in excess of the amount we paid; or
- the fair value, plus accrued interest, of the after-acquired shares for which we withheld payment.

We will pay the costs and expenses of the court proceeding, unless the court finds the dissenters acted arbitrarily, vexatiously or in bad faith, in which case the costs will be equitably distributed. Attorney fees will be divided as the court considers equitable.

Failure to follow the steps required by NRS Sections 92A.400 through 92A.480 for perfecting dissenters' rights may result in the loss of such rights. If dissenters' rights are not perfected, you will be entitled to receive the consideration receivable with respect to such shares in accordance with the merger agreement. In view of the complexity of the provisions of Nevada's

dissenters' rights statute, if you are considering objecting to the merger you should consult your own legal advisor.

[The remainder of this page is left blank intentionally.]

Exhibit A

Agreement and Plan of Merger
by and among

DeliaTroph Pharmaceuticals, Inc., dba Hyalozyme Therapeutics, Inc.,
a California corporation,

and

the DeliaTroph Pharmaceuticals, Inc. Stockholders

on the one hand,

and

Global Yacht Services, Inc.,
a Nevada corporation,

Hyalozyme Acquisition Corporation,
a Nevada corporation,

and

the Global Yacht Stockholders

on the other hand

Dated as of January 28, 2004

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (the "Agreement") is dated as of January 28, 2004, by and among DeliaTroph Pharmaceuticals, Inc., dba Hyalozyme Therapeutics, Inc., a California corporation ("Hyalozyme"), and each of the shareholders of Hyalozyme set forth on the signature page hereto (collectively, the "Hyalozyme Shareholders"), on the one hand, and Global Yacht Services, Inc., a publicly traded Nevada corporation ("Global Yacht"), Hyalozyme Acquisition Corporation, a Nevada corporation and wholly owned subsidiary of Global Yacht ("Merger Sub"), and Mitch Keeler and Melissa Day, individual stockholders of Global Yacht (the "Global Yacht Stockholders"), on the other hand.

RECITALS

A. Global Yacht, Merger Sub and Hyalozyme have each determined to engage in the transactions contemplated hereby (collectively, the "Merger") pursuant to which Merger Sub will merge with and into Hyalozyme, with Hyalozyme being the surviving corporation, and the outstanding shares of Hyalozyme shall be converted into shares of Global Yacht's common stock in the manner herein described.

B. The respective boards of directors of Hyalozyme, Global Yacht and Merger Sub have each approved this Agreement and the Merger, and the Hyalozyme Shareholders and Global Yacht, as the sole shareholder of Merger Sub, have each approved this Agreement and the Merger.

C. The parties intend that this Agreement constitutes a plan of reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and in reliance upon the representations and warranties hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE 1
THE MERGER

1.1 Surviving Entity; Effective Time.

(a) At the Closing (as hereinafter defined), subject to the terms and conditions of this Agreement, Merger Sub shall be merged with and into Hyalozyme in accordance with the relevant sections of the Nevada Revised Statutes ("NRS") and the California General Corporation Law (the "CGCL"), whereupon the separate existence of Merger Sub shall cease, and Hyalozyme shall be the surviving

corporation ("Surviving Corporation") and shall take the name "Halozyme Therapeutics, Inc." (the "Effective Time"). It is intended by the parties hereto that the Merger shall constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and the parties hereto hereby adopt this Agreement as a "plan of reorganization" within the meaning of Sections 1.368-2(g) and 1.368-3(a) of the United States Treasury Regulations.

(b) Simultaneously with the Closing, Articles of Merger (the "Merger Articles"), in the form attached hereto as Exhibit A, shall be filed with the Secretary of State of the State of Nevada in accordance with Section 92A.200 of the NRS. Subsequent to the Closing, a certified copy of the Articles of Merger as filed with the Secretary of State of the State of Nevada shall be filed with the Secretary of State of the State of California. From and after the Effective Time, Hyalozyme shall possess all the rights, privileges, powers and franchises and be subject to all of the restrictions, disabilities and duties of both Hyalozyme and Merger Sub, as provided under the NRS and the CGCL.

1.2 Articles of Incorporation and Bylaws. The Articles of Incorporation and Bylaws of the Merger Sub as in effect immediately prior to the Effective Time shall be the Articles of Incorporation and Bylaws, respectively, of the Surviving Corporation from and after the Effective Time, until thereafter amended in accordance with applicable law.

1.3 Directors and Officers. From and after the Effective Time, until their successors are duly elected or appointed and qualified, the directors and officers of Global Yacht and the Surviving Corporation shall be the directors and officers, respectively, of Hyalozyme in office immediately prior to the Effective Time.

1.4 Conversion of Shares. As of the Effective Time, by virtue of the Merger, automatically and without any action on the part of any holder thereof:

Each fully paid and nonassessable share of Hyalozyme's common stock, no par value ("Hyalozyme Common Stock"), warrants to purchase shares of Hyalozyme's Common Stock ("Hyalozyme Warrants") and options to purchase shares of Hyalozyme's Common Stock ("Hyalozyme Options"), outstanding immediately prior to the Effective Time, shall be converted into the same number of shares of Global Yacht's common stock, par value $0.001 per share ("Global Yacht Common Stock"), warrants to purchase shares of Global Yacht's common stock ("Global Yacht Warrants") or options to purchase shares of Global Yacht's common stock ("Global Yacht Options"), respectively. Each Hyalozyme shareholder shall be entitled to receive the equivalent number of shares of Global Yacht Common Stock, Global Yacht Warrants or Global Yacht Options as set forth on Schedule 1.4 attached hereto; collectively, the Hyalozyme shareholders shall be entitled to receive an aggregate of approximately 33,624,898 shares of Global Yacht Common Stock, (the "Global Yacht Shares"), Global Yacht Warrants to purchase approximately 11,316,033 shares of Global Yacht Common Stock and Global Yacht Options to purchase approximately 6,886,807 shares of Global Yacht Common Stock.

1.5 Fractional Shares. Fractional shares of Global Yacht shall not be issued in connection with the Global Yacht Shares, but any fractional shares shall be rounded to the nearest whole share. No cash shall be issued in lieu of any fractional shares.

1.6 Stock Certificates.

(a) Upon surrender to Global Yacht of the certificates representing the Hyalozyme Common Stock, Hyalozyme Warrants or Hyalozyme Options (collectively, the "Hyalozyme Certificates"), the holders of such Hyalozyme Certificates shall each be entitled to receive in exchange therefor one or more certificates representing the number of shares of Global Yacht Common Stock, Global Yacht Warrants or Global Yacht Options respectively, to which such holder is entitled pursuant to the provisions of Section 1.4 hereof.

(b) Each Hyalozyme Certificate converted into Global Yacht Common Stock, Global Yacht Warrants or Global Yacht Options respectively shall, by virtue of the Merger and without any action on the part of the holder thereof, cease to be outstanding, be cancelled and retired and cease to exist. Until surrendered as contemplated by this Section 1.6, each holder of Hyalozyme Common Stock, Hyalozyme Warrants or Hyalozyme Options, respectively shall thereafter cease to possess any rights with respect to such shares, except the right to receive upon such surrender the number of shares of Global Yacht Common Stock, Global Yacht Warrants or Global Yacht Options, respectively, as provided by Section 1.4 hereof.

(c) All shares of Global Yacht Common Stock, Global Yacht Warrants or Global Yacht Options, respectively, delivered to the Hyalozyme shareholders in respect of the Hyalozyme Common Stock, Hyalozyme Warrants or Hyalozyme Options , respectively, in accordance with the terms of this Agreement shall be deemed to have been delivered in full satisfaction of all rights pertaining to such shares of Hyalozyme Common Stock, Hyalozyme Warrants or Hyalozyme Options, respectively. If, after the Effective Time, Hyalozyme Certificates are presented for any reason, they shall be cancelled and exchanged as provided in this Section 1.6.

1.7 Closing. Subject to the satisfaction of the conditions precedent specified in Section 6 hereof, the closing of the Merger shall take place at 11:00 a.m. (Pacific Time) at the offices of Gray Cary Ware & Freidenrich LLP, on or before April 30, 2004, or at such other time and date as the parties may mutually agree (the "Closing").

1.8. Press Releases. At Closing, Global Yacht shall issue such press release or announcement of the transactions contemplated by this Agreement as may be required by the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), subject to the applicable requirements of Rules 135a and 135c under the Securities Act of 1933, as amended (the "Securities Act"), and such release or announcement will be reasonably satisfactory in form and substance to Hyalozyme and its counsel. Global Yacht shall not issue any other press release or otherwise make public any information with respect to this Agreement or the transactions contemplated hereby, prior to the Closing, without the prior written consent of Hyalozyme which consent shall not be unreasonably withheld. Notwithstanding the foregoing, if required by law, Global Yacht may issue such a press release or otherwise make public such information as long as Global Yacht notifies the Hyalozyme of such requirement and discusses with Hyalozyme in good faith the contents of such disclosure.

1.9 Redemption. At Closing, Global Yacht shall cause to be redeemed 4,296,375 shares of its outstanding restricted common stock from certain stockholders.

1.10 Dissenters' Rights. Notwithstanding anything in this Agreement to the contrary, shares of Hyalozyme capital stock that are issued and outstanding immediately prior to the Effective Time and which are held by shareholders who did not vote in favor of the Merger (the "Dissenting Shares"), which shareholders comply with all of the relevant provisions of the CGCL (the "Dissenting Shareholders"), shall not be converted into or be exchangeable for the right to receive the Global Yacht Shares, unless and until such holders shall have failed to perfect or shall have effectively withdrawn or lost their rights to appraisal under the CGCL. If any Dissenting Shareholder shall have failed to perfect or shall have effectively withdrawn or lost such right, such holder's Shares shall thereupon be converted into and become exchangeable for the right to receive, as of the Effective Time, Global Yacht Shares without any interest thereon. Hyalozyme shall give Global Yacht (a) prompt notice of any written demands for appraisal of any shares, attempted withdrawals of such demands and any other instruments served pursuant to the CGCL and received by Hyalozyme relating to shareholders' rights of dissent and appraisal, and (b) the opportunity to direct, in its reasonable business judgment, all negotiations and proceedings with respect to demands for appraisal under the CGCL. Neither Hyalozyme nor the Surviving Corporation shall, except with the prior written consent of Global Yacht, voluntarily make any payment with respect to, or settle or offer to settle, any such demand for payment. If any Dissenting Shareholder shall fail to perfect or shall have effectively withdrawn or lost the right to dissent, the shares of Hyalozyme capital stock held by such Dissenting Shareholder shall thereupon be treated as though such shares had been converted into the right to receive Global Yacht Shares pursuant to Section 1.4

ARTICLE 2
REPRESENTATIONS AND WARRANTIES OF HYALOZYME

Hyalozyme hereby represents and warrants to Global Yacht and Merger Sub as follows:

2.1 Organization. Hyalozyme is a corporation, duly organized, validly existing, and in good standing under the laws of the State of California.

2.2 Capitalization. The authorized capital stock of Hyalozyme consists of 60,000,000 shares of common stock, no par value, and 15,000,000 shares of preferred stock, no par value, which are, and at the Closing will be, issued and outstanding in the following manner;

a) 18,320,094 shares of Hyalozyme Common Stock issued and outstanding, with options to purchase 6,886,807 shares of Hyalozyme Common Stock, and warrants to purchase 3,663,631 shares of Hyalozyme Common Stock, held by the historical shareholders of Hyalozyme;

b) 15,304,804 Hyalozyme Common Shares, with each purchase of such shares receiving a warrant to purchase one share of Hyalozyme Common Stock for every two shares of Hyalozyme Common Stock purchased;

c) Up to an additional 800,000 Hyalozyme Common Shares, with each purchase of such shares receiving a warrant to purchase one share of Hyalozyme Common Stock for every two shares of Hyalozyme Common Stock purchased and warrants to purchase 68,000 shares of Hyalozyme Common Stock in accordance therewith; and

d) There shall be reserved approximately 618,000 shares of Hyalozyme Common Stock to be issued to Monico Capital Partners, LLC upon closing of funding of $7,112,142.

All of the issued and outstanding shares of capital stock of Hyalozyme are duly authorized, validly issued, fully paid, non-assessable and free of preemptive rights. Other than as specified above, there are no other outstanding or authorized options, rights, warrants, calls, convertible securities, rights to subscribe, conversion rights or other agreements or commitments to which Hyalozyme is a party or which are binding upon Hyalozyme providing for the issuance or transfer by Hyalozyme of additional shares of its capital stock and Hyalozyme has not reserved any other shares of its capital stock for issuance, nor are there any other outstanding stock option rights, phantom equity or similar rights, contracts, arrangements or commitments which are binding upon Hyalozyme. There are no voting trusts or any other agreements or understandings with respect to the voting of Hyalozyme's capital stock.

2.3 Certain Corporate Matters. Hyalozyme is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the ownership of its properties, the employment of it