



GRAND BANKS YACHTS LIMITED

(Company Reg. No.: 197601189E)

PROFIT WARNING FOR THE QUARTER ENDED 30 SEPTEMBER 2014

The Board of Directors of Grand Banks Yachts Limited (the “**Company**”) would like to inform shareholders that following a preliminary review of the financial results of the Company and its subsidiaries (“**Group**”), the Group is expected to report a net loss for the quarter ended 30 September 2014 (“**Q1 FY2015**”). The loss is mainly attributable to:

- i. Certain inventory yachts are taking longer to sell than originally planned. The previously announced order book of S\$19.8 million as at 31 July 2014 will be largely recognized through the remainder of FY2015;
- ii. One-off professional fees and amortization costs arising from the acquisition of Palm Beach Motor Yacht Co Pty Ltd; and
- iii. Restructuring expenses arising from the streamlining of the Group’s operations.

The Company plans to release its Q1 FY2015 results during the week of 10 November 2014 and further details on the Group’s performance will be disclosed.

In the meantime, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
GRAND BANKS YACHTS LIMITED

Peter Kevin Poli
Executive Director

2 November 2014