



## GRAND BANKS YACHTS LIMITED

(Company Reg. No.: 197601189E)

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### PERFORMANCE GUIDANCE FOR THE FINANCIAL YEAR ENDING 30 JUNE 2015

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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 expects to report a net loss for the financial year ending 30 June 2015 (“**FY2015**”).

As announced on 14 November 2014 (following a profit warning released on 2 November 2014) the Company reported a loss for the quarter ended 30 September 2014 due, amongst other reasons, to:

- (a) One-off professional fees and amortization costs arising from the acquisition of Palm Beach Motor Yacht Co Pty Ltd (“**PBMY**”); and
- (b) Restructuring expenses arising from the streamlining of the Group’s operations.

In addition to the above factors, the expected net loss for FY2015 is mainly attributable to:

- (i) Implementation of a corporate strategy following the PBMY acquisition whereby the Group is focusing its efforts on developing new yachts to create sustainable growth and profit opportunities which require some time to realize;
- (ii) Discounts and sales incentives given to expedite the sale of older model inventory yachts;
- (iii) While new orders have been secured which raised the order book to S\$31.6 million as at 31 March 2015, the timing of their completion means that the revenue from these new orders will be largely recognized in the financial year ending 30 June 2016; and
- (iv) Longer production times than expected at the Malaysian factory due to new personnel, the construction of three new Grand Banks yacht models as well as the production of three Palm Beach yacht models being built for the first time at the Malaysian factory.

This profit warning is based on a preliminary review of the projected financial statements of the Group for FY2015. The Company plans to release its FY2015 results during the week of 24 August 2015 and further details on the Group’s performance will be disclosed at that time.

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  
Chief Financial Officer

22 July 2015