

MARGARITAVILLE (TURKS) LTD. (the "Company")

ADDENDUM TO PROSPECTUS PUBLISHED MONDAY, 24 FEBRUARY 2014

Please note that Margaritaville (Turks) Ltd. attaches hereto its unaudited financial information for the period ended 30 November 2013. This information is updated from the financial information that is presented in the prospectus of the Company dated Monday, 24 February 2014.

The effect of the update is a reduction in Cost of Sales showing a change in the comparison for the Three Months ended 30 November 2012 (from (US\$869,709) to (US\$316,350)) and also, the Three Months to 30 November 2013 from ((US\$1,128,647) to (US\$409,056)).

Margaritaville (Turks) Ltd

Statement of financial position as at November 30, 2013

	November 30, 2013 US\$	May 31, 2013 US\$
Assets		
Non-current assets		
Property, plant and equipment	2,924,925	2,823,134
	2,924,925	2,823,134
Current assets		
Inventories	655,841	732,781
Trade and other receivables	158,748	140,170
Owing by related companies	-	1,104,797
Cash and bank balance	26,273	87,132
	840,863	2,064,880
Total assets	3,765,788	4,888,014
Equity		
Capital and reserves		
Share capital	1	1
Retained earnings	3,040,099	4,297,645
Total equity	3,040,100	4,297,646
Liabilities		
Current liabilities		
Trade and other payables	725,688	590,368
Current portion of bank loans	-	-
	725,688	590,368
Total liabilities	725,688	590,368
Total equity and liabilities	3,765,788	4,888,014

Margaritaville (Turks) Ltd

Statement of profit or loss and other comprehensive income for 6 Months to November 30, 2013

Note	Three Mths to November 2013 Unaudited US\$	Three Mths to November 2012 Unaudited US\$	Six Mths to November 2013 Unaudited US\$	Six Mths to November 2012 Unaudited US\$	12 Mths to May 2013 Audited US\$
Revenue	1,430,335	1,018,344	2,741,011	1,985,687	4,514,475
Cost of sales	(409,056)	(316,350)	(768,852)	(593,030)	(1,478,603)
Gross profit	1,021,279	701,994	1,972,159	1,392,657	3,035,872
Administrative expenses	(693,952)	(545,984)	(1,395,717)	(1,046,304)	(2,168,553)
Promotional expenses	(16,989)	(13,362)	(20,986)	(15,748)	(45,601)
Depreciation	(37,630)	(43,718)	(78,477)	(86,589)	(165,197)
Other operating expenses	(31,898)	(26,526)	(33,800)	(25,983)	(58,285)
Operating profit for the year	240,810	72,404	443,179	218,034	598,236
Finance costs	(435)	(420)	(725)	(560)	(700)
Profit for the year being total comprehensive income for the year	240,374	71,984	442,454	217,474	597,536

Margaritaville (Turks) Ltd

Statement of cash flows for the 6 months ended November 30, 2013

	2013	2012
Note	US\$	US\$
Cash flows from operating activities:		
Cash flows from operating activities:	442,454	217,474
Profit for the year		
Adjustments for:		
Depreciation and amortisation	78,477	86,589
Interest expense	725	560
	<u>521,656</u>	<u>304,623</u>
(Increase)/Decrease in inventories	76,940	(46,485)
Decrease/(increase) in trade and other receivables	(18,578)	63,758
(Increase)/decrease in owing by related companies	1,104,797	(181,324)
Increase /(Decrease) in trade and other payables	135,320	72,827
	<u>1,820,135</u>	<u>213,398</u>
Cash generated from operations		
Interest paid	(725)	(560)
Net cash provided by operating activities	<u>1,819,409</u>	<u>212,838</u>
Cash flows from investing activity:		
Purchase of property, plant and equipment	(180,268)	(128,239)
Net cash used in investing activity	<u>(180,268)</u>	<u>(128,239)</u>
Cash flows from financing activity:		
Dividends Paid	(1,700,000)	(56,295)
Repayment of bank loans	-	
Net cash used in financing activity	<u>(1,700,000)</u>	<u>(56,295)</u>
Increase in cash and cash equivalents	(60,859)	28,304
Cash and cash equivalents at beginning of year	87,132	60,488
Cash and cash equivalents at end of year	26,273	88,792

Margaritaville (Turks) Ltd

Statement of changes in equity for the YTD November 30, 2013

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at May 31, 2012	1	3,700,109	3,700,110
Total comprehensive income for the 6 Months to November 30, 2012	-	217,474	217,474
Balance at November 30, 2012	1	3,917,583	3,917,584
Balance at May 31, 2013	1	4,297,645	4,297,646
Total comprehensive income for the 6 Months to November 30, 2012	-	442,454	442,454
Dividends Paid		(1,700,000)	(1,700,000)
Balance at November 30, 2013	1	3,040,099	3,040,100

Notes to the financial statements

1. Basis of preparation

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).