

This prospectus (the "Prospectus") is issued by Express Catering Limited (the "Company") on behalf of its holding company, Margaritaville St. Lucia Inc. (the "Selling Shareholder") and is dated Wednesday 5 July 2017. A copy of this Prospectus was delivered to the Registrar of Companies for registration pursuant to section 40(2) of the Companies Act, 2004 and was so registered on Wednesday 5 July 2017. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus. A copy of this Prospectus was also delivered to the FSC for the purposes of the registration of the Company as an issuer pursuant to section 26 of the Securities Act and the Company was so registered on Wednesday 5 July 2017. The FSC has not approved the shares for which purchases are invited nor has the FSC passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

EXPRESS CATERING LIMITED

UP TO 327,500,000 SHARES FOR SALE PRICED AT J\$1.50 PER SHARE

The Company is acting as agent on behalf of the Selling Shareholder in inviting persons in Jamaica to make applications (the "Applications") to purchase up to 327,500,000 ordinary shares in the capital of the Company (the "Sale Shares" and the "Invitation" respectively) on the terms and conditions set out in this Prospectus.

Certain Sale Shares (the "Reserved Shares") are initially reserved for priority application from certain persons as follows: 16,500,000 "Company Reserved Shares" subject to paragraph 3 of the Terms and Conditions, for certain Directors, senior managers, and other employees of the Company; 32,750,000 "Mayberry Reserved Shares" for the lead broker in the Invitation (or its nominee); 245,625,000 "Key Partner Reserved Shares" for persons who in the sole discretion of the Company offer potential strategic value to its business and operations. There are also 32,625,000 "General Public Shares" for the general public. If any of the Reserved Shares are not purchased by the persons entitled to make Applications for them, they will also become available for purchase by the general public. All Sale Shares inclusive of the Reserved Shares are priced at J\$1.50 each. A processing charge of J\$163.10 also applies to each Application. See Section 6.5 of this Prospectus for the full Terms and Conditions of the Invitation.

A form of Application for the Sale Shares is provided at the end of this Prospectus together with notes on how to complete it. The Invitation will open at 9:00 a.m. on the Opening Date, Wednesday 12 July 2017. Applications submitted prior to 9:00 a.m. on the Opening Date will be received, but not processed until 9:00 a.m. on the Opening Date. The Invitation will close at 4:00 p.m. on the Closing Date, Wednesday 19 July 2017 subject to the right of the Company to: (a) close the Invitation at any time after it opens on 9:00 a.m. on the Opening Date once Applications for all of the Sale Shares are received; and (b) extend the Closing Date for any reason. In the case of an early closing or an extension to the Closing Date, notice will be posted on the website of the Company at (www.jamstockex.com).

It is the intention of the Company to apply to the Jamaica Stock Exchange (the "JSE") to list all of the ordinary shares inclusive of the Sale Shares (the "Shares") on the Junior Market, however please note that this is a statement of intention and not a guarantee that the Shares will be so listed. The making of the application for listing by the Company, and its success, is dependent on (i) the purchase of all of the Sale Shares by Applicants, and (ii) other criteria for admission set out in the JSE Rules. If the Sale Shares are not sold as aforesaid, the Company will refund all payments it has received from Applicants.

ORDINARY SHARE CAPITAL:

Authorised Shares	1,637,500,000 Shares
Shares in issue prior to Invitation	1,637,500,000 Shares
Sale Shares to be sold in the Invitation, fully paid	<u>327,500,000 Shares</u>
AUTHORISED AND ISSUED ORDINARY SHARES AFTER THE INVITATION:	1,637,500,000 Shares

FUNDS TO BE RAISED BY SELLING SHAREHOLDER IN THE INVITATION:

Company Reserved Shares: 16,500,000 Sale Shares at J\$1.50	24,750,000
Mayberry Reserved Shares: 32,750,000 Sale Shares at J\$1.50	49,125,000
Key Partners Reserved Shares: 245,625,000 Sale Shares at J\$1.50	368,437,500
General Public Shares: 32,625,000 Sale Shares at J\$1.50	<u>48,937,500</u>
TOTAL CONSIDERATION TO SELLING SHAREHOLDER:	J\$ 491,250,000

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SECTION 1: IMPORTANT DISCLAIMERS

RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This Prospectus has been reviewed and approved by the Board of Directors of the Company and also, the board of directors of the Selling Shareholder. The Directors of the Company whose names appear in Section 8 of this Prospectus, and the Selling Shareholder, are the persons responsible (both individually and collectively, together with the Company and the Selling Shareholder) for the information contained in it. To the best of the knowledge and belief of the Directors and the directors of the Selling Shareholder, each of whom has taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and no information has been omitted which is likely to materially affect the import of information contained herein. The Directors of the Company and also, the Selling Shareholder have each signed this Prospectus for the purposes of their responsibilities, which are joint and several, as contemplated by the Companies Act.

CONTENTS OF THIS PROSPECTUS GENERALLY

This Prospectus contains important information for prospective investors in the Company. All prospective investors should read this Prospectus carefully in its entirety before submitting an Application. This Prospectus also contains summaries of certain documents, which the Directors of the Company and the directors of the Selling Shareholder believe are accurate. Prospective investors may wish to inspect the actual documents that are authorized, copies of which will be available for inspection as described in Section 14. Any such summaries appearing in this Prospectus are qualified in their entirety by reference to the complete document. Further, the issue of this Prospectus shall not imply that there has been no change in the business, results of operations, financial condition or prospects of the Company since the date of the Prospectus. Neither the Company, its Directors, nor the Selling Shareholder or its directors, will take steps to update the contents of this Prospectus after it is dated and issued.

UNAUTHORISED REPRESENTATIONS

No person is authorized to provide information or to make any representation whatsoever in connection with this Prospectus which is not contained in this Prospectus. Further, neither the FSC nor any Government agency or regulatory authority in Jamaica has made any determination as to the accuracy or adequacy of the matters contained in this Prospectus.

INVITATION MADE IN JAMAICA ONLY

This Prospectus is intended for use in Jamaica only and is not to be construed as making an offer or invitation to persons outside of Jamaica to sell or purchase any Sale Shares (as the case may be). The distribution or publication of this Prospectus and the making of the Invitation in certain jurisdictions outside of Jamaica is prohibited by law.

APPLICATION TO PURCHASE SALE SHARES

This Prospectus is not a recommendation by the Company that investors should submit Applications to purchase Sale Shares in the Invitation. Prospective Applicants are expected to make their own assessment of the Company, and the merits and risks of purchasing Sale Shares. Prospective Applicants are also expected to seek appropriate advice on the implications of purchasing Sale Shares, including but not limited to any financial, legal and/or tax implications. Each Applicant will be deemed to acknowledge and agree that: (1) he has been afforded a meaningful opportunity to review the Prospectus in its entirety together with any additional information he considers necessary to verify the accuracy of its contents; (2) neither the Company nor the Directors, or the Selling Shareholder or any other person, has made a representation concerning the Company or the Invitation that is not contained in this Prospectus, which the Applicant has relied on in submitting his Application.

SECTION 2: SUMMARY OF KEY INFORMATION

ISSUER:	Express Catering Limited
SELLING SHAREHOLDER:	Margaritaville St. Lucia Inc.
TOTAL SALE SHARES:	<p>327,500,000 Sale Shares, inclusive of the following Reserved Shares for priority applications from certain persons (:</p> <ul style="list-style-type: none">▪ 16,500,000 Company Reserved Shares▪ 32,750,000 Mayberry Reserved Shares▪ 245,625,000 Key Partners Reserved Shares <p>Additionally 32,625,000 General Public Shares are available. Any unsold Reserved Shares will also be made available for purchase by the general public.</p>
PRICING AND PAYMENT:	<p>J\$1.50 per Sale Share / Reserved Share. Applications must be accompanied by payment for the specified number of Sale Shares</p> <p>A further amount of J\$163.10 for the Jamaica Central Securities Depository ("JCSD") standard processing fee. See paragraph 8 of Section 6.5 for payment methods.</p>
APPLICATION:	See Appendix 1 of this Prospectus.
TERMS AND CONDITIONS:	See Section 6.5 of this Prospectus.
TIMETABLE OF KEY DATES:	<p>Registration and issue of Prospectus: Wednesday 5 July 2017</p> <p>Opening Date: Wednesday 12 July 2017</p> <p>Closing Date: Wednesday 19 July 2017*</p>
APPLICATION PROCEDURES:	Early Applications may be made. Such Applications will be received but not processed until the Opening Date. All early Applications will be treated as having been received at the same time, being 9:00 a.m. on the Opening Date. All other Applications will be received and processed on a first come, first served basis until the Closing Date.
SHARE ALLOTMENTS:	All Applicants may refer to the notice informing the public of the basis of the allotment of the Sale Shares that will be posted on the website of the JSE (www.jamstockex.com) within 3 days of the Closing Date.
REFUND CHEQUES:	Available for collection from Mayberry Investments Limited, 1½ Oxford Road, Kingston 5, St. Andrew within 10 working days of the Closing Date.
FINAL ALLOTMENT AND LISTING:	Subject to a successful Invitation in which the Sale Shares in the Invitation are all sold, the Company will apply to the JSE to list the Shares on the Junior Market. If the application to the JSE is successful, the final allotment of the Sale Shares will be made on the morning of the date that the Shares are admitted to trading.**

*The Invitation will close at 4:00 p.m. on the Closing Date subject to the right of the Company to close the Invitation at any time after 9:00 a.m. on the Opening Date once all Sale Shares are sold, or to extend the Closing Date for any reason (in each case, subject to the terms and conditions set out in this prospectus). In the case of an early closing of the Invitation, or an extension to the Closing Date, notice will be posted on the website of the Jamaica Stock Exchange (www.jamstockex.com).

** It is the intention of the Company to apply to the JSE to list the Shares inclusive of the Sale Shares on the Junior Market, however please note that this statement of the Company's intention is not a guarantee that the Shares will be so listed. If the Sale Shares in the Invitation are not fully subscribed or listed, the Company will refund all payments it has received from Applicants.

SECTION 3: COMPANY'S LETTER TO PROSPECTIVE INVESTORS

5 July 2017

Dear Prospective Investors,

The Board of the Company, Express Catering Limited is pleased to invite you to apply for up to 327,500,000 Sale Shares in the capital of the Company on the terms set out in this Prospectus, which are being sold in the Invitation by the Selling Shareholder.

ABOUT THE COMPANY

Express Catering Limited is a Jamaican company that was formed in 2001 to carry on food and beverage operations at the Sangster International Airport in Montego Bay ("Sangster Airport"). Over the years, the Company has grown to be the exclusive provider of food and beverage operations at the Sangster Airport inclusive of the following branded restaurants and concessions:

Quiznos Subs and Salads	Dairy Queen
Nathans Famous Hot Dogs	Domino's Pizza
Auntie Anne's Pretzels	Wendy's
Cinnabon	Moe's South Western Grill
Island Deli	Viva Fresh Market Grab & Go
Cricket Sports Bar	Connections Bar
Air Margaritaville Arrivals Bar	Jamaican Bobsled Café
Groovy Grouper	The Bar

The Company is completely focused on maintaining a high standard in its food and beverage facilities and also, to ensuring that its food and beverage offerings remain relevant to consumer demands in the market place. The Company currently employs over 270 persons on a continuing basis with additional persons brought on during peak seasons.

The Company is a 100% owned subsidiary of the Group, owners and operators of the Jimmy Buffett's Margaritaville franchise throughout the Caribbean. The Group, through its various subsidiaries and partnerships, owns and operates a diverse portfolio of restaurant and nightclub concepts in Jamaica, the Cayman Islands, the Turks and Caicos Islands and most recently, St. Thomas in the US Virgin Islands. See section 7 for more details.

ABOUT THE INVITATION

The Selling Shareholder seeks to raise approximately J\$491.25 million by inviting Applications for up to 327,500,000 Sale Shares, inclusive of the Reserved Shares. All Sale Shares inclusive of the Reserved Shares are priced at the Invitation Price of J\$1.50 each.

USE OF PROCEEDS

The proceeds of the Invitation will accrue to the Selling Shareholder who intends to use same as follows:

- to increase the Group's overall liquidity, and
- for the purposes of improvement and expansion of the Company's operations, and for working capital and general corporate purposes.

The Selling Shareholder will also pay the expenses of the Company in the Invitation, which the Directors believe will not exceed J\$27.5 million (inclusive of brokerage fees, legal fees, accountant's fees, Registrar's fees, filing fees, initial listing fees, marketing expenses, and GCT).

DIVIDEND POLICY

If the Invitation is successful and the Shares are admitted to listing on the Junior Market, the Board expects to distribute not less than 25% of the after-tax earnings of the Company to ordinary shareholders in the form of cash dividends that are declared and paid in United States dollars. This dividend policy is subject to the availability of profits for that purpose, and also the need to reinvest in the Company from time to time.

HOW TO MAKE AN APPLICATION FOR SHARES

Those investors who are interested in purchasing Sale Shares should read this Prospectus in its entirety and the full terms and conditions of the Invitation set out in Section 6.4, and then complete the Application set out in Appendix 1.

ON BEHALF OF THE COMPANY AND THE SELLING SHAREHOLDER

Yours sincerely,



Ian Dear, Chief Executive Officer
Express Catering Limited and Margaritaville St. Lucia Inc.

SECTION 4: DEFINITIONS USED IN THIS PROSPECTUS

TERM	MEANING
ACT	means the Companies Act, 2004
AFFILIATE(S)	has the meaning given to such term by the Act
ALLOTMENT	means the allotment of the Shares in the Invitation to successful Applicants by the Company
APPLICANT(S)	means a person (being an individual or a body corporate resident in Jamaica, whether a Reserved Share Applicant or a member of the general public) who submits an Application
APPLICATION(S)	means the form of application to be used by all Applicants who wish to purchase Sale Shares in the Invitation, which is set out in Appendix 1
ARTICLES OF INCORPORATION	means the Articles of Incorporation of the Company adopted by the Shareholders of the Company on 26 June 2017, together with any amendments thereto from time to time
AUDITED FINANCIAL INFORMATION	Means (1) the extracts from the audited financial statements of the Company for each of the annual reporting periods ended 31 May from 2012 to 2016 and (2) the complete audited financial statements of the Company for the year ended 31 May 2016, each of which is set out in Part 1 of Section 11
AUDITOR	means Mair Russell Grant Thornton of 3 Haughton Avenue Kingston 10 Jamaica
AUDITOR'S REPORT	means the independent report of the Auditor in relation to the Audited Financial Information, as set out in Part 1 of Section 11
BOARD	means the Board of Directors of the Company
COMPANY	means Express Catering Limited, a company incorporated in Jamaica with its registered office at Unit 16 M19 Southern Cross Boulevard, Montego Bay Freeport, Montego Bay, St. James.
COMPANY RESERVED SHARE(S)	means the 16,500,000 Shares in the Invitation that are reserved for purchase subject to paragraph 3 of the Terms and Conditions
CLOSING DATE	means the date on which the Invitation closes at 4:00 p.m., being Wednesday 19 July 2017, subject to the right of the Company to shorten or extend the Closing Date in the circumstances described in this Prospectus
LEAD BROKER	means Mayberry, the lead broker to the Company in the Invitation
DIRECTOR(S)	means a director of the Board of the Company whose name and details are set out in Section 8 of this Prospectus
FORWARD LOOKING STATEMENT(S)	means the forward-looking statements referred to in Section 5 of this Prospectus which are disclaimed by the Company on the terms and for the reasons set out therein

FSC	means the Financial Services Commission of 39-43 Barbados Avenue, Kingston 5, Saint Andrew, Jamaica
FINANCIAL INFORMATION	means the Audited Financial Information and the Unaudited Financial Information
GCT	means General Consumption Tax charged in accordance with the General Consumption Tax Act of Jamaica
GROUP	means the group of companies of which Margaritaville Caribbean is the holding company, inclusive of the Company
HOLDING COMPANY	has the meaning given to such term by the Act
INVITATION	means the invitation to purchase 327,500,000 Shares made by the Company to prospective investors inclusive of the Reserved Share Applicants, on the terms and conditions set out in this Prospectus
INVITATION PRICE	means J\$1.50 per Share
JCSD	means The Jamaica Central Securities Depository Limited of 40 Harbour Street, Kingston, Jamaica, the Registrar
JSE	means The Jamaica Stock Exchange Limited of 40 Harbour Street, Kingston, Jamaica
JUNIOR MARKET	means the Junior Market trading platform of the JSE established April 2009
KEY PARTNERS RESERVED SHARE(S)	means 245,625,000 Sale Shares that are initially reserved for purchase by Applicants who in the sole discretion of the Company offer potential strategic support to the Company, including but not limited to actual and prospective business partners, each at the Invitation Price
OPENING DATE	means the date on which the Invitation opens at 9:00 a.m., being Wednesday 12 July 2017
PREFERENCE SHARE(S)	means the fixed rate (9.50%) US\$ cumulative redeemable preference shares in the capital of the Company as described in section 7
PROSPECTUS	means this document dated Wednesday 5 July 2017 which constitutes a prospectus for the purposes of the Companies Act, 2004 and the Securities Act
MARGARITAVILLE CARIBBEAN	means Margaritaville Caribbean Group Ltd. of the Bahamas, the holding company of the Group
MAYBERRY	means Mayberry Investments Limited, a company incorporated in Jamaica with its registered office address at 1½ Oxford Road, Kingston 5, Saint Andrew, being the Lead Broker
GENERAL PUBLIC SHARES	means 32,625,000 Sale Shares that are for initial purchase by members of the public, each at the Invitation Price
MAYBERRY RESERVED SHARE(S)	means 32,750,000 Sale Shares that are initially reserved for purchase by Mayberry and/or its nominee (being any affiliate(s) of Mayberry), each at the Invitation Price

REGISTRAR	means the JCSD, being the registrar and transfer agent of the Company in the Invitation
RESERVED SHARE(S)	means the Company Reserved Shares and/or the Mayberry Reserved Shares and/or the Key Partner Reserved Shares
SALE SHARE(S)	means the 327,500,000 Shares of the Selling Shareholder, for which Applications for purchase are invited in the Invitation by the Company
SELLING SHAREHOLDER(S)	means Margaritaville St. Lucia Inc. of St. Lucia, the holding company of the Company
SHARE(S)	means the ordinary shares in the capital of the Company, inclusive of the Sale Shares, where the context so requires
SHAREHOLDER(S)	means the holders of the Shares
TERMS AND CONDITION(S)	means the terms and conditions of the Invitation set out in Section 6.5 of this Prospectus
UNAUDITED FINANCIAL INFORMATION	means the unaudited financial information in respect of the period ended 31 March 2017 set out in Part 2 of Section 11
\$ or J\$	means Jamaican dollars unless otherwise indicated
US\$	Means United States dollars

In addition to the foregoing, all references in this Prospectus to the singular shall include the plural and all references to the plural shall include the singular; and the masculine gender shall include the feminine gender, and vice – versa, in each case, as the context shall require, and clause headings shall be for the sake of convenience only.

SECTION 5: DISCLAIMER – FORWARD LOOKING STATEMENTS

This Prospectus may contain 'forward-looking statements', which include but may not be limited to statements of expectations and/or future plans or future prospects of the Company, and/or financial projections in relation to the Company. When used in this Prospectus, the words "anticipates", "believes", "expects", "intends", "considers", "forecasts", "projects" and similar expressions, as they relate to the Company, are intended to identify forward looking statements.

Forward-looking statements are subject to numerous risks and uncertainties. This is because forward-looking statements are not about historical facts, and they are only considered by the Directors and the Selling Shareholder to be reasonably accurate as of the date they are made, taking into account any assumptions set out in this Prospectus for that purpose. Although the Directors and the Selling Shareholder believe that they have made reasonable assumptions, that are reasonably correct as at the time that they are made, forward looking statements may nonetheless be influenced by factors that could cause actual outcomes and results to be materially different from those set out in this Prospectus.

There are important factors that could cause actual results to differ materially from those in forward-looking statements, certain of which are beyond the Company's and the Selling Shareholder's control. These factors include, without limitation, the following:

- changes in any legislation or policy affecting the regulation of the Company that have adverse effects on the business of the Company
- any other factor negatively impacting on the Company whether or not it is currently known, or identified in this Prospectus
- economic, social and other conditions prevailing both within and outside of Jamaica, including actual rates of growth of the Jamaican and CARICOM regional economies, instability and volatility in domestic interest rates and regional and international exchange rates
- adverse climatic events and natural disasters
- unfavourable market receptiveness to the Company's products and services, whether existing or in future

As a result, prospective Applicants are cautioned not to place undue reliance on forward looking statements because future events or circumstances could cause the actual prospects and results of the Company to differ materially.

Once this Prospectus has been signed by or on behalf of the Company and the Selling Shareholder and each of their respective directors, and prior to the admission of the Shares to listing on the Junior Market of the JSE, neither the Company, the Selling Shareholder nor either of their respective directors undertake to update publicly or revise any forward looking statements in light of new information or future events, including changes in the Company's financial or regulatory position, or to reflect the occurrence of unanticipated events (subject to any legal or regulatory requirements for such disclosure to be made).

Neither the FSC nor any Government agency or regulatory authority in Jamaica has made any determination on the accuracy or adequacy of the matters contained in this Prospectus.

SECTION 6: THE INVITATION

6.1 GENERAL INFORMATION

Prospective Applicants should read this Prospectus carefully. Persons who wish to purchase the Sale Shares in the Invitation should review the Terms and Conditions of the Invitation in Section 6.5, before completing the Application in Appendix 1. By submitting an Application, an Applicant is deemed to have accepted all such Terms and Conditions.

6.2 THE INVITATION

The Company, on behalf of the Selling Shareholder, invites Applications for up to 327,500,000 Sale Shares in the Invitation. Of those Sale Shares, up to 16,500,000 Shares are Company Reserved Shares, 32,750,000 are Mayberry Reserved Shares, 245,625,000 Shares are Key Partner Reserved Shares and 32,625,000 are General Public Shares. All Sale Shares, including the Reserved Shares, are priced at J\$1.50 per Share. If any of the Reserved Shares in any category are not purchased by the persons entitled to them they will also be made available for purchase by the general public.

The Invitation will open at 9:00 a.m. on the Opening Date, Wednesday 12 July 2017 and will close at 4:00 p.m. on the Closing Date, Wednesday 19 July 2017 subject to the right of the Company to: (a) close the subscription list at any time after 9:00 a.m. on the Opening Date once Applications for all of the Shares in the Invitation are received, and (b) extend the Closing Date for any reason. In either case an informational notice will be posted on the website of the JSE - www.jamstockex.com

6.3 MINIMUM FUNDRAISING FOR SUCCESSFUL INVITATION

For the purposes of the requirement set out in section 48 of the Act, the minimum amount which, in the opinion of the Directors, must be received by the Company in order to provide for the matters set out in paragraph 2 of the Third Schedule to the Act is nil. The proceeds of the Sale Shares will accrue to the Selling Shareholder, and the expenses of the Invitation are to be borne by the Selling Shareholder.

6.4 USE OF PROCEEDS

The Selling Shareholder seeks to raise approximately J\$490 million by inviting Applications for subscription for up to 327,500,000 Sale Shares from investors.

The Selling Shareholder will use the funds raised in the Invitation for the purposes of the Group's liquidity inclusive of the continued improvement and expansion of the Company's operations, working capital and general corporate purposes. The proceeds of sale will also be used to pay the expenses of the Invitation out of the fundraising, which the Directors expect will not exceed J\$27.5 million. See the letter at Section 3 of the Prospectus for more details.

6.5 TERMS AND CONDITIONS

1. Status and Minimum Age of Applicants

Applicants must be at least 18 years old.

2. Application Form

All Applicants (whether Reserved Share Applicants, or members of the general public) must submit the Application provided at Appendix 1 to this Prospectus. Additionally, Reserved Share Applicants must specify their status on the Application and provide reasonably verifiable proof of their identity.

Applicants who are exempt from the payment of withholding tax on dividends received should so specify in their Application setting out evidence of the exemption. The Registrar (acting in its sole discretion) must be satisfied with any such evidence before processing any payment on a withholding tax exempt basis.

3. Reserved Shares

The following Sale Shares are Reserved Shares for initial Application by certain categories of persons:

- 16,500,000 Company Reserved Shares for the Directors of the Company (not including H. Winston Dear or Ian Dear) and senior managers and employees. The Company reserves the right to buy all or part of the Company Reserved Shares on behalf of employees in an Employee Trust, and to set rules for the purposes of acquiring such Shares and/or any income deriving therefrom, based on seniority and length of service to the Company.
- 32,750,000 Mayberry Reserved Shares for Mayberry
- 245,625,000 Key Partners Reserved Shares for persons who in the sole discretion of the Company offer strategic support (such as potential business partners)

In addition, 32,625,000 General Public Shares for members of the general public. All Shares in the Invitation, including the Reserved Shares, are priced at J\$1.50 per Share. If any of the Reserved Shares in any category are not purchased by the persons entitled to them they will be available for subscription by the general public.

4. Acceptance of Terms and Conditions by Applicants

All Applicants will be deemed to have accepted the terms and conditions of the Invitation and any other terms and conditions set out in this Prospectus, including those set out in this Section 6.5 and the Application in Appendix 1.

5. Further Acknowledgments by Applicants

Each Applicant further acknowledges and agrees that:

- (a) he/she has been afforded a meaningful opportunity to review this Prospectus (including the terms and conditions in this Section 6.5), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;
- (b) he/she has not relied on any person other than the Company and the Directors, and the Selling Shareholder, each of whom have individual and

collective responsibility for the contents of this Prospectus, in connection with his/her investigation of the accuracy of such information or his/her investment decision;

- (c) no person has made any representation concerning the Company or this Prospectus not contained herein, on which the Applicant has relied in submitting his/her Application; and
- (d) he/she has made his/her own assessment of the Company, and the merits and risks of purchasing Sale Shares, inclusive of taking advice (or waiving the need for such advice) in relation on the financial and legal implications of purchasing Sale Shares and the tax implications thereof.

6. Minimum Application

Applications from the general public must request a minimum of 5,000 Sale Shares and be made in increments of 1,000. Applications in other denominations will not be processed or accepted.

7. Share Price Information

All Sale Shares are priced at the Invitation Price of J\$1.50 per Share. Payment for the Sale Shares must be made at the time of Application in accordance with paragraph 8.

JCSD Processing Fee Applies

A processing fee of J\$163.10 per Application (J\$140 plus G.C.T.) is payable to the Registrar. Applicants should remember to include the processing fee in their calculations of amounts payable for Sale Shares.

8. How to Make Payments

All Applications must be accompanied by the appropriate payment in the form of either:

- (a) a manager's cheque made payable to "Mayberry Investments Limited", or
- (b) authorisation from the Applicant on the Application, instructing Mayberry to make payment from cleared funds held in an investment account in the Applicant's name at Mayberry, or
- (c) transfer in the Real Time Gross Settlement ("RTGS") system to Mayberry, in the case of payments of J\$1 million or more.

All completed Applications must be delivered to Mayberry at 1½ Oxford Road, Kingston 5, St. Andrew.

9. Early Applications and Order of Processing of Applications

Applications submitted to Mayberry in advance of the Opening Date will be received and checked for completeness, but not processed. All such advance Applications will be treated as having been received at 9:00 a.m. on the Opening Date. All Applications received from 9:00 a.m. onwards on the Opening Date will be time stamped for

processing in the order in which they were received and dealt with in that same order (e.g. on a first come first served basis).

10. Company's Discretions as to Acceptance of Applications and Allotment of Shares

The Company on behalf of the Selling Shareholder may:

- (a) accept or reject any Application in whole or part without giving reasons, and neither the Company nor its Directors or the Selling Shareholder or their respective agents shall be required to provide reasons for decisions or be liable to any Applicant or any other person for doing so;
- (b) allot Shares to Applicants on a basis to be determined by it in its sole discretion, including on a pro rata basis in the event the Invitation is oversubscribed; and
- (c) treat multiple Applications by any person (whether in individual or joint names) as a single Application.

11. When Binding Contract is Formed

Neither the submission of an Application by an Applicant nor its receipt by the Company will result in a binding contract between the Applicant and the Company. Only the allotment of Shares by the Company to an Applicant (whether such Shares represent all or part of those specified by the Applicant in his/her Application) will result in a binding contract under which the Applicant will be deemed to have agreed to purchase the number of allotted Shares, subject to the Articles of Incorporation of the Company and the terms and conditions set out in this Section 6.5 and the Prospectus generally.

12. When Invitation is Successful

If the Invitation is successful in raising at least J\$490 million and the Shares are admitted to trade on the Junior Market, Applicants will be allotted Shares for credit to their account in the Jamaica Central Securities Depository specified in their Applications on the morning of admission. Applicants may refer to the notice that will be posted on the website of the JSE (www.jamstockex.com) after the Closing Date (or the shortened or extended Closing Date, as the case may be). Applicants who wish to receive share certificates must make a specific request to the Registrar. In the event that the Company does not raise at least J\$490 million from Applicants, all payments for Sale Shares received from Applicants will be returned or refunded to the persons making them. Please note that the Company does not guarantee admission of the Shares (inclusive of the Sale Shares) to the Junior Market and if the Shares are not admitted to trading on that market the Company will refund all payments it has received from the Applicants.

13. Refunds

The Company will endeavour to return cheques or make refunds by RTGS to Applicants whose Applications are not accepted, or whose Applications are only accepted in part, within 10 working days after the Closing Date (or the shortened or extended Closing Date, as the case may be) or as soon as practicable thereafter. Each Applicant's returned cheque or refund will be sent for collection by the Applicant (or the first-named

joint Applicant) stated in the Application, at the brokerage / location where the Application was first received. Any other persons purporting to collect a cheque on behalf of an Applicant must be authorised in writing to do so. Please note that the JCSD processing fee of J\$163.10 will not be refunded to an Applicant in the event that the Company refunds payments received for Sale Shares.

SECTION 7: INFORMATION ABOUT THE COMPANY

7.1 THE COMPANY AND ITS GROUP

The Company was formed in 2001 to carry on food and beverage operations at the Sangster International Airport in Montego Bay. It is a 100% owned subsidiary of Margaritaville St Lucia Inc., and a member of the Margaritaville Group.

Margaritaville Caribbean, the holding company of the Group, owns and operates a diverse portfolio of restaurants, attractions and nightclubs in Jamaica, Cayman Islands Turks and Caicos, and the US Virgin Islands. Its strategic plan involves the development of the Group's restaurants and attractions in these and other locations in the Caribbean utilizing innovative and efficient approaches, and product consistency.

The Group's growth strategy has been predominantly focused on developing the Jimmy Buffett's Margaritaville brand in its various locations. Over the last 5 years however, the Group has broadened its strategy and is currently aiming to provide multi-branded food, beverage and entertainment requirements for major transportation hubs.

An important moment in the Group's history occurred when the Company signed a Concession Licence Agreement with MBJ Airports Limited, the operator of Sangster International Airport in Montego Bay. This arrangement is potentially for the long term, based on certain financial and performance targets. The Company has spent significant sums to secure international franchises and licences, and to revamp its food and beverage offerings generally. Over time, this enabled the Company to become the exclusive provider of food and beverages in the Sangster International Airport.

The Company now operates the following international and local brands and has recently completed an arrangement to operate the Starbucks coffee franchise in the Sangster International Airport:

Quiznos Subs and Salads	Dairy Queen
Nathans Famous Hot Dogs	Domino's Pizza
Auntie Anne's Pretzels	Wendy's
Cinnabon	Moe's South Western Grill
Island Deli	Viva Fresh Market Grab & Go
Cricket Sports Bar	Connections Bar
Air Margaritaville Arrivals Bar	Jamaican Bobsled Cafe
The Groovy Grouper	The Bar

The Company operates its food and beverage concepts at Sangster International Airport, both before and after the security check - ins. Both its recognizable brands and their strategic placement throughout the airport have assisted the Company to increase average customer spend from approximately US\$5.95 in 2012 to over US\$7.30 per passenger currently. At the same time, the Company is completely focused on maintaining its facilities to a proven

standard and also, to ensuring that its food and beverage offerings meet consumer demands in the market place.

7.2 INCORPORATION DETAILS AND RECENT CAPITAL RESTRUCTURING

The Company was incorporated on 26 June 2001 and has its registered office at Unit 16 M19 Southern Cross Boulevard, Montego Bay Freeport, Montego Bay, St. James. It has no subsidiaries. On 26 June 2017, the Company adopted new public company Articles of Incorporation and passed (amongst others) the following resolutions with the approval of its holding company, Margaritaville St. Lucia:

- The sub-division of each Share into 250 units, for the purposes of pricing the Sale Shares in the Invitation and for the creation of liquidity in the trading market for the Shares following a successful listing on the Junior Market of the JSE.
- The conversion of each fully paid Share to stock for the purposes of the application proposed to be made to list the Shares on the Junior Market of the JSE in the event that the Invitation is successful in raising J\$490 million or more by the Closing Date (or any extension thereof).

7.3 DETAILS OF THE CAPITAL STRUCTURE OF THE COMPANY

As at the date of this Prospectus, the authorised and issued share capital of the Company was as follows:

AUTHORISED CLASS	ISSUED PRIOR TO INVITATION	RIGHTS
1,637,500,000 Shares	1,637,500,000 Shares	Rights typically attaching to ordinary shares including rights to: <ul style="list-style-type: none"> • receive notice of, attend and vote at general meetings of the Company • rights to participate in any dividend declared by the Board (after payment of Preference Share dividends) • rights to participate in a surplus on a winding up (after payment to Preference Share holders)
35,000 Preference Shares	35,000 Preference Shares	The Preference Shares rank in advance of the Shares for the purposes of any dividends declared by the Board. The right of the Preference Shareholders to receive dividends is cumulative (so arrears must be made up). The Preference Shares also rank in advance of the Shares for the purposes of any return on capital by the Company in the event of its winding up. The Preference Shares have limited

		voting rights at general meetings of the Company.
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7.4 SHAREHOLDINGS IN THE COMPANY BEFORE AND AFTER THE INVITATION

As at the date of this Prospectus, the holdings of Shares in the capital of the Company (including legal and, where known to the Company, beneficial holdings) were as follows:

NAME OF SHAREHOLDER	NUMBER OF SHARES BEFORE OPENING DATE	% OF ISSUED SHARES BEFORE OPENING DATE
Margaritaville St. Lucia Inc.	1,637,500,000	100%
Total	1,637,500,000	100%

After the Invitation is closed, and assuming that the Sale Shares in the Invitation are fully taken up by the public and also, by the Reserved Share Applicants, the relative percentage shareholdings in the Company will be as follows:

NAME OF SHAREHOLDER	NUMBER OF SHARES AFTER CLOSING DATE	% OF ISSUED SHARES AFTER CLOSING DATE
Margaritaville St. Lucia Inc.	1,310,000,000	80.00%
General Public	32,625,000	2.00%
Key Partners	245,625,000	15.00%
Company Applicants	16,500,000	1.00%
Mayberry	32,750,000	2.00%
Total	1,637,500,000	100.00%

On 18 January 2017, the Company increased its authorised share capital by approving the creation of 35,000 US\$ cumulative redeemable preference and their terms of issue. These 35,000 Preference Shares valued at US\$3.5m were issued privately to subscribers in accordance with the Companies Act, 2004.

7.5 INTELLECTUAL AND REAL PROPERTY

As at the date of this Prospectus, the Company has the following interests in real and intellectual property:

TYPE OF PROPERTY	DETAILS
Licence for Post-Security Screening Area at Sangster	The Company operates under a Concession Licence Agreement granted to it by MBJ Airports Limited which operates Sangster International Airport since December 2011. This Concession Licence Agreement permits the Company to develop and use 31,570.70 square feet of space for food and beverage concessions at the <u>post-security screening area</u> .

Airport	<p>Term: Initial term ending March 2022, capable of extension for up to ten further years if the Company meets certain stated financial and customer number targets.</p> <p>Rent: the Agreement provides for payment of a Licence Fee for the period 1 December 2012 to 31 March 2022 as follows: (a) Minimum Annual Guaranteed Fee ('MAG'); and (b) Percentage Fee based on gross sales on food, beverage and merchandise sales. A Security Deposit is given by the Company.</p> <p>In the event of an extension of the Term MAG will increase by the rate of the Consumer Price Index.</p> <p>The Company has furnished MBJ Airports Limited with a Performance Guarantee to guarantee the performance of the Company of all its obligations under the Agreement. The Performance Guarantee is valued at approximately 3 times the (average) monthly MAG during any year.</p> <p>Other Fees: Common Area Maintenance Fee (CAM) of US\$10.00 per square foot per annum, subject to increase from time to time in accordance with the Concession Licence Agreement.</p> <p>Other Obligations: The Company is also required to and has made improvements to the Premises of certain agreed minimum aggregate amounts, as set out in the Agreement, and has also committed to review its spend on improvements in discussions with MBJ from time to time.</p> <p>Termination: The Company may terminate the Agreement on the occurrence of certain events and shall not be liable for any Concession Fee if they occur:</p> <ul style="list-style-type: none"> (a) abandonment of, or destruction to, the airport terminal lasting 90 days or more which wholly or substantially restricts operations; (b) lawful assumption of the terminal by the Government of Jamaica; or (c) if MBJ Airports Limited takes any steps for winding up or other termination of its corporate existence, or similar events occur. <p>MBJ Airports Limited may terminate the Agreement for reasons such as:</p> <ul style="list-style-type: none"> (i) failure of the Company to: <ul style="list-style-type: none"> (1) observe the terms of the Agreement, inclusive of meeting targets for gross receipts from its concessions; (2) maintain any insurances required by the Agreement, (3) update the aforesaid performance guarantee as required; (4) abide by applicable laws, and rules of MBJ Airports Limited; (5) make any payments due to MBJ Airports Limited under the Agreement; (ii) in the event the Company abandons or discontinues providing the services contemplated in the Agreement for a continuous period of 15 days, save in the case of force majeure (as described); (iii) in the event the Company takes any steps for winding up or other termination of its corporate existence, or suffers a liquidation or similar occurrences.
Sub-Licence for Pre-Security Screening Area at Sangster Airport	<p>The Company also operates under a Food and Beverage Retail Space Sub-Licence Agreement with MBJ Airports Limited, which was granted to it by the latter as operator of Sangster Airport International. This licence is for 562.31 square feet of space at the <u>pre-security screening area</u>.</p> <p>Term: an original licence granted 2007 was extended to March 2022 (there is no written provision for further extension and this must be negotiated separately).</p> <p>Rent: the Agreement provides for payment of a Licence Fee for the period 1</p>

	<p>December 2012 to 31 March 2022 as follows: (a) Minimum Annual Guaranteed Fee ('MAG'); and (b) Percentage Fee based on gross sales on food, beverage and merchandise sales. A Security Deposit is given by the Company.</p> <p>There are also obligations on the Company relating to its operations, reporting requirements, maintenance, repair and alterations, insurance liability and environmental, damage/destruction/ default/ assignment, amongst others that are largely customary for an agreement of this nature.</p> <p>Consequences of Event of Default by Company: upon the occurrence of an 'Event of Default' by the Company under the Agreement such as non-payment of Licence Fees or loss of certain franchises, MBJ Airports Limited may at its option: terminate the Sub-Licence Agreement with notice; or charge a penalty; or seize and sell the Company's goods, chattels and equipment to settle any amounts due to MBJ; or re-enter and repossess the Premises.</p>
<p>Trademarks and other intellectual property rights: Franchise operations</p>	<p>The Company uses certain trademarks and other intellectual property rights for the purposes of its franchise operations of the Quiznos, Cinnabon, Auntie Anne's, Dairy Queen, Nathan's, Moe's, Wendy's and Dominoes – branded concessions at Sangster International Airport. The relevant arrangements are set out in Franchise Agreements with the owners of the various franchises that provide for a royalty or license payment by the Company of between 2 and 6% of gross sales, and some of which provide for advertising spend by the Company on the brand in the local market, amongst other things. One Franchise Agreement provides for a royalty payment of 10% of gross sales. Below is summary of the terms of the Franchise Agreements:</p> <ol style="list-style-type: none"> 1. Moe's Franchisor LLC. This non-exclusive Franchise Agreement is for a term of 20 years ending 21 December 2033, with an option to renew for an additional 10 years provided the Company is not in breach. 2. Wendy's Global Restaurants, LLC, Wendico Jamaica Ltd. This non-exclusive Franchise Agreement was assigned to the Company from Wendico Jamaica Ltd. on 8 October 2013. The term is for 20 years ending 16 June 2028 with an option to renew for an additional 10 years if the Company is not in breach. 3. Domino's Pizza International Franchising Inc. This non – exclusive Franchise Agreement is for a term of 10 years ending October 2023, with an option to renew for an additional 10 years if the Company is not in breach. 4. American Dairy Queen Corporation. This Development and Operating Agreement is for a term of 10 years ending March 2022, with no renewal rights. 5. Cinnabon, Inc. This non-exclusive Franchise Agreement is for a term of 20 years ending March 2032, with an option to renew for an additional 10 years if the Company is not in breach. 6. Auntie Anne's, Inc. This non-exclusive Franchise Agreement is for a term of 20 years ending 2032, with an option to renew for an additional 10 years if the Company is not in breach. 7. Restaurants of the Caribbean Inc. as "Master Franchisor" for the Quizno's franchise. This non-exclusive Sub-Franchise Agreement is for a term of 15 years ending March 2027, with an option to renew for an additional 15 years if the Company is not in breach. 8. Nathan's Famous Systems, Inc. This non-exclusive Franchise Agreement expires on 29 September, 2031, with an option to renew for an additional 20

	<p>years if the Company is not in breach.</p> <p>9. Starbucks Coffee International Inc. This exclusive Franchise Agreement is for a term of 10 years from the date that the Starbucks Store opens for business to the public, with the possibility of renewal at Starbucks' option.</p> <p>The Franchise Agreements also provide that the Franchisor may terminate the Agreement for reasons including breach by the Company, threat to public health, and in other circumstances (such as insolvency etc.). They also contain provisions that are typical of an agreement of this nature with respect to operating standards, training, confidentiality, and termination for breach of same.</p> <p>The Company, through its affiliate Margaritaville Limited, is also authorized to use the marks "Margaritaville" and "Jimmy Buffett's Margaritaville". In exchange for the use of these marks the Company pays a fee of 7.5% of net revenue of those franchise operations.</p> <p>The Company is also authorized by the Group to use the Group owned or operated brands, including amongst others the Bar, Connections Bar, and Jamaica Bobsled café. In exchange for the use of these marks, the Company paid a fee of 3.5% of net revenue of those franchise operations. This Agreement was terminated on 31 May 2017.</p>
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7.6 PERMITS AND LICENSES

The Company has the following permits and licenses:

- Public Health (Food handling) Certificates for the various company brands, which expire in March 2018
- Trade and Business Licence, which expires March 2018.

7.7 CHARGES REGISTERED AGAINST THE ASSETS OF THE COMPANY

As at the date of this Prospectus, the following charges within the meaning of section 93 of the Companies Act) were registered against the public file of the Company maintained by the Companies Office of Jamaica (these related to the system of registration prior to the introduction of the Security Interests in Personal Property Act, 2013):

SECURITY	DETAILS
Composite Guarantee and Debenture dated 29 December 2006	Registered on 10 January 2007. Secures indebtedness of US\$4,000,000 to Pan Caribbean Merchant Bank Limited (now PanCaribbean Bank Limited) at a rate of 9.1% (variable), and charges all property and undertaking of the Company and several other group companies (as described in the Debenture), subject to negative pledge restricting further mortgage or charge.
Debenture dated 30 November 2012	Registered on 7 January 2013. Secures indebtedness of J\$1,168,100,000 with power to up stamp to National Commercial Bank Jamaica Limited at a variable interest rate and charges all fixed and floating assets of the Company. The Company is prohibited from creating or attempting to create any mortgage, charge, lien, pledge or other security interest of whatsoever kind on or over any of the charged assets, without the consent of the bank.
Corporate Guarantee and	Registered on 7 January 2013. Secures indebtedness of J\$1,168,100,000 with power to up stamp to National Commercial Bank Jamaica Limited at a variable

Indemnity dated 30 November 2012	interest rate and charges all fixed and floating assets of the Company.
Assignment of Business Interruption Insurance dated 30 November 2012	Registered on 7 January 2013. Secures indebtedness of J\$1,168,100,000 with power to up stamp to National Commercial Bank Jamaica Limited at a variable interest rate and charges the proceeds of the business interruption insurance policy.

As at the date of this Prospectus, a number of lenders has registered security interests (within the meaning of the Security Interests in Personal Property Act) against the personal property of the Company (inclusive of office fixtures and computerized cash register equipment) in the public files maintained by the National Security Interests in Personal Property Registry of Jamaica: Such securities were lodged by lenders including MFG Trust and Finance Limited, in routine transactions to finance the Company's acquisition of the said assets.

7.8 MATERIAL CONTRACTS

The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company with the following persons ("counterparties") in the 2 years preceding the date of this Prospectus:

DATE	COUNTERPARTY(IES)	AMOUNT	BRIEF DETAILS
18 January 2017	Certain subscribers as set out in Schedule to the Subscription Agreement	US\$3.5 million in the aggregate	Private subscription of 35,000 United States dollar redeemable 9.5% cumulative Preference Shares in the capital of the Company priced at US\$98.75 per share.
2 August 2016	Eppley Limited	US1.00/ month	Sale and lease Agreement between the Company and Eppley Limited, for the purposes of guaranteeing the obligations of Margaritaville Ocho Rios Limited and Margaritaville Caribbean Limited as borrowers. The Company has sold to Eppley and leased - back certain equipment described in the Schedule to the Agreement as part of the security arrangement.
22 August 2016	National Commercial Bank Jamaica Limited (NCB)	Margaritaville Group The Company Others	Composite loan agreement granted to Group companies (1) Margaritaville Caribbean

			<p>Limited (2) Margaritaville St. Lucia Inc. (3) the Company, in the case of a guarantee and stand-by facility by NCB as Lender.</p> <p>The loan includes a new term loan facility of US\$2.5m, a continued senior secured term loan facility of J\$650.25m, credit cards, a guarantee and US\$ letter of credit facility for the Company of US\$398,153, and a revolving loan facility of US\$1m.</p> <p>As the subsidiary of Margaritaville Group and Margaritaville St. Lucia the Company has given a corporate guarantee to cover all of the facilities and a second ranking debenture as security for J\$1.168 billion. The Agreement contains other terms which are standard for agreements of this type. See also the table of charges in section 7.7.</p>
January 2011 – 31 May 2017	Margaritaville Caribbean Limited	9% of total net revenue of the Company	<p>Management Fee paid based on a course of dealing. In exchange for the performance of services for the Company inclusive of procurement, warehousing, accounting, information systems and marketing, the Company pays a combined 9% of total net revenues as the fee. This Agreement was terminated on 31 May 2017.</p>
December 2011 – December 2016	Goddard Catering Group (Jamaica) Limited	US\$1.5 million	Credit facility agreement (repaid).

7.9 LITIGATION

As at the date of this Prospectus, there were no material litigation, arbitration, or similar proceedings pending or threatened against the Company as defendant, and/or the circumstances which may give rise to such proceedings.

7.10 DIVIDEND POLICY

If the Invitation is successful and the Shares are admitted to listing on the Junior Market, the Board expects to distribute not less than 25% of its after-tax earnings to shareholders in the form of cash dividends that are declared and paid in US dollars subject to the availability of profits for that purpose and also the need to reinvest in the Company from time to time.

7.11 TAXATION

The summaries below are set out for the convenience of prospective Applicants. That notwithstanding, each prospective Applicant should consult with a suitably qualified adviser as to any questions of taxation, inclusive of the types and rates of taxes that are applicable to their proposed investment in Shares.

(1) Junior Market concessionary income tax regime

If the Shares are admitted to the Junior Market, the Company will benefit from a special 10 year concessionary income tax regime, provided that the Company remains listed for a combined continuous period of not less than 15 years and complies with all other conditions of listing imposed for that purpose. The Company will not be liable to pay corporate income tax in its first 5 years on the Junior Market. It will be liable to corporate income tax at half of the usual rate in years 6 to 10 on the Junior Market. If the Company breaches any Junior Market requirements, it may be liable to repay the tax that was remitted.

(2) Transfers of Shares on the JSE

Transfers of any Shares on the JSE are exempt from transfer tax and stamp duty.

(3) Dividends

Dividends received by Jamaican resident Shareholders will be subject to a 15% rate of income tax, which is to be withheld at source by Company as a final tax on the Shareholder. Foreign resident Shareholders may be subject to lower or higher rates of income tax on any dividends they may receive. Foreign resident Shareholders will also have income tax on dividends withheld at source. The rate of such withholding will vary and may be lower or higher than that applicable to residents of Jamaica.

SECTION 8: DIRECTORS & SENIOR OFFICERS

8.1 DETAILS OF THE DIRECTORS

Brief biographical details of the Directors appear below. The Directors' residential addresses are set out in Section 13.1 and all of them may be contacted for business purposes at the registered office of the Company.

H. WINSTON R. DEAR, O.D. Non – Executive Chairman

Winston Dear, a former land surveyor and development consultant, is now retired from the firm of Dear, Kindness and Partners. Winston assisted in the development of several recognizable projects inclusive of Montego Freeport, Rose Hall, Montego South, Ironshore, Tryall and The Greater Montego Bay Development Plan. He was also a proponent of the economic diversification of non – tourism based industries in Western Jamaica which led to the formation the Port Authorities, the "Montego Bay Freezone" and the establishment of the current Montego Freeport Cruise Ship terminal and the National Cruise Council of Jamaica. He was recognized for his efforts with the award of the Order of Distinction in October 2010.

Winston Dear is a director of the Gleaner Company of Jamaica and also, Margaritaville Caribbean. He is also a past President of the Montego Bay Chamber of Commerce and Industry, and a past Chairman of the Montego Bay Civic Centre, as well as a past Commodore of the Yacht Club. Winston holds a Coastal Masters Certificate from the Maritime Authority of Jamaica, and is entitled to use the title "Captain".

IAN DEAR Chief Executive Officer

Ian Dear is the Chief Executive Officer of the Company and its Group which also operates under the Margaritaville franchise in Jamaica, Turks and Caicos, Cayman Islands and more recently, St. Thomas in the U.S. Virgin Islands as well as its own proprietary developed branded hospitality concepts inclusive of casual and fine dining restaurants, night clubs etc. Ian is a founder of the Group, and has overseen its growth from 2 locations in Jamaica in 1995 to its current 9 locations inclusive of the Airport, with additional locations under development being pursued.

Ian was appointed as a lay Justice of the Peace for the parish of St. James in Jamaica in 1996. He also holds Executive and Board positions in a number of private and public organizations including the Cruise Council of Jamaica, the Jamaica Hotel and Tourist Association and the Jamaica Attractions Association. He is also a past director of the Montego Bay Chamber of Commerce, and a past member of the Jamaican chapter of the Young Presidents Organization.

ROLAND CLARKE Chief Financial Officer and Company Secretary

Roland Clarke has over 20 years of professional experience in accounting and finance covering retail, manufacturing, and telecom logistics enterprises. Roland joined the Group in August 2010 in the capacity of Chief Financial Officer of its various entities inclusive of the Company. He serves as the Secretary of the Company as well.

Prior to joining the Group Roland worked at ICD Group, Facey Commodity Company Limited and Custom Paint Solutions. He is a fellow of the Association of Certified Chartered Accountants of England and Wales and holds a B.Sc. (Hons.) in Accounting from the University of the West Indies.

JOHN G. BYLES Independent Non-Executive Director

John Byles has been the Chief Executive Officer and Director of the Chukka Caribbean Adventures Group of Companies since 2014 and 2009 respectively. He brings to the Board of the Company over 10 years of experience in brand delivery within the tourism sector. At Chukka Group, John has helped to drive its expansion into 9 locations across Jamaica, and also Belize and Grand Turks, offering over 60 different adventure experiences to its visitors and guests to the Caribbean region.

John earned a degree in Business Administration from Florida International University and completed a Negotiation Course for Senior Executives at Harvard Business School. He currently sits on the Boards of Billy Craig Insurance Brokers, Margaritaville Group of Companies and Cargo Handlers Ltd and is a member of the Jamaica Cruise Council. He is also a member of the St. Ann Polo Club and the Young Professionals' Organization (YPO) Jamaica Chapter.

TANIA WALDRON – GOODEN Independent Non – Executive Director and Mentor

Tania Waldron-Gooden is the Senior Vice President – Investment Banking at Mayberry Investments Limited. As the Mentor of the Company, she is responsible for providing the Board with support in establishing proper procedures, systems and controls for its compliance with the Junior Market Rule requirements for financial reporting, good corporate governance, and the making of timely announcements. Tania is also the Mentor and a director of both Derrimon Trading Company Limited and Main Event Entertainment, and the Mentor for Caribbean Flavours and Fragrances Limited.

Tania joined Mayberry as a Management Trainee approximately 7 years ago. She rotated through the Research, Asset Management, Equity Trading, Corporate Financing, Risk & Compliance and Information Technology departments. Before joining Mayberry, Tania worked in Pension Fund and Client Portfolio Management. She holds a Bachelor of Science degree (BSc. (Hons.)) in Geology from the University of the West Indies. Tania also holds a Master of Business Administration degree (M.B.A) from the University of Sunderland in the U.K. Tania has completed the Jamaica Securities Course as well as the Canadian Securities Course administered by the Canadian Securities Institute.

8.2 SENIOR OFFICERS

MARK SUTHERLAND Director of Operations

Mark Sutherland joined the Company from familiar branded restaurant Applebee's Neighborhood Grill & Bar in West Palm Beach, Florida. where he held various senior executive roles. Mark has over 25 years of experience in the hospitality industry. He is responsible for management and productivity at the Company and aims to ensure that all of its brands meet the franchisors' policies and procedures and also, the Company's vision and core values.

ERIN DAVIDSON Airport General Manager

Erin has been General Manager of the Company for more than 7 years and managed the implementation of all new food and beverage concepts during that time. She has over 20 years combined experience in the retail, hospitality and food and beverage industries and has been a key driver in the Company's arrangements with Sangster's airport. Erin has been voted General Manager of the year for the Group and has received numerous other performance related awards throughout her career.

8.3 DIRECTORS' AND OFFICERS' INTERESTS IN ORDINARY SHARES

None of the Directors and officers save for Ian Dear (Chief Executive Officer) have interests in the Ordinary Shares of the Company (including legal and beneficial holdings) as at the date of this Prospectus, prior to the issue of the Invitation Shares.

Ian Dear has a beneficial interest in the Shares issued to Margaritaville St. Lucia Inc., the holding company of the Company. Please note that the non – executive Directors and Senior Officers (save for Ian Dear) are eligible to purchase Invitation Shares.

8.4 CORPORATE GOVERNANCE AND ACCOUNTABILITY

The Board has established 2 committees. The members of each committee of the Board and are as follows:

AUDIT COMMITTEE	REMUNERATION COMMITTEE
John Byles (Independent Chairman)	Ian Dear (Chairman)
Tania Waldron – Gooden (Independent Member)	John Byles (Independent Member)
	Tania Waldron - Gooden (Independent Member)

8.5 EXECUTIVE DIRECTORS' AND SENIOR OFFICERS' COMPENSATION

The Directors and senior officers are not currently compensated by the Company and instead are paid by the Group. Any changes to these arrangements that are proposed in future are subject to the review and approval of the Compensation and Expenditure Committee established for the purposes of the Junior Market Rules.

The Company has approved the creation of 16,500,000 Company Reserved Shares for the purposes of incentivizing senior managers and other staff in future. The Company reserves the right to buy all or part of the Company Reserved Shares in an Employee Shares Trust with a loan from the Company/and or the Group for that purpose, and to set rules for the purposes of acquiring such Shares and/or any income deriving therefrom, based on seniority and length of service to the Company as determined by the Board.

8.6 NON- EXECUTIVE DIRECTORS' AND MENTOR'S FEES

The non-executive Directors and also the Mentor each receive fees in the amount of US\$500 and reimbursement of reasonable fees and expenses, for attendance at each meeting of the Board of the Company, or any Committee thereof.

SECTION 9: MANAGEMENT DISCUSSION & ANALYSIS

9.1 OVERVIEW

The Company, Express Catering Limited, has been providing food and beverage offerings to the passengers and staff at the Sangster International Airport since 2001 when the first Jimmy Buffett's Air Margaritaville location was established there. The proprietary and local branded restaurants of the Company inclusive of Bobsled Café, Tastee Patties and Groovy Grouper provided more than 50% of the total food and beverage offerings in the Sangster International Airport up to the end of calendar year 2011.

The Company gained an opportunity to expand when it negotiated a potentially long - term contract with MBJ Airports Limited (MBJ Airports), to exclusively manage and supply all of the food and beverage offerings for the post security area of the departures terminal and the majority of pre-security food and beverage offerings at the Sangster International Airport. The Company subsequently achieved its strategic goal of operating all the post security food and beverage offerings at their airport, by assuming the other operating food and beverage entities. The Company's total investment to date, inclusive of the buy-outs and installation of new concepts, structures and equipment for the establishment of international brand offerings, was in excess of US\$6.0 million.

As a result, Revenues rose to US\$8.3 million in the year following. The growth trend continued as various locations/concepts were developed within the airport to respond to the diverse preferences of the passengers utilising the airport. The process of selecting the international franchises was informed by the Company's research of the major feeder gateways to Montego Bay, using consumption patterns as a guide. These feeder gateways were mainly from originating airports in the United States and Canada which service over 80% of the visitors to Jamaica from either of these two countries.

At present, the following international franchises operate in the Sangster International Airport under the Company's corporate umbrella:

- Jimmy Buffet's Air Margaritaville
- American Dairy Queen
- Auntie Anne's
- Cinnabon
- Moe's
- Quiznos
- Nathans Hot Dogs
- Wendy's
- Domino's

These are complimented by a number of the Company's proprietary offerings, and other local food and beverage options.

The Company achieved Revenue of just under US\$14.1 million in the financial year ended May 31, 2016. This represents an increase of US\$460,000 or 3.38% over the previous financial year's Revenue of US\$13.6 million. Revenue for financial years 2013 and 2014 was US\$10.0 million and US\$12.2 million respectively.

The Company is also focused on using its prior experience to better manage its future operating costs. Gross Margins have remained stable at 74% or more of Revenue, while administrative costs declined to 27.2% of Revenue (this compared to 30.5% in the prior financial year), as a result of better management of the labour component of Total Costs.

The Company has recently entered into an arrangement to operate a franchise location under the international coffee brand, Starbucks Coffee Company. The Company anticipates that construction of its new Starbucks branded offerings at Sangster airport will commence within 6 months and will contribute significantly to revenue in the first full year of their operations, which is expected to occur in financial year 2018.

The Directors of the Company have as their objective the continued year over year growth of the Company. The Company seeks opportunities for new food and beverage offerings so that it can continue to grow its Revenue and so that it can remain responsive to the needs of its customers.

9.2 PROFIT & LOSS PERFORMANCE

In the financial year ended May 31, 2016 the Company reported Total Revenue of US\$14.1 million, and Net Profit of US\$1.1 million (this compared with US\$13.6 million in Revenue and US\$590,000 in Net Profit in financial year 2015). This represents a 3.4% increase in year on year (YOY) Revenue and an increase in Net Profit of 81.4%. The Company attributes the increase in Net Profit to the growth in top line Revenue and the containment and/or decline of Operating Expenses, Depreciation and Interest Expense. As a result of the foregoing, Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) improved from US\$1.8 million in 2015 to US\$2.2 million in 2016. The Company recorded Gross Profit and EBITDA margins of 75% and 16% respectively for the financial year 2016.

Expenses (inclusive of Management Fees) before taxation for the most recent audited year, being financial year 2016, were US\$8.2 million reflecting:

- Rent of US\$2.8m, which increased by 2.6% YOY.
- Salaries and wages of US\$1.4 million, which declined by 4.8% YOY.
- Group charges of US\$2.2 million, which increased by 4.8% YOY.

These items are represented by partial Franchise Fees and Group Recoverable Cost as set out in the Audited Financial Information. The Company also posted Net Profits of US\$ 1.1 million and a Net Profit margin of 7.6% in financial year 2016.

9.3 BALANCE SHEET PERFORMANCE & CASH FLOW

The Company's Total Assets stood at US\$6.1 million at the end of financial year 2016, down from US\$6.8 million the year prior. The majority of this decrease represents depreciation on Property Plant and Equipment of US\$0.5 million.

Liabilities at May 31, 2016 were US\$2.6 million, mainly comprising Total Debt of US\$1.2 million (down from US\$2.4 million in the prior year) and Trade Payables of US\$1.1 million. Approximately 55% or US\$0.7 million of Total Debt is short term debt owed to related companies. The Company employs fairly low leverage as reflected by its debt/EBITDA ratio of ~0.5x as at May 2016.

Shareholders' Equity at May 31, 2016 was US\$3.5 million, up from US\$2.4 million in the prior year. The profit of US\$1.1 million in financial year 2016 accounted for most of the increase.

The Company's low current ratio is due mainly to the nature of its business and the fact that it is part of the Group. As an operator of restaurants, the Company does not maintain large Inventories and collects the majority of its Receivables in cash or via credit card transactions while it takes advantage of credit terms provided by its suppliers. In addition, Amounts Owing to Related Parties are classified as Current Liabilities. As at May 31, 2014 and 2015, Amounts Owing to Related parties stood at US\$1.3 million and US\$666,000 representing 34% and 27% of Current Liabilities respectively.

In the financial year 2016, the Company generated cash flows from operating activities of US\$0.7 million. However, it utilised US\$0.09 million and US\$0.6 million for investing and financing activities respectively. The latter included a reduction in Lease Obligations and Long Term Loans of US\$0.1 million and US\$0.5 million respectively.

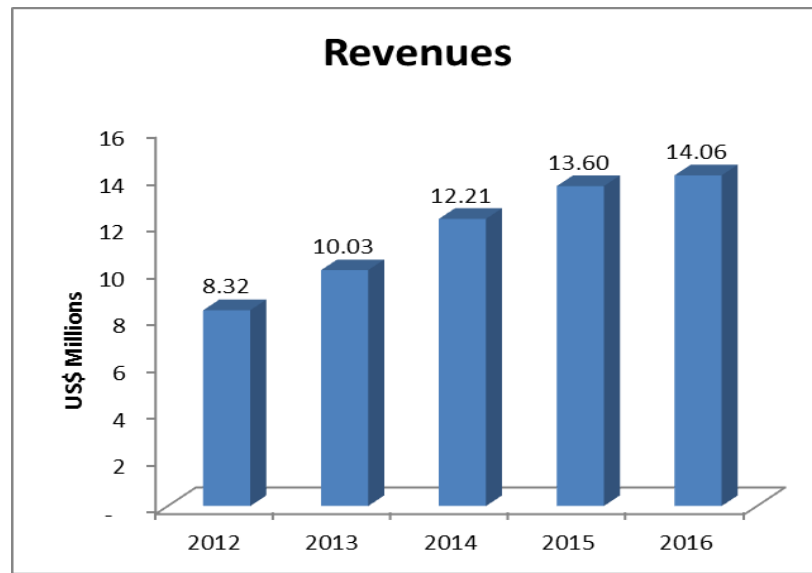
9.4 UNAUDITED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2017

The Company continued to increase year over year (YOY) Revenue, recording US\$11.54 million for the 10 months of financial year 2017 compared to US\$ 11.52 million in the 10 months of the prior year. This resulted in EBITDA of US\$1.92 million for the 10 months of 2017 compared to US\$1.68 million in the comparable period in the prior year. Net Profit before Tax was US\$ 1.15 million for the 10 months to March 2017 compared to US\$904,144 in the same period the prior year.

In the period to March 2017 the Company also successfully launched its 7 - year Preference Share for US\$3.5 million. Proceeds from this issue was earmarked for the construction of the Starbucks Coffee outlets at Sangster International Airport, and to settle certain Group obligations.

SECTION 10: FINANCIAL HIGHLIGHTS

10.1 REVENUE ANALYSIS



The Company experienced a steady growth in Revenues in the 5 financial years from May 31, 2012 to May 31, 2016 inclusive. In the financial year ended May 31, 2016, the Company had Revenues of US\$14.06 million, an increase of US\$458,980 or 3% over the prior year. In the 5 financial years under review the Company's Revenues grew by a compounded annual growth rate (CAGR) of 14%.

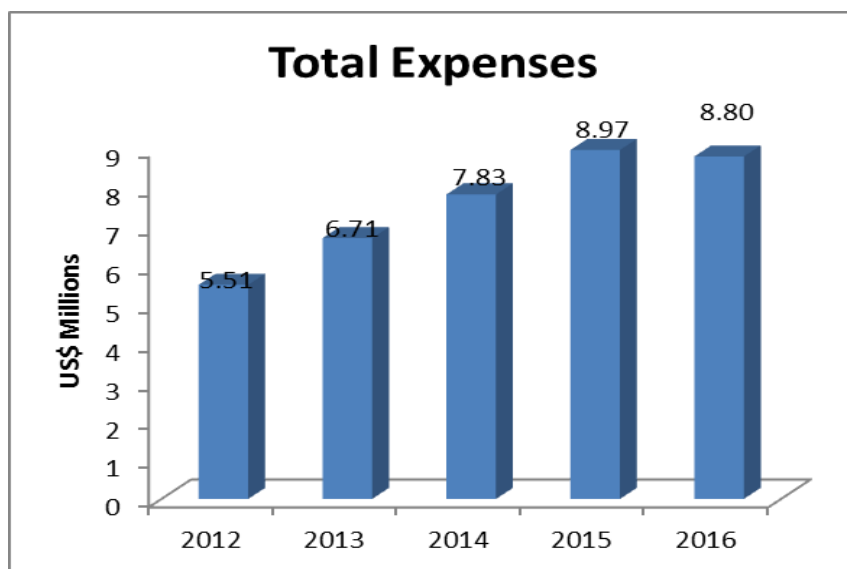
10.2 GROSS PROFIT ANALYSIS

The
recorded

Company
Gross Profit

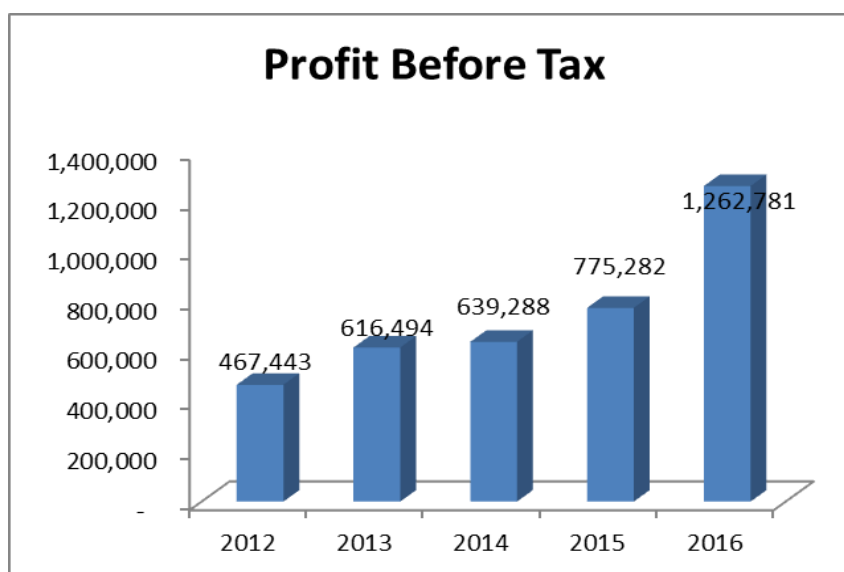
of US\$10.48 million in financial year 2016, an increase of 3% over the previous financial year. This represents a compounded annual growth rate (CAGR) of 15% when compared to the Gross Profit of US\$6.02 million booked in the 2012 financial year. During the financial years from 2014 to 2016 inclusive, the Company's Gross Profit margin has remained constant at 75%.

10.3 TOTAL EXPENSES



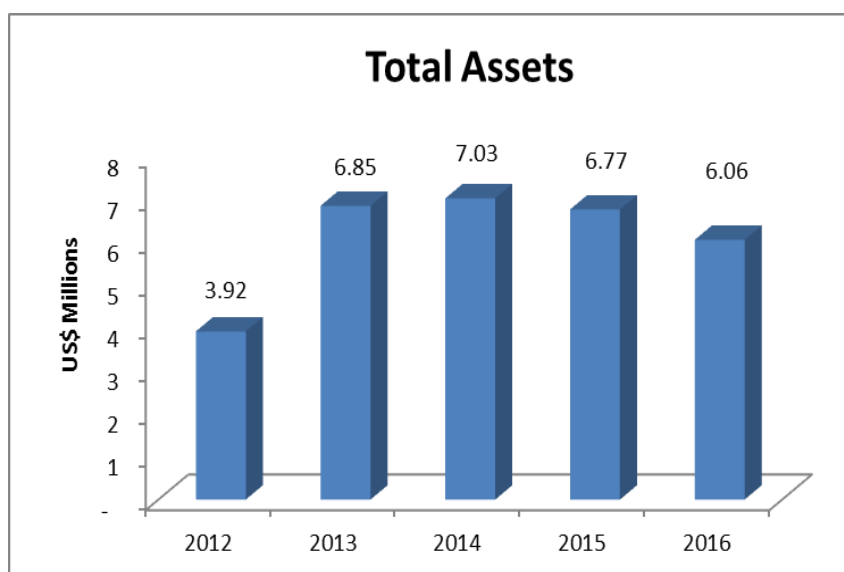
Total Expenses amounted to US\$8.80 million in financial 2016, a decrease of 2% or US\$167,182 over the prior financial year. This was due to a positive foreign exchange adjustment of US\$80,107 in addition to a reduction in Depreciation Expenses to US\$528,787 while Administrative Expenses remained relatively flat at US\$8.21 million (2015: US\$8.20 million). In the 5 year financial years under review, Operating Expenses grew by a compounded annual growth rate (CAGR) of 12%.

10.4 PROFIT BEFORE TAX



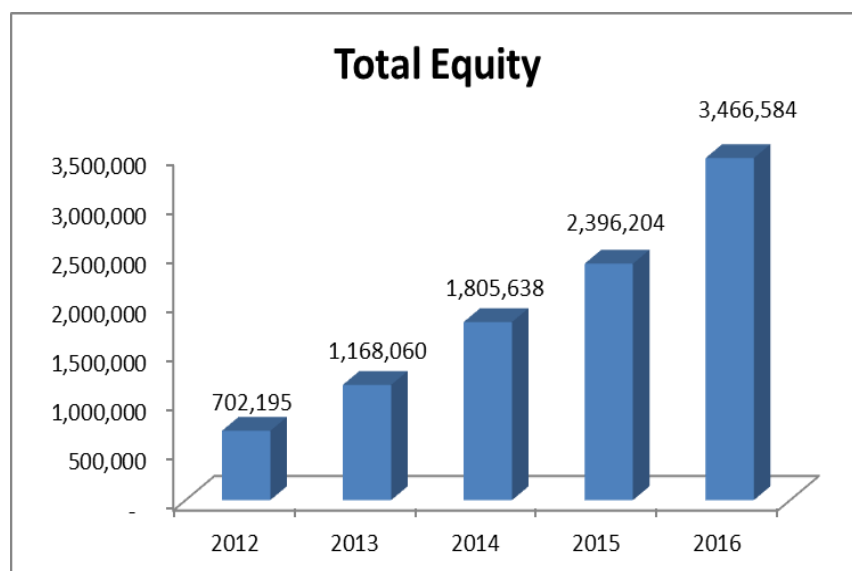
For the 2016 financial year, the Company recorded Profit Before Tax of US\$1.26 million. This represents an increase of 63% compared to the US\$775,282 recorded in the previous financial year. During the 2012 – 2016 period, Profit Before Tax grew by a compounded annual growth rate of 28%. The increase in Profit Before Tax can be attributed to the increase in Revenues in addition to the reduction in Total Expenses including Finance Costs.

10.5 TOTAL ASSETS ANALYSIS



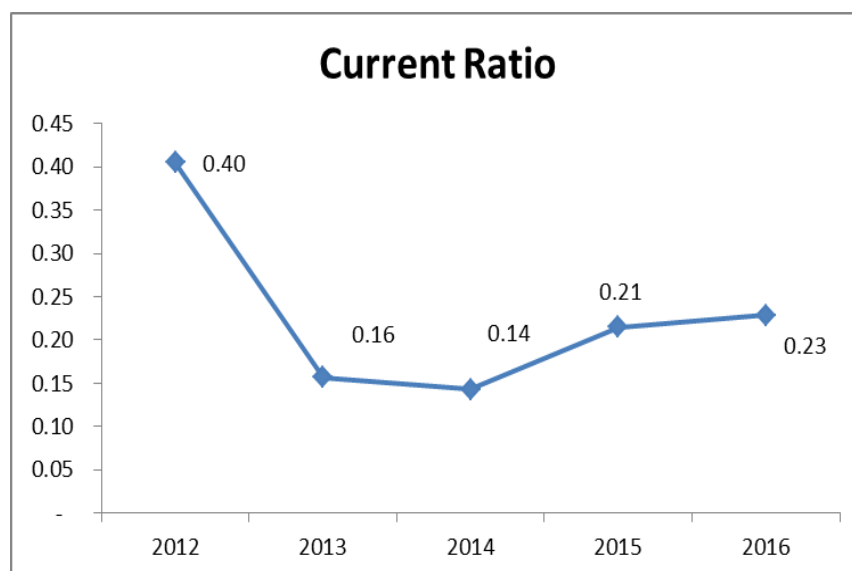
Total Assets totalled US\$6.06 million at the end of the 2016 financial year, a decrease of US\$708,272 over the previous year. Notable decreases also occurred in the Property, Plant & Equipment, and Trade and Receivables and Inventories lines, which decreased by 7%, 55% and 35% respectively to US\$4.76 million, US\$103,700 and US\$276,779, respectively.

10.6 TOTAL EQUITY ANALYSIS



Shareholders' Equity has increased over the 5 financial years under review, ending at US\$3.47 million in the 2016 financial year. This represents a 45% increase over the 2015 financial year and a compounded annual growth rate (CAGR) of 49% over the financial years from 2012 to 2016 inclusive. The increase was driven by growth in profits which have been retained in the business.

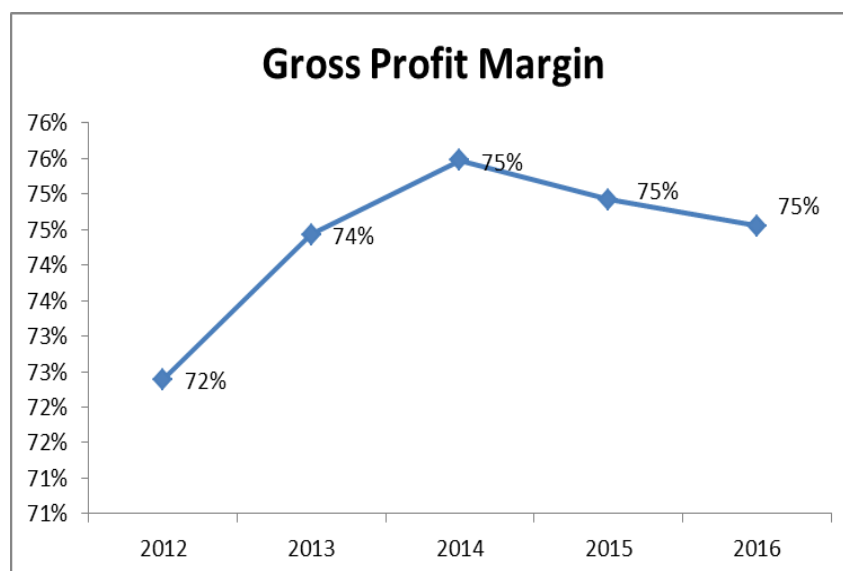
10.7 CURRENT RATIO



The Company's Current Ratio stood at 0.23 times at the end of the 2016 financial year and has averaged out at 0.20 times over the financial years from 2012 to 2016. The Company's Current Ratio indicates that's the Company's current assets are not sufficient to cover its short-term

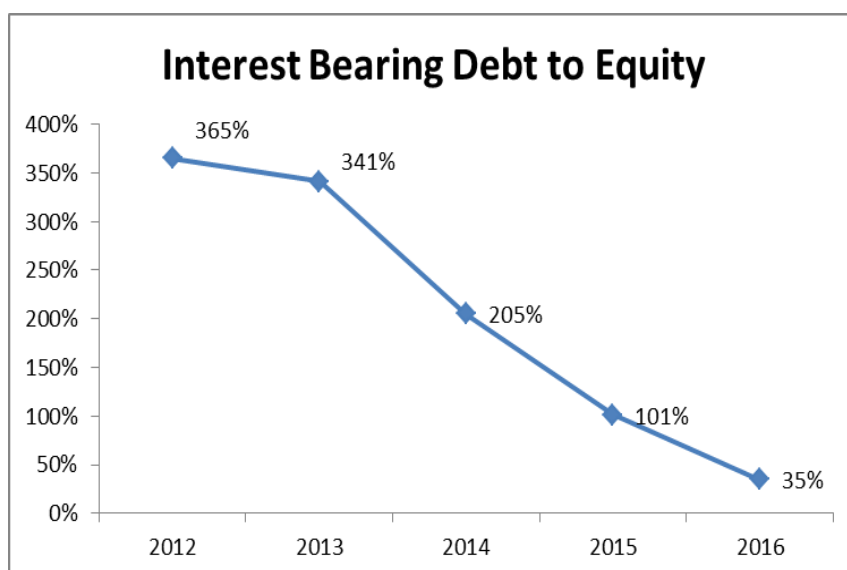
liabilities that are due for payment in one year or less. However, it should be noted that the Company's total Debt has been reduced from US\$2.43 million in financial year 2015 to US\$1.22 million in financial year 2016. The Company has no long-term Debt. All Debt is reflected in the Current Liabilities.

10.8 GROSS PROFIT MARGIN



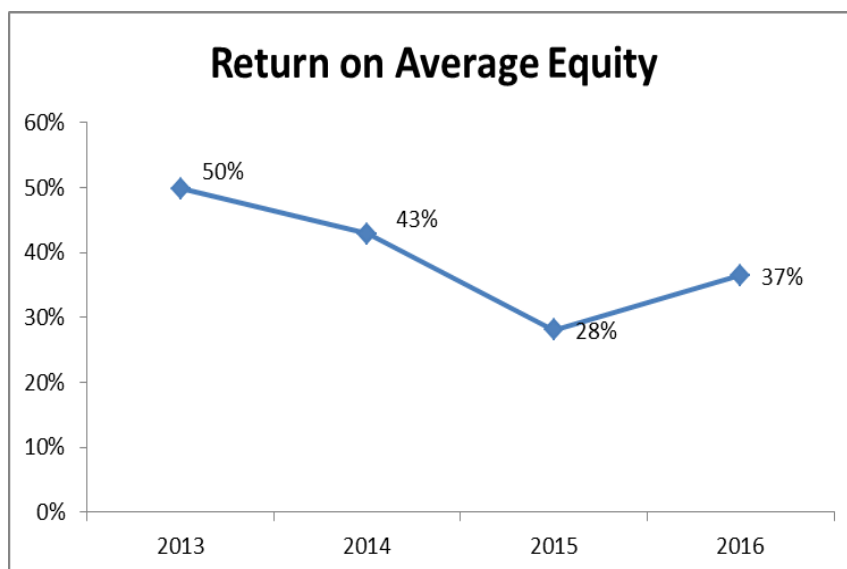
The Company's Gross Profit Margins have remained relatively stable during the financial years from 2012 to 2016 inclusive, averaging out at 74%. The Gross Profit Margin for the 2016 financial year was 75% and it has remained at that level since the 2014 financial year.

10.9 INTEREST BEARING DEBT TO EQUITY



As at May 31, 2016, Interest Bearing Debt to Equity stood at 35%. This represents a significant reduction in this ratio from 101% in the previous financial year. This is as a result of a 49.8% decrease in Debt in 2016 over the prior financial year.

10.10 RETURN ON AVERAGE EQUITY



Return on Average Equity (ROE) has trended downwards, from a high of 50% in 2012 to 37% in 2016. However, this represents an increase from the 28% in 2015. The decrease in ROE is primarily explained by the decrease in financial leverage. However, it should be noted that the Net Income Margin has increased significantly over prior year and the average over the period under review.

SECTION 11: FINANCIAL INFORMATION

Part 1: Audited Financial Information

Express Catering Limited

Five Years Financial Information to May 31, 2016
and Audited Financial Statements for Year Ended
May 31, 2016

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Independent auditors' report on five years financial information

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To the Directors of
Express Catering Limited
On five years financial information
Years ended May 31, 2016 through to May 31, 2012

Dear Sirs,


We have audited, in accordance with International Standards on Auditing, the separate financial statements of Express Catering Limited as at and for each of the years May 31, 2016 through to May 31, 2012 and in our reports dated August 22, 2016, August 12, 2015, August 14, 2014, November 22, 2013, and March 22, 2013 respectively, we expressed an unqualified opinion on each of these financial statements to the effect that the financial statements presents a true and fair view.

In our opinion, the extracted statements of financial position and statements of comprehensive income of the company set out in pages 3 - 8 are consistent, in all material respect, with the financial statements referred to above, from which they were derived.

For a better understanding of the company's financial position at the reporting dates referred to above, the results of operations for each of the years ended on those dates, and the scope of our audit, the extracted statements of financial position and statements of comprehensive income should be read in conjunction with the financial statements from which they were derived and our audit reports thereon, where applicable.

Kingston, Jamaica

May 25, 2017



Chartered Accountants

Statement of financial position

	May 31, 2016 US\$	May 31, 2015 US\$	May 31, 2014 US\$	May 31, 2013 US\$	May 31, 2012 US\$
Assets					
Non-current assets					
Property, plant and equipment	4,756,053	5,098,742	5,511,935	5,233,242	2,584,209
Development cost	26,689	26,689	20,000	-	-
Licenses and franchises	721,793	813,503	910,291	988,813	848,997
	5,504,535	5,938,934	6,442,226	6,222,055	3,433,206
Current assets					
Trade and other receivables	103,700	232,255	108,334	97,435	114,515
Prepayment	1,410	1,381	-	-	1,914
Inventories	276,779	426,078	453,574	323,694	284,345
Cash and bank balances	172,999	169,047	23,208	210,698	88,994
	554,888	828,761	585,116	631,827	489,768
Total assets	6,059,423	6,767,695	7,027,342	6,853,882	3,922,974

Statement of financial position (cont'd)

	May 31, 2016 US\$	May 31, 2015 US\$	May 31, 2014 US\$	May 31, 2013 US\$	May 31, 2012 US\$
Equity and liabilities					
Equity					
Capital and reserve					
Share capital	73,861	73,861	73,861	73,861	73,861
Capital reserve	43,490	43,490	43,490	43,490	43,490
Retained earnings	3,349,233	2,278,853	1,688,287	1,050,709	584,844
Total equity	3,466,584	2,396,204	1,805,638	1,168,060	702,195
Liabilities					
Non-current liabilities					
Long-term loan	-	355,424	904,240	1,455,840	1,923,980
Lease obligations	38,701	-	92,965	-	-
Deferred tax liability	124,193	157,168	133,826	199,126	87,190
	162,894	512,592	1,131,031	1,654,966	2,011,170
Current liabilities					
Bank overdraft	102,636	82,673	113,555	103,288	2,738
Trade and other payables	1,097,434	1,589,745	1,323,823	1,471,222	551,878
Income tax payable	151,884	193,482	56,910	27,457	16,671
Current portion of long-term loan	404,622	594,029	594,029	511,863	443,481
Current portion of lease obligation	7,786	92,975	242,875	-	-
Owing to related companies	665,583	1,305,995	1,759,481	1,917,026	194,841
	2,429,945	3,858,899	4,090,673	4,030,856	1,209,609
Total liabilities	2,592,839	4,371,491	5,221,704	5,685,822	3,220,779
Total equity and liabilities	6,059,423	6,767,695	7,027,342	6,853,882	3,922,974

Statement of comprehensive income

	May 31, 2016 US\$	May 31, 2015 US\$	May 31, 2014 US\$	May 31, 2013 US\$	May 31, 2012 US\$
Revenue	14,058,053	13,599,073	12,206,420	10,028,525	8,324,806
Cost of sales	(3,577,878)	(3,411,417)	(2,994,338)	(2,564,394)	(2,298,070)
Gross profit	10,480,175	10,187,656	9,212,082	7,464,131	6,026,736
Other income	-	-	(5,732)	6,900	11,320
Administrative expenses	(8,212,504)	(8,202,185)	(7,035,333)	(5,973,093)	(5,095,253)
Promotional expenses	(37,724)	(38,294)	(51,937)	(42,380)	(72,232)
Other operating expenses	(105,855)	(115,182)	(222,755)	(193,295)	(138,513)
Depreciation and amortisation	(528,787)	(577,142)	(515,612)	(361,394)	(131,803)
Foreign exchange adjustment	80,107	(39,142)	(4,788)	(135,393)	(68,416)
Operating profit	1,675,412	1,215,711	1,375,925	765,476	531,839
Finance income	1,226	325	445	586	1,014
Finance cost	(413,857)	(440,754)	(737,082)	(149,568)	(65,410)
Profit before tax	1,262,781	775,282	639,288	616,494	467,443
Income tax expense	(192,401)	(184,716)	(1,710)	(150,629)	(161,893)
Profit for the year being total comprehensive income for the year	1,070,380	590,566	637,578	465,865	305,550

Statement of changes in equity

	Share capital US\$	Capital reserve US\$	Retained earnings US\$	Total US\$
Balance at May31, 2011	73,861	43,490	279,294	396,645
Profit for the year 2012 being total comprehensive income	-	-	305,550	305,550
Balance at May31, 2012	73,861	43,490	584,844	702,195
Profit for the year 2013 being total comprehensive income	-	-	465,865	465,865
Balance at May31, 2013	73,861	43,490	1,050,709	1,168,060
Profit for the year 2014 being total comprehensive income	-	-	637,578	637,578
Balance at May31, 2014	73,861	43,490	1,688,287	1,805,638
Profit for the year 2015 being total comprehensive income	-	-	590,566	590,566
Balance at May31, 2015	73,861	43,490	2,278,853	2,396,204
Profit for the year 2016 being total comprehensive income	-	-	1,070,380	1,070,380
Balance at year ended May31, 2016	73,861	43,490	3,349,233	3,466,584

Statement of cash flows

	May 31, 2016 US\$	May 31, 2015 US\$	May 31, 2014 US\$	May 31, 2013 US\$	May 31, 2012 US\$
Cash flows from operating activities:					
Profit before tax	1,262,781	775,282	639,288	616,494	535,859
Adjustments for:					
Depreciation and amortisation	528,787	577,142	515,612	361,394	131,803
Licenses and franchises	-	-	78,522	(139,816)	(848,997)
Interest expense	413,857	440,754	737,082	149,568	65,410
Interest income	(1,226)	(325)	(445)	(586)	(1,014)
Foreign exchange translation adjustment	-	-	19,080	1,509	127,077
	2,204,199	1,792,853	1,989,139	988,563	10,138
Decrease/(increase) in trade and other receivables	128,555	(123,921)	(10,899)	17,080	168,816
Increase in prepayment	(30)	(1,381)	-	1,914	(562)
Decrease in inventories	149,299	27,496	(129,879)	(39,349)	(108,663)
(Decrease)/increase in trade and other payables	(492,311)	265,922	(147,399)	919,344	38,817
Increase in owing to related companies	(640,412)	(453,486)	(157,545)	1,722,185	(577,269)
Cash generated from operations	1,349,300	1,507,483	1,543,417	3,609,737	(468,723)
Interest paid	(413,857)	(440,754)	(737,082)	(149,568)	(65,410)
Income tax paid	(266,972)	(24,802)	(56,638)	(29,416)	(36,044)
Net cash provided by operating activities	668,471	1,041,927	749,697	3,430,753	(570,177)

Statement of cash flows (cont'd)

	May 31, 2016 US\$	May 31, 2015 US\$	May 31, 2014 US\$	May 31, 2013 US\$	May 31, 2012 US\$
Cash flows from investing activities:					
Purchase of property, plant and equipment	(94,388)	(67,161)	(794,305)	(3,010,427)	(1,697,446)
Development cost	-	(6,689)	(20,000)	-	-
Interest received	1,226	325	445	586	1,014
Net cash used in investing activities	(93,162)	(73,525)	(813,860)	(3,009,841)	(1,696,432)
Cash flows from financing activities:					
Loan proceeds	-	-	-	-	2,500,000
Proceeds from lease obligations	54,273	-	335,840	-	-
Reduction in lease obligation	(100,762)	(242,865)	-	-	-
Repayment of long-term loan	(544,831)	(548,816)	(469,434)	(399,758)	(318,571)
Net cash used in financing activities	(591,320)	(791,681)	(133,594)	(399,758)	2,181,429
Net (decrease)/increase in cash and cash equivalents	(16,011)	176,721	(197,757)	21,154	(85,180)
Cash and cash equivalents at beginning of years	86,374	(90,347)	107,410	86,256	171,436
Cash and cash equivalents at end of years	70,363	86,374	(90,347)	107,410	86,256

Express Catering Limited

Financial Statements

May 31, 2016

Independent auditors' report

Mair Russell Grant Thornton

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To the Members of
Express Catering Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Express Catering Limited, which comprise the statement of financial position as at May 31, 2016 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Independent auditors' report (cont'd)

To the Members of
Express Catering Limited

Auditors' Responsibility (Cont'd)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Express Catering Limited as at May 31, 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Other Legal and Regulatory Requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner required.

Montego Bay, Jamaica

August 22, 2016

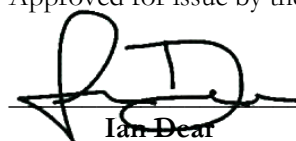

Chartered Accountants

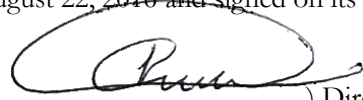
Statement of financial position as at May 31, 2016

	Note	2016 US\$	2015 US\$
Assets			
Non-current assets			
Property, plant and equipment	(5)	4,756,053	5,098,742
Development costs	(6)	26,689	26,689
Licences and franchises	(7)	721,793	813,503
		<u>5,504,535</u>	<u>5,938,934</u>
Current assets			
Trade and other receivables	(8)	103,700	232,255
Prepayment		1,410	1,381
Inventories	(9)	276,779	426,078
Cash and bank balances	(10)	172,999	169,047
		<u>554,888</u>	<u>828,761</u>
Total assets		<u>6,059,423</u>	<u>6,767,595</u>
Equity			
Capital and reserves			
Share capital	(11)	73,861	73,861
Capital reserve	(12)	43,490	43,490
Retained earnings		3,349,233	2,278,853
Total equity		<u>3,466,584</u>	<u>2,396,204</u>
Non-current liabilities			
Long term loans	(13)	-	355,424
Lease obligation	(14)	38,701	-
Deferred tax liability	(15)	124,193	157,168
		<u>162,894</u>	<u>512,592</u>
Current liabilities			
Bank overdraft	(16)	102,636	82,673
Trade and other payables	(17)	1,097,434	1,589,745
Income tax payable		151,884	193,482
Current portion of long term loan	(13)	404,622	594,029
Current portion of lease obligation	(14)	7,786	92,975
Owing to related companies	(18)	665,583	1,305,995
		<u>2,429,945</u>	<u>3,858,899</u>
Total liabilities		<u>2,592,839</u>	<u>4,371,491</u>
Total equity and liabilities		<u>6,059,423</u>	<u>6,767,695</u>

The notes on the accompanying pages form an integral part of these financial statements.

Approved for issue by the Board of Directors on August 22, 2016 and signed on its behalf by:

 Director
Ian Dear

 Director
Roland Clarke

Statement of profit or loss and other comprehensive income for the year ended May 31, 2016

	Note	2016 US\$	2015 US\$
Revenue		14,058,053	13,599,073
Cost of sales		(3,577,878)	(3,411,417)
Gross profit		10,480,175	10,187,656
Administrative expenses		(8,212,504)	(8,202,185)
Promotional expenses		(37,724)	(38,294)
Other operating expenses		(105,855)	(115,182)
Depreciation and amortisation		(528,787)	(577,142)
Foreign exchange adjustment		80,107	(39,142)
Operating profit		1,675,412	1,215,711
Finance income		1,226	325
Finance costs	(19)	(413,857)	(440,754)
Profit before tax	(20)	1,262,781	775,282
Income tax expense	(21)	(192,401)	(184,716)
Profit for the year being total comprehensive income for the year		1,070,380	590,566

The notes on the accompanying pages form an integral part of these financial statements.

Statement of changes in equity for the year ended May 31, 2016

	Share Capital US\$	Capital Reserve US\$	Retained Earnings US\$	Total US\$
Balance at June 1, 2014	73,861	43,490	1,688,287	1,805,638
Total comprehensive income for the year	-	-	590,566	590,566
Balance at May 31, 2015	73,861	43,490	2,278,853	2,396,204
Total comprehensive income for the year	-	-	1,070,380	1,070,380
Balance at May 31, 2016	73,861	43,490	3,349,233	3,466,584

The notes on the accompanying pages form an integral part of these financial statements.

Statement of cash flows for the year ended May 31, 2016

	2016 US\$	2015 US\$
Cash flows from operating activities:		
Profit before tax	1,262,781	775,282
Adjustments for:		
Depreciation and amortisation	528,787	577,142
Interest expenses	413,857	440,754
Interest income	(1,226)	(325)
	<u>2,204,199</u>	<u>1,792,853</u>
Decrease/(increase) in receivables	128,555	(123,921)
Increase in prepayment	(30)	(1,381)
Decrease in inventories	149,299	27,496
(Decrease)/increase in trade and other payables	(492,311)	265,922
Decrease in owing to related companies	<u>(640,412)</u>	<u>(453,486)</u>
Cash generated from operations	1,349,300	1,507,483
Interest paid	(413,857)	(440,754)
Income tax paid	<u>(266,972)</u>	<u>(24,802)</u>
Net cash provided by operating activities	668,471	1,041,927
Cash flows from investing activities:		
Purchase of property and equipment	(94,388)	(67,161)
Development cost	-	(6,689)
Interest received	1,226	325
Net cash used in investing activities	(93,162)	(73,525)
Cash flows from financing activities		
Proceeds from lease obligation	54,273	-
Reduction in lease obligation	(100,762)	(242,865)
Repayment of long term loans	<u>(544,831)</u>	<u>(548,816)</u>
Net cash used in financing activities	(591,320)	(791,681)
(Decrease)/increase in cash and cash equivalents	(16,011)	176,721
Cash and cash equivalents at beginning of year	86,374	(90,347)
Cash and cash equivalents at end of year (Note10)	70,363	86,374

The notes on the accompanying pages form an integral part of these financial statements.

Notes to the financial statements for the year ended May 31, 2016

1. Identification and activities

The company was incorporated under the laws of Jamaica on June 26, 2001.

The company's principal place of business is located at Sangster International Airport, Montego Bay.

Its main activities during the year were the operation of several food, beverage and gift shop outlets.

2. Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been prepared on the historical cost and accruals bases.

3. Changes in accounting policies

New and revised standards that are effective for annual periods beginning on or after January 1, 2015

- i Certain new and amended standards and interpretations to existing standards have been published and became effective during the current financial year. The company has assessed the relevance of all such new standards, interpretations and amendments and has determined that none will have a material impact on the company.
- ii **Standards, amendments and interpretations issued but not yet effective and have not been adopted early by the company**

At the date of approval of these financial statements, certain new standards amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the company.

Management anticipates that all relevant pronouncements will be adopted in the company's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not early adopted or listed below are not expected to have a material impact on the company's financial statements.

IFRS 9 'Financial Instruments'

The IASB recently released IFRS 9 'Financial Instruments', representing the completion of its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model

for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

The company's management have yet to assess the impact of IFRS 9 on these financial statements. The new standard is required to be applied for annual reporting periods beginning on or after 1 January 2018.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

IFRS 15 is effective for reporting periods beginning on or after January 1, 2018. The company's management have not yet assessed the impact of IFRS 15 on these financial statements.

IFRS 16 Leases (effective for annual reporting period beginning on or after January 1, 2019)

Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low value assets; however, this exemption can only be applied by lessees.

For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees.

Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Annual Improvements

The Annual Improvements 2010 - 2012, 2011 - 2013 and 2012 - 2014 made several minor amendments to a number of IFRSs. The Annual Improvements are effective for various periods beginning on or after January 1, 2014 to January 1, 2016. There was no material impact and management does not anticipate a material impact on the company's financial statements from these Amendments which are effective and those that are to become effective.

4. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below:

a Property, plant and equipment

- (i) Property, plant and equipment are carried at cost and any accumulated impairment losses.
- (ii) Depreciation is provided on the straight line basis at such rates as will write off the cost of the various assets over the period of their expected useful lives. The useful lives approximate to ten (10) years for furniture and fixtures and equipment, five (5) years for computers. Leasehold improvement is being amortised over twenty (20)

years.

b Development costs

These represent amounts spent on the development of new products, processes and systems, that will be amortised over 4 years.

c Licences and franchises

These intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The finite useful life of these intangible assets are estimated to be ten (10) years and are amortised on a straight line basis.

d Foreign currency translation

Functional and presentation currency

The financial statements are prepared and presented in United States dollars, which is the functional currency of the company.

Foreign currency translations and balances

- (i) Foreign currency monetary balances at the end of the reporting period have been translated at the rates of exchange ruling at that date.
- (ii) Foreign currency transactions are translated into the functional currency at the exchange rate ruling at the dates of those transactions.
- (iii) Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items are included in profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical rates except for those measured fair value which are translated using the exchange rates at the date when the fair value was determined.

e Cash and cash equivalents

Cash and cash equivalents represent amounts held in current and savings accounts with financial institutions and cash in hand balances net of bank overdraft.

f Revenue recognition

Revenue is recognised on an accrual basis.

g Trade and other receivables

These are measured at amortised cost using the cost effective interest method, less provision for impairment. Any change in their value is recognised in the statement of comprehensive income. Discounting is however omitted where the effect of discounting is immaterial.

h Trade and other payables

Trade and other payables are classified as financial liabilities at amortised cost. These are initially recognised at the original invoice amount (which represents fair value) and subsequently measured at amortised cost.

i Owing to related company

Amounts owing to related company are carried at cost.

j Owing to director

Amounts owing to director are carried at cost.

k Income tax

Income tax on the results for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rate enacted at the end of the reporting period, and any adjustments to tax payable in respect of previous years.

Deferred tax is accounted for using the balance sheet liability method, providing for temporary difference between the carrying amount of assets and liabilities for financial reporting purpose and the corresponding basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognized for taxable differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary difference can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability settled. Deferred tax is charged or credited in the statement of comprehensive income, except when it is related to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

l Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and financial liabilities are measured subsequently as described below:

Financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- loans and receivables;
- financial assets at fair value through profit or loss;
- held to maturity investments; and
- available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within 'finance income', 'finance costs' or 'other financial items', except for impairment of trade receivables which is presented within 'other operating expenses'.

Loans and receivables

Article I. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Article II.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. A provision for doubtful debt is recognised when there is an indication that the debt is impaired. Impairment of trade receivables are presented within 'other operating expenses'.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. None of the company's financial assets fall into this category.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the company has the intention and ability to hold them until maturity. None of the company's financial assets fall into this category.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. None of the company's financial assets fall into this category.

Financial liabilities

The company's financial liabilities include trade and other payables and owing to parent company.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'finance costs' or 'finance income'

m Impairment

The company's property, plant, equipment and intangible assets are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist

n Equity

Share capital is determined using the proceeds received for the shares that have been issued including any premiums received on the initial issuing of shares. Any transaction costs associated with the issuing of shares are deducted from premiums received.

Revaluation reserve comprise surplus arising on the revaluation of certain property, plant and equipment net of deferred tax.

Retained profits include all current and prior period results as disclosed in profit or loss account.

o Use of estimates and judgements

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Depreciation and amortisation of property, plant and equipment

Depreciation and amortisation are provided so as to write down the respective assets to their residual values over their expected useful lives and, as such, the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 4(a).

Express Catering Limited

Notes to the financial statements
May 31, 2016

5. Property, plant and equipment comprise:

The carrying amounts for property, plant and equipment for the years included in the financial statements as at May 31, 2016, can be analysed as follows:

	Leasehold Improvement US\$	Motor Vehicle US\$	Entertainment and PR Equipment US\$	Computer US\$	Furniture and Fixtures US\$	Bar and Kitchen Equipment US\$	Total US\$
Gross carrying amount							
Balance as at June 1, 2015	2,713,344	56,761	146,344	368,419	2,224,449	2,120,616	7,629,933
Additions	2,423	-	1,152	49,270	8,567	32,976	94,388
Balance as at May 31, 2016	2,715,767	56,761	147,496	417,689	2,233,016	2,153,592	7,724,321
Depreciation and impairment							
Balance as at June 1, 2015	(737,498)	(56,138)	(117,581)	(219,277)	(807,339)	(593,358)	(2,531,191)
Depreciation	(102,573)	-	(3,349)	(40,848)	(132,093)	(158,214)	(437,077)
Balance as at May 31, 2016	(840,071)	(56,138)	(120,930)	(260,125)	(939,432)	(751,572)	(2,968,268)
Carrying amount as at May 31, 2016	1,875,696	623	26,566	157,564	1,293,584	1,402,020	4,756,053

	Leasehold Improvement US\$	Motor Vehicle US\$	Entertainment and PR Equipment US\$	Computer US\$	Furniture and Fixtures US\$	Bar and Kitchen Equipment US\$	Total US\$
Gross carrying amount							
Balance as at June 1, 2014	2,682,074	56,761	146,344	368,419	2,203,916	2,105,258	7,562,772
Additions	31,270	-	-	-	20,533	15,358	67,161
Balance as at May 31, 2015	2,713,344	56,761	146,344	368,419	2,224,449	2,120,616	7,629,933
Depreciation and impairment							
Balance as at June 1, 2014	(630,808)	(56,138)	(110,093)	(176,086)	(643,072)	(434,640)	(2,050,837)
Depreciation	(106,690)	-	(7,488)	(43,191)	(164,267)	(158,718)	(480,354)
Balance as at May 31, 2015	(737,498)	(56,138)	(117,581)	(219,277)	(807,339)	(593,358)	(2,531,191)
Carrying amount as at May 31, 2015	1,975,946	623	28,763	149,142	1417,110	1,527,258	5,098,742

Express Catering Limited

Notes to the financial statements
May 31, 2016

6. Development costs

These represents amounts spent on the development of new products, processes and systems that will be amortised over 4 years and comprise:

	2016 US\$	2015 US\$
Cost	26,689	20,000
Addition during the year	-	6,689
Total	26,689	26,689

7. Licences and franchises

	2016 US\$	2015 US\$
Cost	1,232,610	1,232,610
Less: Amortisation at beginning of year	419,107	322,319
Charges during the year	91,710	96,758
Total	721,793	813,503

8. Trade and other receivables

	2016 US\$	2015 US\$
Receivables	13,778	41,529
Staff loan	4,179	3,810
Deposit	30,084	56,176
Other receivables	55,659	130,740
Total	103,700	232,255

9. Inventories

	2016 US\$	2015 US\$
Food	90,383	153,208
Beverage	49,484	66,295
Gift Shop	57,112	85,680
Other	79,800	120,895
Total	276,779	426,078

10. Cash and cash equivalents

	2016 US\$	2015 US\$
Cash and bank balances	172,999	169,047
Less: Bank overdraft	102,636	82,673
Total	70,363	86,374

Express Catering Limited

Notes to the financial statements
May 31, 2016

11. Share capital

	2016 US\$	2015 US\$
Authorised:		
Stated capital:		
Issued and fully paid:		
73,861 ordinary shares	73,861	73,861
	73,861	73,861

Under the Jamaican Companies Act 2004, all shares in issue are deemed to be without par value.

12. Capital reserve

The above represents net income earned two months prior to the date of incorporation as follows:

	US\$
Gross income:	159,538
Less: expenses	94,303
Taxation	21,745
	43,490

13. Long term loans

	2016 US\$	2015 US\$
Related party loan	404,622	949,453
Less: current portion	404,622	594,029
Total	-	355,424

This represents two loans with Goddard Catering Group, denominated in United States currency. The loans attract interest rate of 7% each and are repayable over five (5) years with monthly payments totalling US\$49,503.

14. Lease obligation

The company leased equipment which has been accounted for as a financed lease. Future minimum payments are as follows:

	2016 US\$	2015 US\$
Year 2016	-	92,975
Year 2017	14,082	-
Year 2018	15,635	-
Year 2019	8,630	-
Year 2020	4,983	-
Year 2021	3,157	-
	46,487	92,965
Less: current portion	7,786	92,965
Total	38,701	-

Express Catering Limited

Notes to the financial statements
May 31, 2016

15. Deferred tax liability

Deferred taxes are calculated on all temporary differences under the liability method using a tax rate of 25%. The movement on the deferred tax account is as follows:

	2016 US\$	2015 US\$
Balance at beginning of year	157,168	133,826
Changes during the year (Note 21)	32,975	23,342
Balance at end of year	124,193	157,168

Deferred tax balance arose on temporary differences in respect of the following:

	2016 US\$	2015 US\$
Deferred tax on:		
Property and equipment	124,193	157,168
Deferred tax liability	124,193	157,168

16. Bank overdraft

This represents the excess of unpresented cheques over bank balances at the end of year.
The company does not operate an overdraft facility.

17. Trade and other payables

	2016 US\$	2015 US\$
Trade payables	700,481	1,082,933
Accrued expenses	70,704	114,503
Other payables	326,249	392,309
Total	1,097,434	1,589,745

18. Related party balances and transactions

- i A party is related to the company if:
 - a Directly, or directly through one or more intermediaries, the party:
 - Is controlled by, or is under common control with the entity
 - Has an interest in the company that gives it significant influence over the or:
 - Has joint control over the company
 - b The party is an associates;
 - c The party is a joint venture in which the company is a venturer;
 - d The party is a member of the key management personnel of the entity or its parent;
 - e The party is a close member of the family of any individual referred to in (a) or (d)

Express Catering Limited

Notes to the financial statements
May 31, 2016

- f The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, and individual referred to in (d) or (e); or
- g The party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the entity.
- h The company is related to other company by virtue of common shareholders and Directors.
- ii The statement of financial position includes balances arising in the normal course of business, with related parties as follows:

	2016 US\$	2015 US\$
Margaritaville Limited	(5,360,437)	(3,876,256)
Margaritaville St Lucia	3,261,798	2,418,029
Margaritaville Development Loan (a)	2,764,222	2,764,222
	<u>665,583</u>	<u>1,305,995</u>
Loans due to Goddard Catering (Versair Inflite (2006) Limited)	<u>404,622</u>	<u>949,453</u>

- (a) This represents a bank loan received by Margaritaville Limited, a related company and on-lent to the company on the same terms and conditions. Interest on the loan is at 9.4% per annum and is repayable in 20 equal quarterly instalments.
- iii Related party balances are unsecured. Amounts owing by related companies have no fixed repayment terms.

19. Finance costs

	2016 US\$	2015 US\$
Related party loan interest	244,165	280,525
Loan interest	166,701	155,585
Overdraft interest	2,991	4,644
Total	<u>413,857</u>	<u>440,754</u>

20. Profit before tax

Profit before tax is stated after charging/(crediting):

	2016 US\$	2015 US\$
Depreciation	437,077	480,354
Auditors' remuneration	11,641	11,584
Interest expense	413,857	440,754
Interest income	(1,226)	(325)

21. Income taxes

- i Income tax based on profit for the year and adjusted for tax purposes and computed at the rate of 25% comprises:

Express Catering Limited

Notes to the financial statements
May 31, 2016

	2016 US\$	2015 US\$
Current charge	225,376	161,373
Deferred tax (credit)/charge	(32,975)	23,343
Total	192,401	184,716

ii Taxation charge reconciliation

	2016 US\$	2015 US\$
Accounting profit	1,262,781	775,282
Tax at the applicable tax rate of 25%	315,695	193,820
Tax effect of expenses not deductible for tax purposes	104,781	120,089
Tax effect of allowable capital allowances	(89,426)	(82,223)
Tax effect on lease payment	(25,191)	(57,148)
Foreign currency adjustment	(80,483)	(13,165)
Deferred tax (credit)/charge	(32,975)	23,343
Income tax for the year	192,401	184,716

22. Expenses by nature

Total direct, administrative and other operating expense:

	2016 US\$	2015 US\$
Depreciation	437,077	480,354
Rent and lease	2,812,459	2,741,750
Interest expense	413,857	440,754
Employee benefits (Note 23)	1,544,618	1,636,941
Other expenses	4,090,716	4,073,742
Total	9,298,727	9,373,541

23. Employee benefits

	2016 US\$	2015 US\$
Wages and taxes	1,392,380	1,462,778
Medical and other staff benefits	152,238	174,163
Total	1,544,618	1,636,941

There were two hundred and seventy-five (275) (2015 – two hundred and sixty-seven (267)). permanent employees at year end.

24. Contingent liabilities

The company is contingently liable to National Commercial Bank (Jamaica) Limited for guarantees given on behalf of a related company.

25. Risk management policies

The company's activities expose it to a variety of financial risks in respect of its financial instruments: market (currency risk, interest rate risk and other price risk), credit risk and

Express Catering Limited

Notes to the financial statements
May 31, 2016

liquidity risk. The company seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate

risk and certain other price risk, which result from both operating and investing activities.

i Currency risk and sensitivity

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The currency giving rise to this is the Jamaican Dollar.

The company has certain obligation in foreign currency. It is however able to manage this risk by maintaining a foreign currency bank account.

Net foreign currency at exposure at the date of the statement of financial position was as follows:

	2016 US\$	2015 US\$
Cash and cash equivalents	4,613	5,270
Interest bearing borrowings	(2,764,222)	(2,764,222)
Total	(2,759,609)	(2,758,952)

Foreign currency sensitivity

The sensitivity analysis is based on the company's foreign currency financial instruments held at each reporting date.

If the value of the United States Dollar appreciated by 6% against the Jamaican Dollar this would have a positive impact on earnings of approximately US\$22,036 while if the rate of the United States Dollar depreciated it would impact earnings negatively by US\$19,541 (2015 – 5% US\$149,522).

ii Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rate. The company's cash and cash equivalents are subject to interest rate risk. However, the company attempts to manage this risk by monitoring its interest-earning assets closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

The company is exposed to interest rate risk as follows:

Financial assets/(liabilities) :

Express Catering Limited

Notes to the financial statements
May 31, 2016

	Range of interest rates %	Rate sensitive within one Year US\$	Non-rate sensitive within one year US\$	Total US\$
Cash and cash equivalents in Jamaican Dollars (J\$)	24.75 - 1.5	(102,634)	-	(102,634)
Cash and cash equivalents in United States Dollars (US\$)	15.75 - 0.15	82,904	-	82,904
Bank loan in Jamaican Dollars (JA\$)	9.00	(2,764,222)	-	(2,764,222)

Interest rate sensitivity

A reduction in interest rates by 1% basis point would increase earnings by approximately US\$27,642 (2015 - US\$28,469).

iii Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issue or factors affecting all instruments traded in the market.

The company is not exposed to other price risk as it has no investment in equity instruments.

b Credit risk

The company faces credit risk in respect of its receivables and cash and cash equivalents. However, this risk is controlled by close monitoring of these assets by the company. In addition, cash and cash equivalents are maintained with licensed financial institutions considered to be stable. The maximum credit risk faced by the company is the total of these balances reflected in the financial statements.

Classes of financial assets – carrying amounts

	2016 US\$	2015 US\$
Trade and other receivables	103,700	232,255
Cash and cash equivalents	172,999	169,047
	276,699	401,302
Less: Bank overdraft	102,636	82,673
Total	174,063	318,629

c Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its commitments associated with financial liabilities.

The company manages its liquidity risk by carefully monitoring its cash outflow needs for day-to-day business and maintaining an appropriate level of resources in liquid or near

Express Catering Limited

Notes to the financial statements
May 31, 2016

liquid form to meet its needs. The company maintains cash and savings deposits for up to 30-day periods to meet its liquidity requirements.

The company's financial liabilities comprise trade and other payables. These amounts are due as follows:

May 31, 2016

	Within 12 Months US\$
Trade and other payables	1,097,434
Total	1,097,434

May 31, 2015

	Within 12 Months US\$
Trade and other payables	1,589,745
Total	1,589,745

26. Summary of financial assets and liabilities by category

The carrying amount of the company's financial assets and liabilities are recognised at the end of the reporting period under review may also be categorised as follows:

	2016 US\$	2015 US\$
Financial assets		
Loans and receivables		
Trade and other receivables	103,700	232,255
Cash and cash equivalents	172,999	169,047
Total	276,699	401,302
Financial liabilities		
Non-current liabilities		
At amortised cost		
Lease obligation	38,701	92,975
Borrowings	-	355,424
	38,701	448,399
Current liabilities		
At amortised cost		
Bank overdraft	102,636	82,673
Trade and other liabilities	1,097,434	1,589,745
Owing to related companies	665,583	1,305,995
Current portion of borrowing	412,408	594,029
	2,278,061	3,572,442

27. Capital management, policies and procedures

The company's capital management objectives are to ensure the company's ability to continue as a going concern and to provide adequate return to shareholders by pricing products commensurately with the level of risk and current market conditions.

28. Management agreement

The company has a management agreement with Margaritaville Limited, a related company, to provide management services for the day to day operations of the company.

29. Lease agreement

The company renewed its lease arrangements with the MBJ Airports Limited in November, 2011 for various spaces at the Sangster International Airport in Montego Bay, Jamaica. The lease is for an initial period of 10 years commencing April 1, 2012 to March 31, 2022 with options for an additional period of 10 years April 1, 2022 to March 31, 2032.


The lease payable is the port fee charged by the MBJ, such fees being based on the selling price of all items sold by the tenant at the premises, after deduction of gratuities and related taxes. Property lease expenses for the year amounted to \$2,812,459 (2015 - \$2,741,750).

Additional information - Auditors' report

To the Directors of
Express Catering Limited
On Additional Information

The additional information presented on pages 23 and 24 has been taken from the accounting records of the company and has been subjected to the tests and other auditing procedures applied in our examination of the financial statements of the company for the year ended May 31, 2016.

In our opinion, the said information is fairly presented in all material respects in relation to the financial statements taken as a whole although it is not necessary for a fair presentation of the state of the company's affairs as at May 31, 2016 or of the results of its operations or its cash flows for the year then ended.


Mair Russell Grant Thornton
Chartered Accountants

Montego Bay, Jamaica

August 22, 2016

Additional information - Detailed profit or loss account for the year ended May 31, 2016

	2016 US\$	2015 US\$
Sales	14,058,053	13,599,073
Cost of sales	(3,577,878)	(3,411,417)
Gross profit	10,480,175	10,187,656
Interest income	1,226	325
	10,481,401	10,187,981
Expenses		
Administrative expenses	8,212,504	8,202,185
Promotional expenses	37,724	38,294
Other operating expenses	105,855	115,166
Foreign exchange (gains)/losses	(80,107)	39,142
Depreciation and amortisation	528,787	577,142
Finance costs	413,857	440,754
	9,298,727	9,373,541
Profit before tax	1,182,674	814,424

Additional information - Supporting schedule of expenses for the year ended May 31, 2016

	2016 US\$	2015 US\$
Administrative expenses		
Group recoverable cost	1,383,229	1,355,650
Salaries and wages	1,392,380	1,462,778
Medical and other staff benefits	152,238	174,163
Rent	2,812,459	2,741,750
Rates and Taxes	88,434	95,466
Licence	2,162	1,636
Telephone	8,345	12,289
Electricity	220,912	340,495
Repairs and maintenance	91,447	77,602
Printing and stationery	24,644	20,903
Cleaning and sanitation	69,551	92,199
Security	18,281	16,910
Insurance	67,498	72,462
Motor vehicle expenses	7,498	4,732
Entertainment	11,271	8,746
Franchise fee	1,264,282	1,188,516
Fuel	39,098	44,678
Bar and restaurant supplies	373,127	357,357
Legal and professional fees	13,379	4,253
Audit fees	11,641	11,584
Credit card discount	128,856	106,770
Office and miscellaneous expenses	29,052	7,259
Guest supplies	30	-
Transportation	2,690	3,987
	8,212,504	8,202,185
Promotional costs		
Advertising	12,402	17,544
Foreign travel	25,322	20,750
	37,724	38,294
Other operating expenses		
Bank charges	105,855	115,182
	105,855	115,182
Finance costs		
Loan interest	410,866	436,110
Overdraft interest	2,991	4,644
	413,857	440,754
Depreciation and amortisation		
Depreciation	437,077	480,354
Amortisation	91,710	96,788
	528,787	577,142



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Part 2: Unaudited Financial Information

EXPRESS CATERING LIMITED Balance Sheet		
	Unaudited 31 March 2017 US\$	Audited 31 May 2016 US\$
Non-Current Assets		
Property, plant & equipment	4,472,988	4,756,053
Franchise Acquisition & Development	620,232	721,793
Development Costs	4,176	26,689
Due from related parties	3,721,551	-
Goodwill	-	-
Deferred Tax Asset	-	-
	8,818,947	5,504,535
Current Assets		
Inventories	481,510	276,779
Accounts receivable	183,769	103,700
Prepayments and Deposits	7,994	1,410
Taxation recoverable	38,587	-
Cash and deposits	202,959	70,363
	914,819	452,252
Total Assets	9,733,765	5,956,787
Stockholders' Equity		
Share capital - Ordinary Shares	73,861	73,861
Capital reserve	43,490	43,490
Retained earnings	4,499,791	3,349,233
	4,617,142	3,466,584
Shareholders Loans	-	-
Total Stockholders Equity	4,617,142	3,466,584
Non-Current Liabilities		
Deferred tax liabilities	124,193	124,193
Cumulative Preference Shares	3,500,000	-
Lease Obligation	34,043	46,487
Long Term Loans	-	-
	3,658,236	170,680

Current Liabilities		
Accounts payable	1,458,386	1,097,434
Due to related parties	-	665,583
Accrued Charges	-	-
Taxation payable	-	151,884
Current portion of long term loans	-	404,622
Short term loans	-	-
	1,458,386	2,319,523
Total Liabilities	5,116,623	2,490,203
Total Liabilities and Equity	9,733,765	5,956,787

Part 2: Unaudited Financial Information

EXPRESS CATERING LIMITED Statement of Profit or Loss and Other Comprehensive Income

	Unaudited 31 March 2017 US \$	Unaudited 31 March 2016 US \$
Revenue	11,541,158	11,524,238
Cost of sales	(2,948,955)	(2,962,633)
Gross profit	8,592,203	8,561,605
Administrative expenses	(6,554,764)	(6,669,806)
Promotional expenses	(33,802)	(23,877)
Other operating expenses	(130,900)	(89,837)
Depreciation and amortisation	(465,357)	(443,458)
Foreign exchange adjustment	43,496	(99,649)
Operating profit	1,450,877	1,234,979
Finance income	3,311	939
Finance costs	(303,629)	(331,774)
Profit before tax	1,150,559	904,144

Part 2: Unaudited Financial Information

EXPRESS CATERING LIMITED Statement of Cash Flows

	Unaudited 31 March 2017 US\$	Unaudited 31 March 2016 US\$
Cash flows from operating activities:		
Profit before tax	1,150,559	904,144
Adjustments for:		
Depreciation and amortisation	465,357	443,458
Interest expenses	303,629	331,774
Interest income	(3,311)	(939)
Foreign Exchange Adjustment	11,154	99,649
	1,927,387	1,778,086
Increase in Receivables	(80,069)	20,607
Increase in prepayment	(6,584)	1,381
Increase in Inventories	(204,731)	(74,440)
Increase/(Decrease) in Trade and Other Payables	360,952	(14,740)
Increase in Owings From Related Companies	(3,721,551)	-
Decrease/(Increase) in owing to related companies	(665,583)	(600,865)
Cash generated from operations	(2,390,178)	1,110,029
Interest paid	(303,629)	(331,774)
Income tax paid	(190,471)	(252,185)
Net cash provided by operating activities	(2,884,278)	526,070
Cash flows from investing activities:		
Purchase of property and equipment	(69,371)	(73,508)
Development cost	-	-
Interest Received	3,311	939
Net cash used in investing activities	(66,060)	(72,569)
Cash flows from financing activities		
Proceeds from Preference Shares	3,500,000	-
Reduction in lease obligation	(12,444)	(42,756)
Repayment of long term loans	(404,622)	(418,939)
Net cash used in financing activities	3,082,934	(461,695)
(Decrease)/increase in cash and cash equivalents	132,596	(8,194)
Cash and cash equivalents at beginning of year	70,363	86,374
Cash and cash equivalents at March 31	202,959	78,180

Part 2: Unaudited Financial Information

EXPRESS CATERING LIMITED Statement of Changes in Equity			
	US\$	Retained Earnings US\$	Total US\$
Balance at 31 May 2015	43,490	2,278,853	2,396,204
Total comprehensive income for the year	-	1,070,380	1,070,380
Balance at 31 May 2016	43,490	3,349,233	3,466,584
Total Comprehensive Income for the 10 months to March 31, 2017	-	1,150,559	1,150,559
Balance at 31 March 2017	43,490	4,499,792	4,617,143

SECTION 12: RISK FACTORS

Franchise model risk

The Company operates a number of branded restaurant outlets under franchise or sub-franchise or similar agreements with franchisors such as Jimmy Buffett's Margaritaville, Starbucks, Quiznos, Nathan's Hot Dogs, etc. at a single location, Sangster International Airport. The Company is dependent on its contractual arrangements with MJB Airports, third-party franchisors, and in the case of sub-franchises, on its Group's relationship with those third-party franchisors, for its premises and also, its rights to use the names and brands at its premises in Sangster International Airport in Montego Bay. The Company must pay royalties and other fees for the creation of its establishment and ongoing use of the name and brands, and operation of the restaurant outlets at the airport. If the Company were to breach its arrangements with MJB Airports, any of the third-party franchisors, or (in the case of a sub-franchise) if the Group were to do so, the Company could lose its premises at Sangster International Airport and/or the right to use the names and brands and operation of the relevant franchised restaurant outlets with attendant loss of income and possible negative effects on other ongoing operations.

Non - diversification risk

The business model and scale of the Company is not diversified as to its geographic location, because it operates only in the Sangster International Airport at Montego Bay under a long term contractual arrangement. The business of the Company is dependent on tourist and other visitor numbers to Jamaica that use that particular airport and make use of the Company's offerings. The Company is taking steps to increase the range of its product offerings and also, individual spend by customer at its outlet but a fundamental lack of diversification resulting from its reliance on a single site controlled by a single contractual counterparty, although common in the tourism industry, could impact on the future success of the business in the event of termination or disruption.

Key Personnel

It is important that the Company attracts and retains appropriately trained and/or skilled persons in order to operate its business model, which is predicated on good food and good service delivered promptly. It is also important for the Company to replace personnel whose employment may be terminated for any reason within a reasonable time. In Jamaica, competition for appropriately skilled or qualified personnel can be intense, as there are a limited number of people with the requisite skills, knowledge and experience. The Company will need to attract and retain honest qualified personnel and/or recruit certain qualified personnel from abroad with attendant costs of re-location and expatriate benefits etc. Failure to recruit and retain qualified personnel could have a material adverse impact on the growth of the Company and its future financial prospects.

Macro - Economic Policies

Changes in fiscal and monetary policies introduced by the Government of Jamaica may affect the behavior of capital markets including the JSE and the market for securities the Company

holds in its investment portfolio. If such policies become onerous from the point of view of the Company or its clients this could require the Company to change the types of products it offers, or the terms on which it offers them, or the overall nature of its business operations.

New Regulatory Rules or Standards

The Company may also become subject to new regulatory rules or standards that differ from those that are presently applicable. If such regulatory rules or standards become onerous from the point of view of the Company or its clients this could require the Company to recapitalize, or to change its business operations, and in any case, changes in such regulatory rules or standards may affect its long - term profitability.

New Accounting Rules or Standards

The Company may become subject to new accounting rules or standards that differ from those that are presently applicable. Such new accounting rules or standards could require significant changes in the way the Company currently reports its financial position, operating results or cash flows. Such changes could be applied retrospectively. This is a risk that is common to companies that apply International Financial Reporting Standards (IFRS), as required under the Jamaican Companies Act.

Volatility in Price of Shares/ Flat Trading

Following their proposed admission to trading on the Junior Market the Shares may experience volatility in their market price, or flat trading, being very infrequent or insignificant volumes of trading, either of which may extend beyond the short term and which may be dependent on the Company's financial performance, as well as on investors' confidence and other factors over which the Company has no control. In either case the market price of the Shares may be negatively affected or constrained from growing.

Operational Risk

The Company is subject to the risk of loss resulting from disruptions to its business, inadequate or failed internal processes, people and systems, or from external events (including severe weather, other acts of God social unrest). This definition also includes systemic risk (including the risk of accounting errors, failure to procure appropriate insurance coverage, and compliance failures), legal risk and reputation risk. This catch-all category of risks also includes employee errors, computer, network and manual systems failures, security failures, fire, floods or other losses to physical assets, and fraud or other criminal activity or any other risk that affects the volume of visitor arrivals to the island. The Directors consider that the Company is prudent and that it insures itself against some (but not all) of these risks. It may not be feasible for the Company to insure itself in respect of all of the risks mentioned, because no coverage maybe available or it is not economical to do so. In the case of products and services supplied to the Company, the Company may not always be able to recover consequential loss either under the law, contractually, or under any policies of insurance.

Risk of Catastrophic Events

Property and casualty insurers are subject to claims for property damage and business interruption arising out of natural disasters and other catastrophes, which may have a significant impact on their results of operations and financial condition. Natural disasters and other

catastrophes can be caused by various events including, but not limited to, hurricanes, earthquakes, tornadoes, wind, hail, fires and explosions, and the incidence and severity of natural disasters and other catastrophes are inherently unpredictable. The extent of losses from a catastrophe is a function of 2 factors: the total amount of insured exposure in the area affected by the event and the severity of the event. Most natural disasters and other catastrophes are localized; however, hurricanes, earthquakes and floods have the potential to produce significant damage in widespread areas.

Control of the Company by certain Directors

The transfer of the Shares in the Invitation will not confer legal or effective control of the Company on Applicants, having regard to the number and percentage of issued Shares retained by the Selling Shareholder prior to and after the Invitation. The Company and the Group are controlled by Margaritaville Caribbean, in which Chairman H. Winston Dear and Chief Executive Officer Ian Dear are interested.

Market Risk

Market risk is the risk that the value of the Company's investments will decrease due to factors including but not limited to price risk (the risk that the prices of securities in the investment portfolio of the Company (the "investment securities" will change), interest rate risk (the risk that interest rates attaching to the said investment securities will change), and currency risk (the risk that foreign exchange rates attaching to the said investment securities will change).

Admission of the shares to the Junior Market of the JSE

After the Closing Date, and assuming that the Company is able to raise J\$490 million as a result of the Invitation the Company will make application to the JSE to admit the Shares to the Junior Market. The application for listing is dependent on the success of the Invitation and other criteria set out in the Junior Market Rules. However, the Company is not able to guarantee the success of the Invitation or the admission of the Shares to the Junior Market. If the listing is not achieved, the Company will not be eligible for the remission of income tax described in the paragraph below.

Junior Market Taxation

If the Shares are admitted to the Junior Market of the JSE, the Directors anticipate that the Company will benefit from a 10-year concessionary tax regime that starts from the date of listing. The remission of tax requires the Company to meet the ongoing Junior Market requirements for at least 10 years from the date of listing and to remain listed on the JSE for 15 years. If the Company breaches the requirements it may be liable to repay all tax that was remitted.

SECTION 13: PROFESSIONAL ADVISORS TO THE COMPANY

Lead Broker and Financial Adviser

Mayberry Investments Limited
1½ Oxford Road
Kingston 5

Auditors

Mair Russell Grant Thornton
Chartered Accountants
3 Haughton Avenue
Kingston 10

Attorneys to the Company in the Invitation

Patterson Mair Hamilton
Temple Court, 85 Hope Road
Kingston 6

Attorneys to the Company

Myers, Fletcher & Gordon
21 East Street
Kingston

Registrars and Transfer Agents for the Shares

Jamaica Central Securities Depository
40 Harbour Street
Kingston

SECTION 14: STATUTORY AND GENERAL INFORMATION

14.1 Statutory information required to be set out in this Prospectus by section 42 and the Third Schedule to the Companies Act

1. The Company has no founders or management or deferred shares.
2. The Articles of Incorporation fix no shareholding qualification for directors and none has been otherwise fixed by the Company in general meeting.
3. The Articles of Incorporation contain the following provisions with respect to the remuneration of Directors:
 - (a) The remuneration of the directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings or any committee of the Directors or general meetings of the Company in connection with the business of the Company. The Directors may award special remuneration out of the funds of the Company to any Director going or residing abroad in the interest of the Company, or undertaking any work additional to that usually required of Directors of a company similar to the Company. (Article 82)
 - (b) A director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs. (Article 84)
 - (c) A director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the directors may determine and no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or management entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established. (Article 97(5))
 - (d) Any director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director; provided that nothing herein contained shall authorise a director or his firm to act as auditor to the company. (Article 97(7))
 - (e) The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance. (Article 100)

- (f) A Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the directors may determine. (Article 123)
4. The names and addresses of the Directors are as follows:
- H. Winston Dear, No. 6 Breadnut Close, Reading, Saint James
 - Ian B. R. Dear, No. 40 The Lagoons, Montego Freeport, Montego Bay, Saint James
 - Roland Clarke, No. 517 Potobello Drive, Saint James
 - John Byles, No. 81 The Lagoons, Montego Freeport, Montego Bay, Saint James
 - Tania Waldron - Gooden, Apartment No.7, Seaview Avenue, Kingston 5, Saint Andrew
5. The minimum amount required to be raised out of the proceeds of the Invitation (inclusive of calling on the underwriting commitment described in paragraph 18 below if necessary) to provide for the matters set out in paragraph 2 of Part 1 of the Third Schedule to the Companies Act (the "minimum subscription") is nil.
6. The Invitation will open for subscription at 9:00 a.m. on Wednesday 12 July 2017 and will close at 4:00 p.m. on the Closing Date, Wednesday 19 July 2017 subject to the Company's right to close the application list at any time after 9:00 a.m. on the Opening Date if Applications have been received for an amount in excess of the Shares offered under this Prospectus, or to extend the Closing Date as described in this Prospectus.
7. All Applicants including Reserved Share Applicants will be required to pay in full the applicable price per Share as specified in the terms and conditions set out in Section 6.4 of this Prospectus. No further sum will be payable on allotment.
8. No previous offer of shares in the Company has been made to the public.
9. Save as set out in paragraph 17 below no person has, or is entitled to be given, any option to subscribe for any shares in, or debentures of, the Company.
10. As at 31 March 2017 being the date to which the most recent unaudited financial information of the Company is made up, the Company held the following investments:
- | | |
|--------------------------|---------------------|
| Inventories | US\$ 481,510 |
| Prepayments and Deposits | 7,994 |
| Cash and deposits | <u>202,959</u> |
| | <u>US\$ 692,463</u> |
11. There is no amount for goodwill, patent, or trademarks shown in the financial statements of the Company and there is no contract for sale and purchase, which would involve any goodwill, patent or trademarks.
12. As at 31 March 2017 being the date to which the most recent unaudited financial information of the Company is made up, the aggregate amount of indebtedness of the Company was as follows:
- Current Liabilities:
- | | |
|------------------|---------------|
| Accounts Payable | US\$1,458,386 |
|------------------|---------------|
- Non-Current Liabilities:
- | | |
|---|----------------------|
| Deferred tax | 124,193 |
| Cumulative Redeemable Preference Shares | 3,500,000 |
| Lease Obligation | <u>34,043</u> |
| | <u>US\$3,658,236</u> |
13. (a) In the period represented by the Audited Financial Information the Company paid dividends as follows:

On the Preference Shares: The Preference Shares are newly issued cumulative redeemable preference shares. A cumulative dividend being 9.50% per Preference Share, is payable on 30 January, 30 April, 30 July and 30 October in each year. The first dividend was paid on 30 April 2017 and amounted to US\$79,253.42 in the aggregate.

On the Shares: None.

- (b) There is no property that is currently proposed to be purchased or acquired by the Company is to be paid for wholly or partly out of the proceeds of this Invitation for the purposes of paragraphs 6 to 9 (inclusive) of Part 1 of the Third Schedule of the Companies Act. The proceeds of the Invitation will accrue exclusively to the Selling Shareholder.
14. Save as set out in paragraph 16 below within the 2 preceding years, no commissions have been paid, nor will any be payable to anyone for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures of the Company.
15. The Selling Shareholder expects to pay the expenses of the Invitation out of the proceeds of its fundraising, and the Company estimates that such expenses will not exceed J\$27.5 million (inclusive of brokerage and financial advisory fees, legal fees, auditors' fees, Companies Registrar's fees, initial listing and other JSE and JCSD fees and GCT).
16. Within the last 2 years preceding the date of this Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any promoter or person in connection with the sale of any shares or securities in the Company save as follows:
- (a) For the purposes of the Invitation, Mayberry, by virtue of a Mandate Agreement dated 11 January 2017, is entitled to receive a financial advisory fee of US\$25,000 and a lead broker's fee of 3.0% of the value of the total amount raised and accepted by the Company on behalf of the Selling Shareholder in the Invitation. All fees referred to herein are quoted exclusive of GCT, and disbursements.
- (b) NCB Capital Markets, by virtue of an agreement dated 16 November 2016, received US\$87,500.00 by way of financial advisory fees in relation to the subscription of the US\$ cumulative redeemable 9.5% preference shares earlier this year.
17. The material contracts of the Company are set out in Section 7.9.
18. The external audit firm of the Company is Mair Russell Grant Thornton.
19. The Auditors have given and have not withdrawn consent to the issue of this Prospectus with the inclusion of their name and references thereto in the context in which they are included.
20. The Company was incorporated on 26 June 2001 and has its registered office at Unit 16 M19 Southern Cross Boulevard, Montego Bay Freeport, Montego Bay, St. James. It has no subsidiaries.

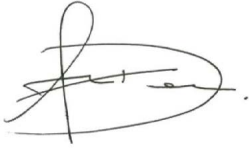
SECTION 15: DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected by appointment only, at the law offices of Patterson Mair Hamilton, Temple Court, 85 Hope Road, Kingston 6 between the hours of 9:00 a.m. to 4:00 p.m. on Mondays to Fridays, up to and including the Closing Date:

1. The Articles of Incorporation of the Company adopted 26 June 2017.
2. The Material Contracts described in section 7.8.
3. The Financial Information.
4. The consent of the auditors to the inclusion of each of their names and references thereto in the form and context in which they appear in this Prospectus.

SECTION 16: DIRECTORS' & SELLING SHAREHOLDER'S SIGNATURES

The Directors of the Company whose signatures appear below are individually and, together with the Selling Shareholder, collectively responsible for the contents of this Prospectus:



Ian Dear



Roland Clarke



H. Winston R. Dear

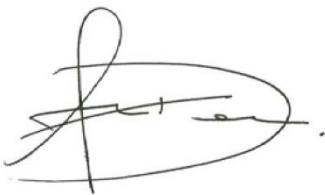


John Byles



Tanja Waldron-Gooden

The Selling Shareholder, Margaritaville St. Lucia Inc. whose directors' signatures appear below is jointly and severally responsible for the contents of this prospectus:



Ian Dear



Roland Clarke



Brenda Duncan



John Byles

Appendix 1

Application Form EXPRESS CATERING LIMITED

PLEASE READ CAREFULLY BEFORE COMPLETING THIS FORM

- ☐ COMPANY RESERVED SHARES
☐ MAYBERRY RESERVED SHARES
☐ KEY PARTNERS RESERVED SHARES

TO: EXPRESS CATERING LIMITED ("EXPRESS" or the "The Company")

Re: In respect of up to 327,500,000 Ordinary Shares at J\$1.50 each being offered made pursuant to the Prospectus dated and registered on or around July 5, 2017. I/We confirm that I/we have read and understood and hereby agree to be bound by the terms and conditions contained in the Prospectus, all of which are incorporated in this Application Form by reference.

I/We hereby apply for ordinary shares in Express Catering Limited on and subject to the terms and conditions of the Invitation set out in the Prospectus at the price of J\$1.50 each, and I/we attach my/our payment (*inclusive* of processing fees of J\$163.10) for or I/we request my broker to make payment on my/our behalf from cleared funds held by them in my /our names in account numbered , with them. I/We hereby instruct my/our broker to debit my/our account with the sum of J\$ for the purposes of my/our subscription of ordinary shares and processing fee as indicated above.

I/We agree to accept the same or any smaller number of Shares in respect of which this application may be accepted, subject to the terms and conditions in the Prospectus and the Articles of Incorporation of the Company, by which I/we agree to be bound. I/We request you to sell and transfer to me/us the number of shares which may be allocated to me/us at the close of the said Invitation based on the terms and conditions governing applications, as set forth in the Prospectus. I/We hereby agree to accept the shares that may be allocated to me/us to be credited to an account in my/our name(s) in the Jamaica Central Securities Depository (JCSD).

INSTRUCTIONS TO COMPLETING APPLICATION FORM: All fields are relevant and must be completed.

Please indicate your JCSD account number here

PRIMARY HOLDER DETAILS

JCSD ACCOUNT NUMBER

BROKER CODE

PRIMARY HOLDER (EITHER COMPANY OR INDIVIDUAL)

TITLE

TAXPAYER REGISTRATION NUMBER

CITIZENSHIP

NATIONALITY

CLIENT TYPE

ACCOUNT TYPE

OCCUPATION **OR**, IF EMPLOYED BY THE COMPANY PLEASE STATE YOUR POSITION, **OR** STATUS IF YOU ARE A PRIORITY SHARE APPLICANT

MAILING ADDRESS LINE 1

MAILING ADDRESS LINE 2

MAILING ADDRESS LINE 3

CITY (E.G. KINGSTON)

POSTAL CODE (E.G. 6)

COUNTRY CODE

TELEPHONE NUMBER (HOME)

TELEPHONE NUMBER (WORK)

TELEPHONE NUMBER (CELL)

SIGNATURES:

INDIVIDUAL:

DATE SIGNATURE AFFIXED:

COMPANIES (COMPANY SEAL OR STAMP REQUIRED):

DIRECTOR:

DIRECTOR/SECRETARY:

DATE SIGNATURES AFFIXED:

USE BY REGISTRAR ONLY

Form ID:

Batch #

PLEASE CONTINUE ON REVERSE TO COMPLETE JOINT HOLDER INFORMATION

ALL APPLICANTS MUST INDICATE THEIR TAXPAYER REGISTRATION NUMBER (TRN) OR OTHER EQUAL IDENTIFIER ON THE APPLICATION

ALL APPLICANTS ARE REQUIRED TO PAY J\$163.10 PROCESSING FEE PER APPLICATION SUBMITTED

THIS OFFER IS NOT MADE TO PERSONS RESIDENT OUTSIDE JAMAICA

[illegible][illegible]

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SIGNATURE

[illegible][illegible]

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SIGNATURE

[illegible][illegible]

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SIGNATURE

1. All completed applications must be delivered to Mayberry Investments Limited ("Mayberry"), 1 1/2 Oxford Road, Kingston 5, Saint Andrew
2. Applications that are not from the Reserved Share pool must be for a minimum of 5,000 shares and be made in increments of 1,000 shares. Applications in other denominations will **not** be processed or accepted.
3. All applicants must attach their payment for the specified number of Shares they have applied for, in the form of either:
 - A. A Manager's cheque made payable to "Mayberry Investments Limited" or
 - B. Authorization from the Applicant on the Application Form, instructing Mayberry to make payment from cleared funds held in an investment account in the Applicant's name at Mayberry, or
 - C. Transfer in the Real Time Gross Settlement ("RTGS") system to designated account for the purposes of payments of J\$1 million or more. Please contact Mayberry for details
3. If you are applying jointly with any other person, you must complete the Joint Holder Information and each joint holder **must** sign the Application Form at the place indicated.
4. All Applicants must be at least 18 years old and must attach a certified copy of their T.R.N. card or Jamaican Driver's Licence displaying the T.R.N.
5. Share Certificates will not be issued unless specifically requested through your broker. Instead, the shares allotted to a successful applicant will be credited to his account at the Jamaica Central Securities Depository ("JCSD"). If the applicant does not have a JCSD account, one will be created by your broker and the allotted shares deposited to that account. Applicants may refer to the notice posted on the JSE website (www.jamstockex.com) for instructions on confirming Share Allotments
6. All Applicants are deemed to have accepted the terms and conditions set out in the Prospectus and the Articles of Incorporation of the Company generally.

BROKER STAMP AND SIGNATURE: