

This Prospectus and the Shares offered herein have been registered with the Securities Commission of The Bahamas under the Securities Industry Act, 1999 effective December 13th, 2011. The Securities Commission of The Bahamas has not passed judgment on the merits of the Offering and is therefore not liable for any statements or omissions contained herein. Further, the Commission has not checked and will not check the accuracy of the statements made and accepts no responsibility therefore for the soundness of the issuer or the values of the Shares concerned.

PROSPECTUS
INITIAL PUBLIC OFFERING
December 16th, 2011

APD LIMITED

1,000,000 Ordinary Shares at an Offer Price of B\$10.00 per share

This is a public offering ("the Offering") of **Ordinary Shares** ("the Shares" of **APD Limited ("APD" or "the Company")**), a Bahamian company incorporated on the 24th of February, 2009 with registration number 57742 C under the Companies Act, 1992. The registered address for APD is located at the offices of H&J Corporate Services Ltd., Ocean Centre, Montagu Foreshore, East Bay Street, New Providence, The Bahamas with the following additional contacts: Phone: (242) 502-5200 or corporate@higgsjohnson.com. APD's head offices are located on Arawak Cay, New Providence, The Bahamas with the following contacts: Phone: (242) 323-7066 or www.nassaucontainerport.com

The Company intends to list these Shares on the Bahamas International Securities Exchange ("BISX") however listing will be subject to the Company meeting all of the necessary requirements. BISX will expressly not be held liable for the contents of this Prospectus and makes no representations as to its accuracy or completeness. Furthermore, BISX will not be responsible for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

Providence Advisors Ltd. ("PAL") & CFAL Ltd. ("CFAL") have both agreed on a 'Best Efforts' basis to act as Placement Agents for the purposes of this Offering which is explained in further detail under "Selling Basis" on page 12 of this Prospectus.

The Offering opens at 2:00pm on Friday, December 16th, 2011 and closes at 5:00pm on Tuesday, January 31st, 2012 and is available to all Eligible Investors as defined in this Prospectus. Eligible Investors are reminded that the Directors reserve the right to extend the Closing Date for this Offering if they deem it necessary.

This Prospectus is issued in compliance with the provisions of the Securities Industry Act, 1999 for the purpose of giving information to the public with regard to the issuer. The Directors, collectively and individually accept full responsibility for the accuracy of the information given

information given and confirm, having made all reasonable inquiries that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement in the Prospectus misleading.

This Prospectus is intended for use only in The Commonwealth of The Bahamas and is not to be construed as an offering of any Shares herein referred to outside of The Bahamas. This Prospectus shall be governed by and construed in accordance with the laws of The Commonwealth of The Bahamas.

Eligible Investors should NOT treat the contents of this Prospectus as advice relating to legal or investment matters and are advised to consult their own professional advisers concerning any proposed investment in these Shares. Investors must be aware that the price of the Shares offered herein may go down as well as up after subscribing.

Eligible Investors are also advised that this Prospectus should be read in conjunction with the financial data contained within the appendices. This Prospectus also contains forward looking statements and projections and investors should be aware that such statements and projections do not guarantee future performance and involve risks and uncertainties that could cause actual results to differ materially from those anticipated. The information contained in this Prospectus, stated or incorporated by reference, identifies certain important factors that could cause such differences.

Requests for further information must be directed to either PAL or CFAL.



EMPLOYEES, MANAGEMENT AND OFFICERS OF THE COMPANY SHOULD NOT BE CONTACTED DIRECTLY.

All inquiries should be directed to any of the following individuals:

Kenwood Kerr / Carol Burrows

Providence Advisors Ltd.

2ndFL., Goodman's Bay Corporate Centre
West Bay Street, P.O. Box AP-59223
Nassau, N.P., The Bahamas
Phone: (242) 328-7115-9
Fax: 242 328-7129



Anthony R. Ferguson / Jamaal B. Stubbs

CFAL Ltd.

3rd FL, 308 East Bay Street
P.O. Box CB-1407
Nassau, N.P., The Bahamas
Phone: (242) 502-7010
Fax: (242) 326-3889



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In this document, unless the context otherwise requires, the following expressions have these meanings assigned to them:

Term	Definition
“ACPDH”	Arawak Cay Port Development Holdings Limited.
“APD” or “the Company”	APD Limited.
“B\$” or “Bahamian Dollars”	The legal currency of The Bahamas.
“Best Efforts”	The understanding that the Placement Agents will agree to take all the reasonable and necessary steps to have the Shares offered within this Prospectus sold, but will not be held responsible for any Shares that remain unsold.
“BISX”	Bahamas International Securities Exchange.
“Bottom Fill”	See page 11 under Basis of Allotment.
“Break Bulk”	Cargo that is loaded individually or secured to a pallet or skid and not in shipping or intermodal containers.
“Brownfield”	Land previously used for industrial purposes or certain commercial uses that may be contaminated by low concentrations of hazardous waste or pollution, and has the potential to be reused once it is cleaned up.
“Business Day”	Any day when the banks are open for business in The Bahamas.
“CAM”	Common area maintenance.
“Closing Date”	January 31st, 2012 or the date upon which the Offering is fully subscribed and allocated if earlier, unless otherwise extended by the Directors.
“Company” or “Issuer”	APD Limited
“Customs Department”	The Bahamas Customs Department.
“The Directors”	The Board of Directors.
“Dividend Payment”	A distribution, decided by the Directors, to a class of the Company's shareholders. Dividends are most often quoted in terms of the dollar amount each share receives (dividends per share). It can also be quoted in terms of a

	percentage of the current market price, referred to as “dividend yield”.
“EBITDA”	Operating profit (earnings) before interest, taxes, depreciation and amortization
“Eligible Investor”	See page 46.
“Exclusivity Area”	The area where no other port or container terminal can be established, which includes the Islands of New Providence and Paradise Island as well as anywhere within 20 miles of the shoreline of New Providence for the Exclusivity Period. This restriction does not apply to the existing port at Clifton Pier used for the loading and unloading of fuels, petroleum products, asphalt and cement
“Exclusivity Period”	A period of Twenty years from the substantial completion of all works necessary for the operation of the NCP& GFT.
“Free Cash Flow”	Free Cash Flow is cash flow available to equity investors, and is calculated as Cash Flow from Operations, less Cash Flow from Investing Activities, less Cash Flow from Financing Activities, but before Dividends to equity shareholders.
“FY”	Fiscal Year
“GFT”	Gladstone Freight Terminal.
“Greenfield”	An area of agricultural or forest land, or some other undeveloped site earmarked for commercial development or industrial projects.
“The Government”	The Government of the Commonwealth of The Bahamas.
“IFRS”	International Financial Reporting Standards.
“Internal Rate of Return” or “IRR”	The discount rate at which the net present value of costs (negative cash flows) of the investments (i.e. \$50 million) equals the net present value of the benefits (positive cash flows) of the investment during and at the end of the holding period (which is assumed to be 21 years of construction and 20 years of full operations).
“Issue Price”	The price at which the Shares are being offered to Eligible Investors, which is B\$10.00 per share.
“Land Leases”	APD’s land leases from the Government for the NCP & GFT.
“Memorandum of Understanding” or “MOU”	The agreement, dated May 10th, 2010, which outlines the obligations of APD and The Government, and their various governance and shareholder rights, with respect to “The Project” (as defined herein).

“NCP”	Nassau Container Port.
“Net Income”	Profits attributable to Ordinary Shareholders after deducting dividends paid to preference shareholders.
“Offering” or “Issue”	The offering or issue of up to 1,000,000 Ordinary Shares of APD at an issue price per share of B\$10.00.
“Opening Date”	The date upon which the Shares are first made available for sale, specifically December 16th, 2011.
“Ordinary Shares”	The authorized ordinary shares of the Company with a par value of B\$0.01 each, ownership of which represents a percentage interest in the Company. The holders of Ordinary Shares are entitled to certain voting rights and to receive dividends. In the event of liquidation of the Company, the claims of employees, trade and other creditors, lenders and preference shareholders will have precedence over the claims of those persons owning Ordinary Shares.
“Par Value”	The nominal or face value of a security.
“Placement Agents”	CFAL and PAL
“Project”	The design, financing, construction, management, operation and maintenance of the NCP as a modern, cargo port terminal and the GFT as a multi-operator inland container terminal.
“PSF”	Per square foot.
“Share(s)”	Ordinary Shares of Par Value B\$0.01 each offered at a price of B\$10.00 herein.
“Substantial Completion”	Substantial Completion shall be deemed to have occurred at such time as all works necessary for the operation of the NCP & GFT, as contemplated in the Project Schedule, are duly completed and evidenced by (i) the issuance of performance certificates or taking over certificates, as the case may be, pursuant to the construction contracts and (ii) any certificates of occupancy.
“Sufferance Wharf”	A wharf licensed and attended by customs authorities.
“Term”	Forty-Five (45) years commencing on the execution of the Land Leases.
“TEU”	Twenty-foot equivalent units. A shipping industry term where 1 TEU is equivalent to a standard 20ft container (e.g. a 40ft container is equivalent to 2 TEUs).

“Total Debt”

Total outstanding face value of all third party interest bearing debt including the un-amortizing and amortizing preference shares plus any dividends accruing to the un-amortizing and amortizing preference shares.

“Total Equity”

The ordinary share capital, preference shares (which do not qualify under IFRS as liabilities), share premium, revaluation surplus, undistributed retained earnings and current net profit of the Company, and other reserves.

APD is seeking through this initial public offering to issue up to 1,000,000 Ordinary Shares at an issue price of B\$10.00 per share. Under the MOU signed on May 10th, 2010 between APD and the Government, APD has the responsibility to design, finance, construct, manage, operate and maintain the Nassau Container Port ("NCP") as a modern, cargo port terminal and establish the Gladstone Freight Terminal ("GFT") as an inland container terminal to serve the needs of The Bahamas for a period of at least 45 years.

APD in its current form is equally owned (50/50) by ACPDH and the Government, after each invested B\$20 million in the Project at the same price at which the Shares are being offered herein (B\$10 per share). Through this Offering, APD will sell the remaining 1,000,000 authorized but unissued Ordinary Shares to the general public. At the conclusion of the Offering, ACPDH and the Government will each hold a 40% equity interest in APD with the remaining 20% held by the general public; effectively broadening APD's ownership base.

The Directors of APD are as follows:



James
Mosko
Chairman

Anthony
Allen
**Deputy
Chairman**

Christopher
Lightbourn
**Corporate
Secretary**

James
Curling

David
Davis

Donelle
Taylor

Anton
Saunders

The senior management of APD are as follows:



Mike
Maura, Jr.
**Chief
Executive
Officer**

Dion
Bethell
**Chief
Financial
Officer**

Rudy
Levarity
**Operations
& Facility
Manager**

The following Directors and Senior Management have indirect beneficial interests in APD as follows:

Name	Beneficial interests in APD pre offer	Beneficial interests in APD post offer
James Mosko	14.80%	11.84%
Christopher E. Lightbourn	5.00%	4.00%
James Edgar Curling	2.50%	2.00%

TERMS & CONDITIONS

This section should be read in conjunction with the Company's audited Financial Statements for the period from February 24th, 2009 (date of incorporation) to June 30th, 2011 which are provided in the appendix at the end of this Prospectus. However this may not contain all information relevant to you.

This document does not constitute investment advice. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, attorney-at-law, financial advisor, accountant or other professional advisor.

ISSUER	Name
SHARES OFFERED	ORDINARY SHARES
OFFERING SIZE	Up to 1,000,000 Shares (B\$10,000,000 in total value)
ISSUE PRICE PER SHARE	B\$10.00
OFFERING PERIOD	<p>Opening Date: December 16th, 2011</p> <p>Closing Date: January 31st, 2012</p> <p>Eligible Investors are reminded that the Directors reserve the right to extend the Closing Date for this Offering if they deem it necessary.</p>
MINIMUM SUBSCRIPTION	Purchases must be made for a minimum of 50 Shares (B\$500) and in increments of 25 Shares (B\$250) thereafter.
USE OF PROCEEDS	To assist with the financing of the Project.
DIVIDEND POLICY	To be determined by the Directors.
LISTED EXCHANGE	BISX - Bahamas International Securities Exchange
EVIDENCE OF OWNERSHIP	In "Book Stock" form. No share certificates will be issued, however a central shareholder listing will be maintained by the Registrar and Transfer Agent.
ORIGINATION / PLACEMENT FEE	1 percent of amount successfully placed (i.e. 1% of \$10,000,000 = \$100,000)
TRANSFERABILITY	No restrictions on sale or transfer of the Shares after issue provided that no fractional shares can be sold or transferred.
FINANCIAL ADVISORS	KPMG Corporate Finance ("KPMG"), CFAL Ltd. ("CFAL") & Providence Advisors Ltd. ("PAL").
PLACEMENT AGENTS	CFAL & PAL
ESCROW AGENT	CFAL
REGISTRAR & TRANSFER AGENT	BCSD - Bahamas Central Securities Depository
LEGAL COUNSEL	Higgs & Johnson
BANKERS	Royal Bank of Canada
AUDITORS	PricewaterhouseCoopers – Bahamas ("PwC")
GOVERNING LAW	The Commonwealth of The Bahamas

Right of Cancellation:

The Directors reserve the right to cancel or rescind this offer at their full discretion at any time prior to the issuance of the Shares.

Terms of Escrow:

Subscription amounts will be deposited in an escrow account with the Escrow Agent, who will accept and verify all subscription receipts and will only release the funds to the Issuer when all conditions of this Offering are met.

Any subscription amounts that are not accepted by the Directors of APD will be refunded without interest to the relevant applicants within three weeks

Basis of Allotment:

The Directors reserve the right to allocate the Shares in their absolute discretion although the Directors intend to allot Shares on a “Bottom Fill” basis meaning that all subscribers will initially be allocated the minimum order of 50 shares to achieve the widest distribution possible. This process of applying the minimum order amount across all subscribers will be repeated until all the Shares being sold are fully allocated. With this process, the smaller orders would likely be filled with the larger orders being allocated the remaining Shares.

In the event of an oversubscription, the Shares will be distributed on a “Bottom-Fill” basis until all available Shares are fully allocated.

In the event that this Offering is less than fully subscribed by the Closing Date, the Directors may in their absolute discretion and subject to any other conditions in this Prospectus issue the Shares for subscriptions then received and extend the offering period for additional subscriptions until such time as the issue is fully subscribed. Such subscriptions accepted after the Closing Date shall be entitled to the rights and privileges as detailed herein after acceptance by the Directors as evidenced by the issuance of the requisite confirmation in all particulars. These subsequent Shares will also be sold at the issue price of B\$10.00 per share.

Any subscriptions that are not so allocated will be refunded without interest.

Issue Price Calculation:

Each shareholder (ACPDH & the Government) holds 2 million shares in return for their individual investment of \$20 million dollars. The issue price reflects the initial costs per share in APD Limited.

Use of Proceeds:

The net proceeds to be received by the Escrow Agent will be expressly and solely used by APD to assist with the financing of the Project:

Proceeds from sale of Ordinary Shares	B\$10,000,000
Less Anticipated Expenses:	
Placement Fees	\$100,000
Advisory	\$199,500
Legal, Marketing, Listing, Escrow	\$217,500
Total Costs of Offering (5.17%)	\$517,000
Net Proceeds	\$9,483,000

Ranking of Shares:

All Ordinary Shares of APD will be subordinate to all of the Company's existing and future debt and preference shares.

Voting Rights:

Holders of Ordinary Shares will have an equity ownership stake in the Company and will be entitled to one vote per share at shareholders' meetings. It should be noted that the Government and ACPDH will continue to have certain rights under the MOU, as outlined on pages 22-24 and 26 of this Prospectus.

Selling Basis:

The Shares will be sold on a 'Best Efforts' basis and will not be underwritten by the Placement Agents. APD and the Placement Agents both state to the best of their knowledge that no conflicts of interest exist between them and that the right to serve as Placement Agents was secured under an 'arms length' competitive bid process.

THE COMPANY

APD Limited is a company incorporated under the provisions of the Companies Act, 1992. It was established to design, finance, construct, manage, operate and maintain the NCP as a modern, cargo port terminal and the GFT as an inland container terminal to serve the needs of The Bahamas for a period of at least 45 years.



The registered office of the Company is located at the offices of H&J Corporate Services Ltd., Ocean Centre, Montagu Foreshore, East Bay Street, New Providence, The Bahamas and its principal place of business is located at Arawak Cay, New Providence, The Bahamas. As of the date of this Prospectus, the Company has 16 employees. However once the NCP & GFT are fully operational, the number of employees is expected to exceed 60.

DOWNTOWN REDEVELOPMENT PLANS – THE NEED FOR A NEW CONTAINER PORT

The revitalization of the 'City of Nassau' has been a long held dream by many concerned Bahamian citizens and industry stakeholders with the consensus that the appearance of our nation's capital had grown tired, compounded by the significant container traffic through the downtown core. Sharing these concerns, the Ministry of Tourism established the Nassau Tourism Development Board in 1995 and they initially began the facelift by rebuilding sidewalks, installing street lights and constructing a welcome center at the cruise port. Over time, there was recognition that in order to bring about real change, input was needed from both public and private stakeholders .

In 2003, the Government appointed the 'Nassau Economic Development Commission' ("NEDC") under the bi-partisan leadership of former parliamentarians George Mackey and Norman Solomon (both now deceased) with the role to lay a foundation for the long-term redevelopment of the City. It was during this process that the international land planning design firm, EDAW, produced the 'Nassau Downtown Waterfront Development Master Plan' which recommended that commercial port operations be relocated from the city centre.



From the NEDC, the Downtown Nassau Partnership evolved and it commissioned the late Bahamian architect, Jackson Burnside, to prepare a detailed master plan for the first phase of the city's redevelopment. This primarily included the relocation of container and break-bulk businesses to Arawak Cay; an expansion of This primarily included the relocation of container and break-bulk businesses to Arawak Cay; an expansion of Woodes Rogers Walk

as a waterfront pedestrian promenade; construction of a new straw market; and the installation of cultural activities.

In light of these ambitious plans, the Government of The Bahamas, through the MOU, agreed with ACPDH (a consortium including existing private container, break bulk and bulk shipping interests, and real estate owners who were leasing land to shipping companies) to relocate shipping operations from the Bay Street area to Arawak Cay and Gladstone Road as a part of the plan to revitalize downtown Nassau. The \$83,000,000 redevelopment of the existing Arawak Cay port facilities into the Nassau Container Port (NCP) and the creation of the Gladstone Freight Terminal (GFT) represent some of the first major steps for the revitalization.



Source: DNP

According to the Government of The Bahamas, it is also hoped that the move will:

- streamline overall freight costs to New Providence and favorably impact the cost of living for residents in the years to come; and
- help to alleviate truck congestion particularly in the central downtown area as their destination would now be Arawak Cay. Furthermore, the GFT (inland container terminal) should further alleviate traffic pressures on the downtown area as all less than container load (LCL) containers, and containers that need to be stripped prior to local delivery would now be processed and distributed at this site. This location is more conveniently accessible for businesses across New Providence and the wider general public, who would no longer have to drive into town for their goods.

PROJECT SCOPE AND BACKGROUND

Arawak Cay initially came into being as the result of the dredging of Nassau Harbor in 1969. Unbeknownst to many Bahamians, Arawak Cay has already operated as a container port for at least the last 30 years and currently handles approximately 40 – 50% of all container cargo coming into the island of New Providence.

ACPDH was initially established in 2009 by a coalition of private shipping interests in response to the Government's mandate to move all containerized shipping operations from the downtown Bay Street area. APD is the result of a Public Private Partnership, established through the MOU, between APD and the Government as a 50/50 joint venture, and is the operating company charged with the responsibility to design, finance, build, operate and maintain the NCP & GFT.

Prior to APD's establishment, port operations in New Providence were controlled by a number of shipping and real estate owners. As a result of the MOU and this Offering, the Government and the wider public will now collectively own 60% of these port operations; dramatically expanding Bahamian ownership in this key transportation sector.



The NCP will have an initial capacity to handle 125,000 TEUs annually and must ensure that containers are expeditiously transferred to the GFT for further processing save for those containers that are to be delivered directly to the premises of an importer.

Prior to this MOU, other sites such as the proposed Southwestern Port at Clifton Pier were also actively considered by the Government but ultimately, the following were key factors in

deciding upon Arawak Cay:

1. The expansion and refurbishment of the existing Arawak Cay Port Location (B\$83,000,000) versus an estimated \$235,000,000 Greenfield development cost for Clifton Pier meant that the APD project was far more feasible. In order to finance the Southwestern Port, tariffs would need to be significantly higher to support its financing and other costs, which would have had a direct negative impact on the Bahamian public and its cost of living.
2. Arawak Cay was already used as a port, with cargo berths already in place, resulting in a much shorter development time frame relative to other sites.
3. The environmental impact at Arawak Cay versus its existing use has been established as minimal, in fact many environmental improvements are planned. The Southwestern Port, as a Greenfield location, would have had a significantly greater environmental impact.
4. The Southwestern Port plan placed container operations at the extreme west end of New Providence which would have resulted in much higher inland freight costs, adding to what would have been much higher port tariffs.

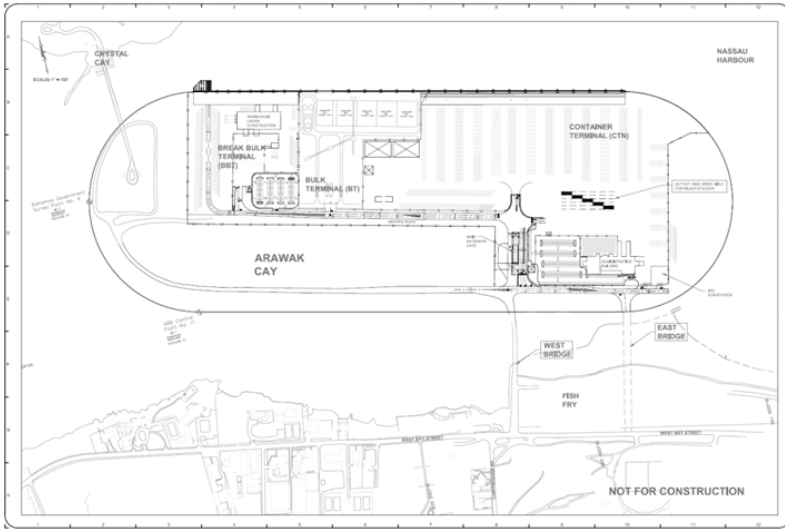
NASSAU CONTAINER PORT

The **NCP** represents the successful relocation of Nassau's commercial freight operations from the downtown area to a new, convenient and modern facility at Arawak Cay. The NCP will operate modern port facilities on 56.55 acres of leased crown land with 25,000 square feet of warehouse space and 25,000 square feet of administrative space.

Key Port Features:

- General containerized cargo, bulk and break bulk operations.
- Will meet (ISPS) security codes while utilizing 24/7 hour Royal Bahamas Police Force presence; perimeter fencing; and surveillance cameras.
- Dedicated deconsolidation and Less than Container Load facilities.
- Onsite Customs Department to provide entry processing and freight inspection.
- Three container vessel berths totaling 1,167 linear feet
- 26-foot draft at Arawak Cay offering shippers lower vessel costs per TEU and the potential for direct calls by global feeder vessels.
- 2,467 feet of bulkhead; 1,767 feet of apron and 1,167 feet of crane rail.
- Three container cranes.
- Open 8am – 4pm Monday through Saturday for container and cargo pickup and delivery.
- The importer can use several ocean carriers simultaneously and can conduct essentially all of its relevant business at Arawak Cay.
- Greater centralized Bahamas Customs control will lower the risk level which may facilitate faster cargo delivery.
- State-of-the-art terminal management with NAVIS-Argo with offsite backup ensuring accurate rate and complete trade records.
- One-stop convenience for processing shipments with Customs, Agriculture & Fisheries and Environment Health Services represented at Arawak Cay.

ARAWAK CAYPORT PROPOSED LAYOUT



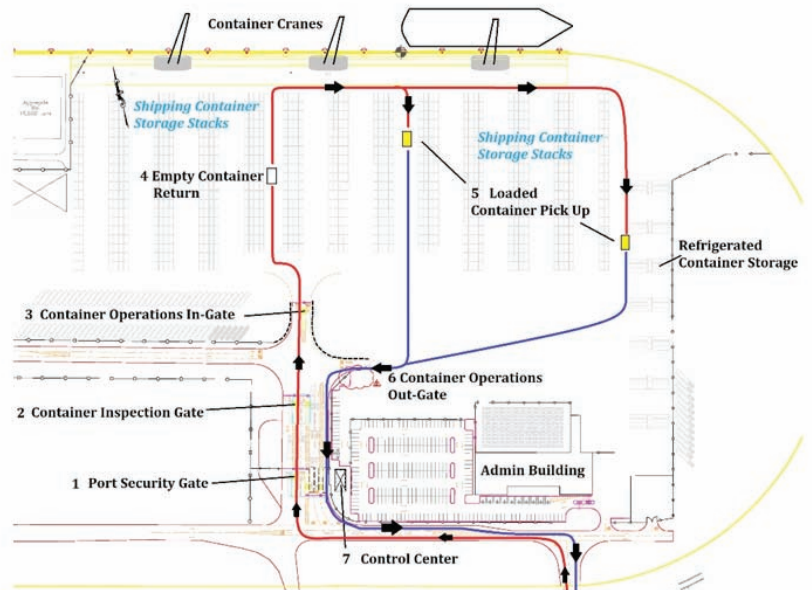
Source: APD

RECENT AERIAL SHOT OF ONGOING DEVELOPMENTS AT THE NCP



Source: APD

To enhance the readers' understanding of some of the operations at the port, the following outlines the process trucks will go through daily in transporting containers to and from the NCP.



Source: APD 15

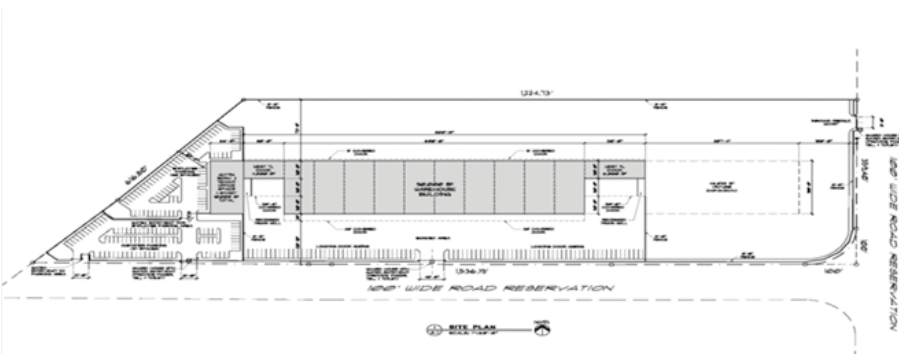
1. Main Port Security Gate - inspects driver's credentials to ensure that the driver is authorized to enter the port.
2. Container Interchange Gate –Container, Chassis and Truck undergo an inspection designed to log the freight equipment into the Port and to ensure the truck meets Port requirements.
3. Container Terminal Operations In-Gate – Truck is instructed where to deliver the empty container within the terminal and where to collect the loaded container.
4. Red Line - Indicates the truck delivering an empty container within the terminal and proceeding onto a designated area of the container terminal to collect a loaded container.
5. Blue Line – Indicates the truck collecting a loaded container from a designated area of the container terminal.
6. Container Terminal Operations Out-Gate – Terminal personnel inspect the container to ensure the correct container has been provided to the trucker.
7. Port Control Center – Administrative Offices for APD Gate Personnel and Bahamas Customs Gate Personnel. This is the final inspection point in terms of reconciling the weight and billing attributed to each container or break bulk cargo.

GLADSTONE FREIGHT TERMINAL

The **GFT** is situated on 15 acres of leased crown land in the center of New Providence and offers the ocean carrier and importer a secure facility in which to process, distribute and/or collect imported goods. The proposed facility will include a 10,000 square-foot administrative building; providing a comprehensive menu of customs services to include entry processing. The administration building will also serve to support a 100,000 square-foot cargo warehouse. The warehouse will be home to a number of shipping companies who will operate their own individual bonded warehouse(s) within it and also one or more common warehouse operators who will serve the needs of carriers who choose not to lease warehouse space. The GFT will also meet strict security requirements while utilizing 24/7 hour Royal Bahamas Police Force presence; perimeter fencing; and surveillance cameras.



GLADSTONE ROAD IN-LAND TERMINAL PROPOSED LAYOUT



Source: APD

The **NCP** & **GFT** will both have back up power supply and fuel storage capabilities to ensure that, following a natural disaster, the two facilities have the means to become operational very quickly should key elements of the island's utility supply temporarily become unavailable and require additional time to come on line.

Artistic Rendition of GFT In-Land Terminal



Source: APD

Recent image of GFT



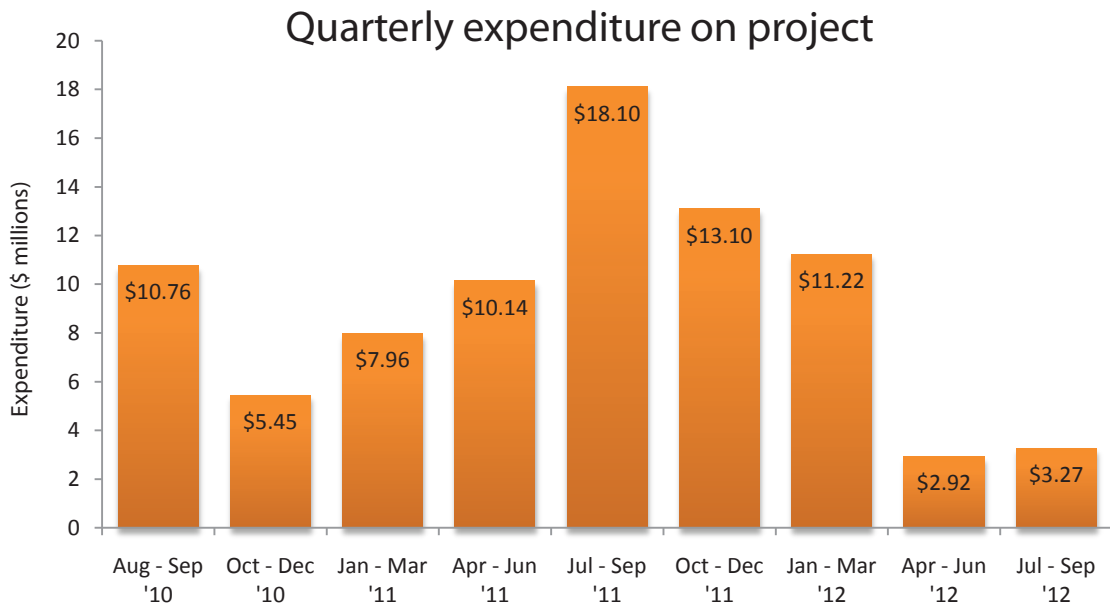
Source: APD

PROJECT TIMELINE

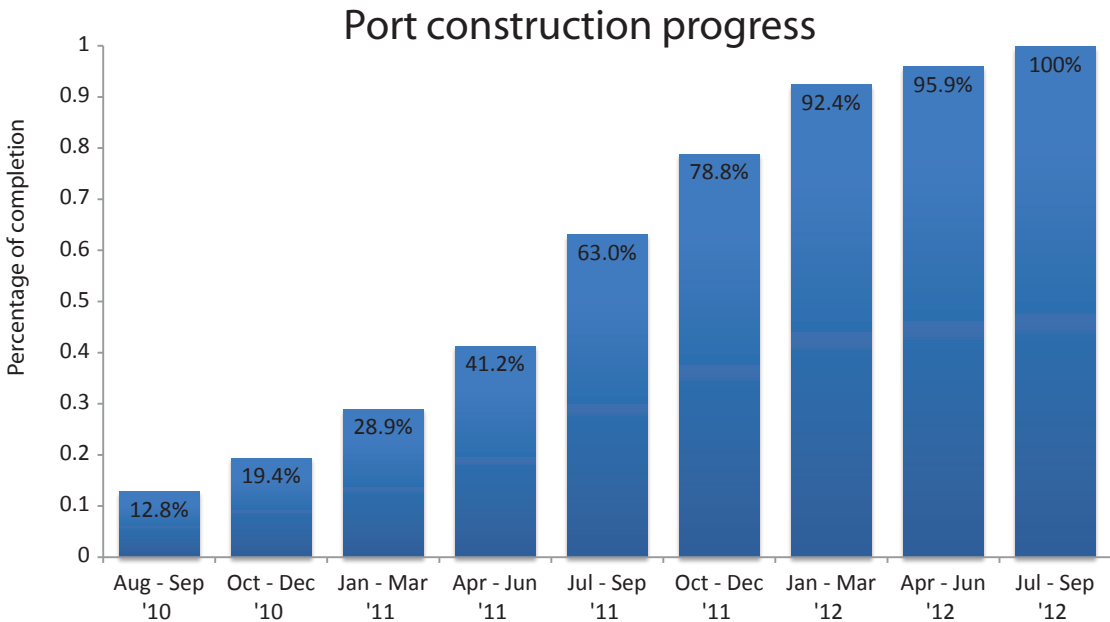
Construction of the NCP began in August 2010 and is currently scheduled to be completed by the beginning of the third fiscal quarter of 2012. Initial GFT preparatory site works began in earnest in July 2011. The GFT's targeted completion is also expected to coincide with the NCP scheduled timeline. The following outlines the overall development costs (contractual and estimated) for the NCP and GFT along with the construction schedule and associated expenditure timeline.

Development Costs	Amount	% of TotalCost
Amounts expressed in Bahamian dollars		
Construction costs		
Marine and dredging works	27,554,315	33.2%
Upland civil works	18,909,842	22.8%
Inland Terminal construction	15,238,074	18.4%
Reservoir relocation	3,734,299	4.5%
Contingency - Marine/Dredging/Upland	2,500,000	3.0%
Arawak Cay break bulk warehouse	2,248,740	2.7%
Crane acquisition costs	1,600,000	1.9%
Inland terminal road and utilities	1,564,634	1.9%
BEC sub-station at Arawak Cay	1,500,000	1.8%
ASL building additional fit-out costs	1,310,000	1.6%
ASL Arawak Cay existing building acquisition	1,000,000	1.2%
Other construction and project costs	2,148,995	2.6%
	79,308,899	95.6%
Soft costs		
Offer, advisory and initial operating costs	3,142,321	3.8%
Directors' fees and office equipment	548,780	0.7%
	3,691,101	4.4%
Total development costs	83,000,000	100.0%

As next illustrated, it is expected that APD would have spent in excess of \$59M or more than 71% of its expected B\$83M budget as of the date of this Prospectus with the expectation that all construction would be complete by the beginning of the third fiscal quarter of 2012.



Project expenditures projected in quarter 3 represent retention payments post construction.



December 2011

- IPO Release
- APD Senior Management Roadshow
- Remaining two water reservoir removed

January 2012

- APD Senior Management Roadshow
- NCP operational but construction ongoing
- GFT 80% complete
- IPO Close

February 2012

- "Navis" Terminal Operating System software functional
- Renovation of administrative offices begin

March 2012

- Bay Street free of shipping

April 2012

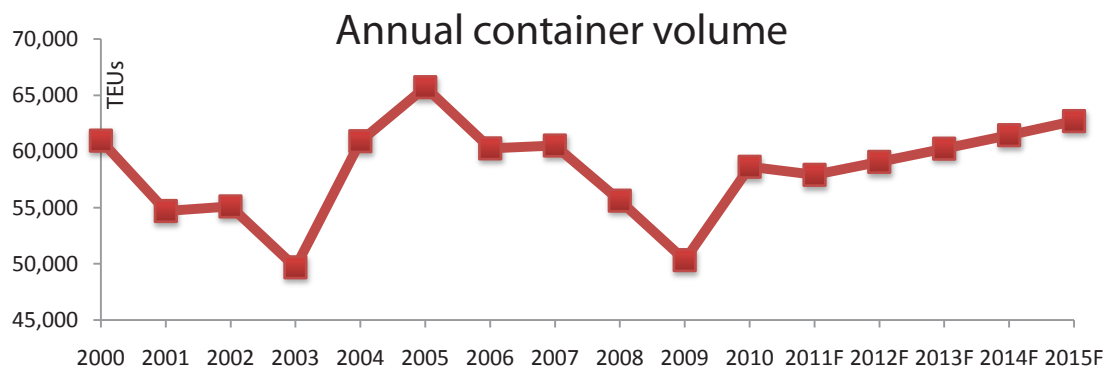
- Bulk & break bulk area complete
- Container terminal construction complete
- Port tariff implemented

June 2012

- NCP & GFT Substantially Complete

INDUSTRY OUTLOOK

Containerized shipping remains the most environmentally sustainable mode of transportation as approximately 80% of world trade is carried by sea. Given the import based structure of the Bahamian economy, notwithstanding global economic shocks, expected container volumes for New Providence and the wider Bahamas are expected to support APD's economic viability for the foreseeable future. The chart below displays both the historical container volumes for New Providence and expected growth in container volumes for APD through 2015.



Source: Management estimates and data provided by operators.

Of note, these relatively conservative volume projections do not factor in the expected increase in volumes from the development of the large scale 'Baha Mar' project that is expected to last through the end of 2014.

Globally, the containerized shipping industry is undergoing a period of consolidation as shipping companies are now ordering larger vessels in an effort to improve economies of scale. Given this shift, NCP's 26ft of draft capacity along with the recent harbor dredging and turning basin expansion have well prepared NCP to handle the higher requirements to accommodate such larger vessels.

APD's exclusive right to operate containerized shipping operations for the island of New Providence during the Exclusivity Period along with its ability to reasonably adjust tariffs and fees in accordance with the MOU, any investor risk concerns regarding APD's future economic viability should be minimized.

MEMORANDUM OF UNDERSTANDING SUMMARY

The following is a summary of the key terms of the MOU, which governs the relationship between APD and the Government and expressly outlines each party's obligations in regards to The Project; rules that must be adhered to; and the rights and privileges to which each party is entitled.

Key points of the MOU are as follows:

- Twenty percent (20%) of APD's share capital must be offered for sale to the general public and all subscriptions, including those made by the Government shall be in cash or cash equivalents.
- APD shall have the sole possession of, and exclusive operational control of the NCP & GFT including their construction, equipping, manning, and internal operations during the Term.
- APD will have an exclusivity arrangement where no other port (including Sufferance Wharfs) or container terminals (whether inland or not) can be established on the islands of New Providence or Paradise Island as well as within 20 miles of the shoreline of New Providence ("Exclusivity Area") for a period of 20 years ("Exclusivity Period") from the date of Substantial Completion. This restriction does not apply to the port at Clifton Pier used for the loading and unloading of fuels, petroleum products, asphalt and cement or any rights or privileges relating thereto.
- APD and any of its contractors employed during the Project build out will be exempt from customs duties and excise taxes on the importation of any materials and equipment that will be used in the construction, equipping, furnishing, completing, opening and operation of the Project.
- The Government is leasing a total of 71.55 acres (the Land Leases) collectively for the NCP & GFT to APD for a period of 45 years (the Term) at a rate based on the level of container moves APD handles per year. Upon Substantial Completion, APD will pay an annual rent of Forty Bahamian dollars (B\$40) per TEU for the lands subject to a minimum annual rent of two million dollars (B\$2,000,000) that will be paid quarterly in advance with any subsequent adjustments based on the rent per TEU to be settled within 2 weeks after each quarter end. The rent will be subject to annual increases based on increases in the cost of living as reflected in the All Bahamas Consumer Price Index published by the Central Bank of The Bahamas for the preceding year.
- In the event that the Land Leases are not renewed, the Government agrees to grant APD a five year 'winding up extension' to allow for the orderly closure of the Project.
- If prior to the expiration of the Land Leases, the Government mandates the relocation of the NCP and/or GFT, the Government will reimburse to APD all its reasonable relocation costs.

Upon any relocation of the NCP or GFT mandated by the Government or carried out at the Government's request, APD shall be compensated for all buildings, leasehold improvements and immovable equipment at the NCP and/or GFT, as the case may be, at the greater of their net book value or fair market value.

- Pursuant to section 6 of the Customs Management Act, the Government shall designate the NCP a customs port of entry for containers, bulk and break bulk cargo and vehicles.
- APD must ensure compliance with International Ship and Port Facility Security ("ISPS") Code and any other applicable Government regulations.
- APD must operate the NCP & GFT to ensure maximum efficiency of operations and to implement the agreed recommendations of the Traffic Management Study.
- APD must maximize the employment of Bahamians in all stages of the development of the Project.
- Disruptions to the "Down Home Fish Fry" during construction and operation of the NCP must be minimized while also enhancing the aesthetics resulting from the proposed development.
- While no freight activities shall be permitted on Downtown Bay Street, Potters Cay will continue to operate as a domestic "Break Bulk" terminal for the handling of duty paid cargo.
- No cement mixing will be carried out at the NCP and any silos located at the NCP will only be used for storage purposes and to facilitate removal of existing storage barges from Downtown Nassau.
- So long as the Government holds 40% of APD's issued share capital, no action or decision shall be taken by the Directors of APD with respect to: Amendment to the Memorandum & Articles of Association; changes in share capital; secured borrowings that exceed 3 times EBITDA or result in a 'Debt Service Coverage Ratio' of less than 1.25 times; loans outside of the ordinary course of business; material disposals; liens on assets, contracts outside the ordinary course; related party transactions exceeding in the aggregate B\$5,000,000.00 (between: (a) on the one hand APD (b) on the other hand : (i) ACPDH; (ii) Any Director of ACPDH; and or (iii) any affiliate of ACPDH or any Director or employee of any such affiliate); levying of fees and charges (save for those necessary to maintain a minimum IRR of 10% or are consistent with the tariff amendment model); and winding-up without the express written approval of The Government.
- APD may not assign or transfer all or any part of its rights, benefits or obligations under the MOU without the prior written consent of the Government, which will not be unreasonably withheld provided that any assignee shall be at least 60% beneficially owned by Bahamians.
- The Government acknowledges that APD must provide a competitive return to the investing public if it is to raise the necessary funding and encourage broad public participation and so has agreed to allow APD to make such adjustments to fees and tariffs as may be required from time to time to maintain an IRR of no less than 10%. For further clarification on APD's tariff setting policies, refer to the "Tariff Setting Methodology" section of this Prospectus.

Of note, the complete MOU is among the documents that will be made available for inspection at the offices of CFAL and PAL as referenced under the "Documents Available for Inspection" on section on page 41 of this Prospectus. Furthermore, a complete copy of the MOU can be found online on the Government's official website: www.bahamas.gov.bs or at APD's corporate website: www.nassaucontainerport.com

ENVIRONMENTAL IMPACT ASSESSMENT (EIA)

The complete EIA conducted in March 2010 by Island by Design Limited (IBD) & Reiss Engineering Limited (REL) is among the listed group of documents that is available for inspection at the offices

of CFAL and PAL as referenced under the “Documents Available for Inspection” section on page 41 of this Prospectus.

IBD and REL have given and not withdrawn their consent for this opinion study to be included in the issue of this Prospectus.

ECONOMIC IMPACT STUDY (EIS)

The complete EIS conducted on April 30th, 2011 by KPMG Corporate Finance is among the listed group of documents that is available for inspection at the offices of CFAL and PAL as referenced under the “Documents Available for Inspection” section on page 41 of this Prospectus

KPMG Corporate Finance have given and not withdrawn their consent for this opinion study to be included in the issue of this Prospectus.

TRAFFIC IMPACT STUDY (TIS)

The complete TIS conducted on February 12th 2010 by Caribbean Civil Group Limited (CCG) is among the listed group of documents that is available for inspection at the offices of CFAL and PAL as referenced under the “Documents Available for Inspection” section on page 41 of this Prospectus

CCG have given and not withdrawn their consent for this opinion study to be included in the issue of this Prospectus.

SHARE CAPITAL

The Company has an authorized share capital of B\$65,000 divided into 5,000,000 Ordinary Shares with a par value of B\$0.01 each of which 4,000,000 are issued and fully paid and 150,000 cumulative preference shares with a par value of B\$0.10 each of which none are issued.

Ordinary shares rank ‘pari passu’ with each other as to capital, dividends and rights upon liquidation and carry one (1) vote at all Shareholders’ meetings. Pursuant to Article 45 of the Articles of Association of the Company, the rights attached to any class of shares may not be varied without a resolution of the holders of such shares passed by at least 75% of the holders of the issued shares of that class present in person or by proxy at a meeting of such holders.

PRINCIPAL SHAREHOLDERS IN APD LIMITED

The shareholders of APD are listed in the table below. Also listed are the shareholders of ACPDH. No individual shareholder of ACPDH directly or indirectly owns or controls more than 15% of APD Limited.

Current Shareholder Listing	% owned
The Bahamas Government	50%
ACPDH <ul style="list-style-type: none"> • Arawak Stevedoring Limited • Bahamas Concrete Holding Limited • Bahamas Ferries Port Holding Limited • BHM Port Holding Limited • Bahamas Marine Construction Company Limited • Bahamas Sea Lane Company Limited • Betty K. Agencies Limited • Blue Flag Limited • Container Terminals Limited • Crowley Caribbean Service LLC • Inter-Island Feeder Services Limited • Island Terminal Services Limited • MSC Bahamas Limited • Tycoon Management Limited • Vakis Limited • C.C. Enterprises Bahamas Limited • Seafaring Limited • MailBoat Investments Company Limited • Seaboard Marine Bahamas Limited 	50%

The Directors of ACPDH are:

- James G. Mosko
- Christopher E. Lightbourn
- Donelle Taylor
- Richard Farrington
- James Edgar Curling

Under the MOU, no single shareholder of ACPDH may directly or indirectly own or control more than 15% of ACPDH. Furthermore, no shareholder of ACPDH may be allowed to participate in this IPO.

DIVIDEND POLICY

The frequency of dividends and dividend payout ratio are at the sole discretion of the Company's Directors. It is expected that the company will distribute to its shareholders the maximum free cash flow possible subject to the following:

1. Building up a minimum cash reserve of approximately \$2 million by June 30th 2015;
2. Meeting all financing and capital commitments;
3. Allowing for any unexpected contingencies.

For the year ended June 30th, 2013, the prospective financial information assumes approximately a 40% dividend payout (of free cash flow to equity). APD has not paid out any dividends since inception given it is still in the development stage.

BOARD OF DIRECTORS OF APD LIMITED

The Directors shall be elected at the Company's Annual General Meeting (AGM) each year to hold office until the following AGM, whenever held, or until the office is vacated. All retiring Directors shall be eligible for re-election. As outlined in the Articles of Association, the number of Directors shall not be less than seven (7) nor more than nine (9) with the condition that the majority of the Directors be appointed by ACPDH.



From left to right, seated: David Davis; James Mosko, Chairman; James Curling. Standing: Mike Maura (Not a Board Member APD CEO); Anthony Allen, Deputy Chairman; Chris Lightbourn, Corporate Secretary. Missing from photo is Donelle Taylor and Anton Saunders.

The Directors of the Company shall have power at any time to appoint any other qualified person to be a Director, either to fill a casual vacancy or as an addition to the Directors, but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting of The Company, when he/she shall be eligible for reelection.

Pursuant to APD's Articles of Association:

- ACPDH is entitled to nominate and elect four (4) of the Directors where there are seven Directors and five (5) of the Directors where there are nine. ACPDH has the right to select the Chairman of the Board of Directors.
- The Government is entitled to nominate and elect three (3) of the Directors where there are seven Directors and four of the Directors where there are nine (9). The Government may select the Deputy Chairman.
- A Director nominated and elected by ACPDH or the Government may be removed from Office by a written request from the party that appointed them and lodged with the office. These rights will remain in effect with respect to ACPDH and the Government so long as they respectively hold not less than 20% of the shares in the Company. (Article 76).
- These rights may be amended only by the affirmative vote of three-fourths of the members or the written consent of ACPDH or the Government (as applicable). (Article 77)
- Subject to the rights of ACPDH and the Government, a Director is required to vacate office if they becomes bankrupt, or suspends payment, or compounds with their creditors; or becomes of unsound mind; or they resigns their office; or they are requested in writing to vacate their office by members holding more than one-half in value of the subscribed and issued voting shares; or they will be removed from office by resolution at a general meeting; or if they becomes prohibited by law from acting as a Director. (Article 80)
- Provided there are at least four (4) Directors who are not officers or employees of the Company or any of its affiliates, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) and they or any firm of which they are a member may act in a professional capacity for the Company for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. A Director may enter into contractual arrangements with the Company provided that the nature of his interest is disclosed by them at the meeting of the Directors at which the contract or arrangement is determined on, if their interest then exists, or in any other case at the first meeting of the Directors after the acquisition of his interest. The Director is not entitled to vote as a Director in respect of any contract or arrangement in which they have interested. (Article 86)

- Directors may from time to time determine their own remuneration and may repay to any Director reasonable travelling and other expenses as he may incur in attending board or committee meetings or general meetings, or which they may otherwise incur in or about the business of the Company. (Article 88)
- Directors may be paid extra remuneration for services outside the scope of the ordinary duties of a Director (Article 89).
- Pursuant to Articles 101 and 102 of the Articles of Association, the Directors have the power to borrow, raise or secure money and to repay same. They may also mortgage or charge the undertaking and property of the company and issue debt securities including notes, bonds and debentures, whether outright or as collateral security for any debt. There is no provision in the Articles of Association for variation of the Directors' borrowing powers.
- By virtue of Article 107 of the Articles of Association, so long as the Government holds at least 40% of the Company's issued share capital, the Government's written approval is required for the following:
 - ▶ any financial indebtedness which would result in the secure debt exceeding an amount that is equal to three times Earnings before Interest Taxation Depreciation and Amortization (EBITDA) or a debt service coverage ratio that is less than 1.25 times (or such other amount or ratio as may be agreed in writing by the Government from time to time);
 - ▶ any loan or advance (other than normal trade credit) to any other person other than in the ordinary course of business;
 - ▶ the sale, transfer, assignment or other disposition of a material part of the assets except sub leases made in the ordinary course of business;
 - ▶ any encumbrance over all or a material part of APD's undertaking, property or assets, or any guarantees or indemnities for any purpose other than as security in respect of any financial indebtedness which is not otherwise prohibited.

The above is a summary of the key elements of the relevant provisions of the Company's Articles of Association. Prospective investors may review the Memorandum and Articles of Association for complete information on these matters.

The following persons comprise the Directors of APD Limited. Four (4) were selected by ACPDH and the remaining three (3) selected by the Government.

James G. Mosko – Chairman

Mr. Mosko is the President of the Mosko Group of Companies with over 35 years of experience as a civil engineer. Mr. Mosko's extensive experience includes working on projects covering the length and breadth of The Bahamas such as the phase II & III development of Kerzner International on Paradise Island, Blue Lagoon on Salt Cay, the Barre Terre Causeway in Exuma, Bakers Bay in Abaco, the Disney cruise port on Gorda Cay and, most recently, the Albany Development and Nassau Airport Development projects in New Providence. Mr. Mosko graduated in 1975 with a Bachelor's degree in Civil Engineering from The Georgia Institute of Technology.

Mr. Mosko is a Bahamian citizen aged 59 years and has served as a Director since inception. P.O. Box CR-56766, Suite #1202, Nassau, The Bahamas.

Christopher E. Lightbourn – Corporate Secretary

Mr. Lightbourn has been involved in construction, development, and shipping in The Bahamas for more than 25 years. He is the President and Director of both Cavalier Development Ltd. and Cavalier Shipping Ltd; Managing Director of Arawak Stevedoring Ltd; Chairman & Founding Developer of the Paradise Island Beach Club; Director of EFG Bank & Trust (Bahamas) Ltd.; Director and Founder of

Ultimate Door & Window. Mr. Lightbourn was also appointed a member of the public/private Southwest Port Task Force back in 2003 which ultimately resulted in the current project to relocate container port activities from Downtown Nassau. Mr. Lightbourn has a Bachelor of Science degree in Commerce from the University of Virginia, U.S.A. and is a licensed C.P.A.

Mr. Lightbourn is a Bahamian citizen aged 52 years and has served as a Director since inception. P.O. Box CR-56766, Suite #1202, Nassau, The Bahamas.

Donelle Taylor

Mrs. Taylor is the Chief Financial Officer of The MailBoat Company Ltd. and previously held this position at Summit Insurance Company Ltd. In addition to being a Director of APD, Mrs. Taylor also holds Directorships at The MailBoat Company, where she also acts as Corporate Secretary, and as an independent Director at Summit Insurance where she serves as a member of the audit and corporate governance committees. Mrs. Taylor was also appointed a member of the public/private Southwest Port Task Force in 2003. She is also Co-Director of the Marriage & Family Ministry of Christ Community Church. Mrs. Taylor has a Bachelor of Science degree in Accounting from Liberty University in Lynchburg, Virginia, U.S.A., and is a Certified Public Accountant.

Mrs. Taylor is a Bahamian citizen aged 44 years and has served as a Director since inception. P.O. Box CR-56766, Suite #1202, Nassau, The Bahamas.

James Edgar Curling

Mr. Curling is a business entrepreneur involved in sand mining, dredging and rock aggregate distribution in New Providence. Mr. Curling began his career as a tug boat captain providing service to vessels calling on the port of Nassau. He is also involved in home construction having built a number of houses throughout the island of New Providence. Mr. Curling received his early education in Duncan Town, Ragged Island at Ragged Island All-age School.

Mr. Curling is a Bahamian citizen aged 50 years and has served as a Director since December 2010. P.O. Box CR-56766, Suite #1202, Nassau, The Bahamas.

Anthony C. Allen, Deputy Chairman

Mr. Allen is a retired career banker spending over 40 plus years in various management capacities with The Bank of Nova Scotia. His most recent post at the bank was Managing Director, a role he held for 16 plus years. In 1998, he was recognized by The Bahamas Government for Outstanding Contribution to National Development in the area of Banking and awarded the Bahamas Silver Jubilee Medal. In January 2002, he was appointed an Officer of The British Empire (OBE) by Her Majesty, Queen Elizabeth II, in further recognition of his outstanding contribution to banking in The Bahamas.

Mr. Allen is a Bahamian citizen aged 68 years and has served as a Director since June 2010. P.O. Box CR-56766, Suite #1202, Nassau, The Bahamas.

David R. Davis

Mr. Davis is the Permanent Secretary in The Office of the Prime Minister. He has served in various roles in the public sector for over 35 years, most recently as Director of Investments at the Bahamas Investment Authority prior to his current post. Mr. Davis has also served as Technical Assistant to the Executive Director of the Caribbean Constituency of the Inter-American Development Bank and Inter-American Investment Corporation in Washington, D.C., U.S.A. and is a graduate of the International Monetary Fund (IMF) Institute specializing in Government Finance Statistics. Mr. Davis has a Bachelor of Science degree in Economics with honors from the University of the West Indies and a Master of Arts degree in Economics from Florida International University in Miami, Florida, U.S.A.

Mr. Davis is a Bahamian citizen aged 54 years and has served as a Director since June 2010. P.O. Box

CR-56766, Suite #1202, Nassau, The Bahamas.

Anton Saunders

Mr. Saunders is the Chief Financial Officer and Vice President, Finance & Treasurer at RoyalStar Assurance Ltd. and has served in this capacity for the past 18 years. Mr. Saunders was also recently appointed Managing Director Designate and is expected to assume full responsibility on July 1st, 2012. Previously, he held various positions at the National Insurance Board and PricewaterhouseCoopers and currently serves as Chairman of the Water & Sewerage Corporation. Mr. Saunders has a Bachelor of Science degree in Accounting from Florida State University and holds both the CPA and CMA accounting designations.

Mr. Saunders is a Bahamian citizen aged 47 years and has served as a Director since June 2010. P.O. Box CR-56766, Suite #1202, Nassau, The Bahamas.

DIRECTORS' INDIRECT BENEFICIAL INTEREST IN SHARES POST OFFER

Director Name	% of Shares indirectly beneficially owned in APD
James G. Mosko	11.84%
Christopher E. Lightbourn	4.00%
James Edgar Curling	2.00%
Donelle Taylor	0
Anthony C. Allen	0
David R. Davis	0
Anton Saunders	0

CONFLICTS OF INTEREST

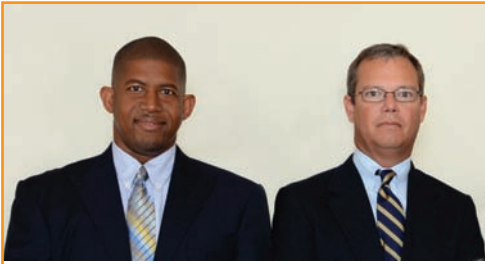
The Company has adopted standard corporate governance practices (consistent with its Articles of Association and Memorandum of Understanding) as it relates to conflicts of interest between the company and major shareholders, Directors, and officers. Such practices will include but are not limited to having key related party contracts and agreements reviewed by an independent industry specific firm to render an opinion or provide recommendations on the terms and conditions of the contract/agreement. Please also refer to the sixth point on page 24 of this Prospectus which outlines how Directors can transact business with the Company. Furthermore, the 'Memorandum of Understanding Summary' section on page 20 of this Prospectus also details how any material transactions or changes to previous agreements must first receive the expressed written permission of the Government, so long as it retains a 40% equity interest in APD.

In terms of related party transactions with Directors, James Mosko and Edgar Curling are both affiliated with the company that has been awarded the license to operate the bulk terminal; and Christopher Lightbourn is affiliated with the company that currently provides stevedoring services at Arawak Cay and which has been awarded the license to operate the common terminal for the container terminal.

COMPENSATION OF DIRECTORS

The Directors are compensated B\$500.00 per board meeting attended. Outside of any extraordinary meetings, the Directors are expected to hold meetings a minimum of four (4) times per year. No Director is indebted to the Company.

KEY MANAGEMENT OF THE COMPANY



Dion Bethel, Chief Financial Officer; Michael Maura, Chief Executive Officer. Missing from photo is Rudy Levarity, Operations & Facility Manager.

Michael J. Maura Jr. – Chief Executive Officer

Mr. Maura is the Chief Executive Officer of APD with over 12 years of combined experience at Tropical Shipping and its subsidiary Container Terminals Ltd. at the highest levels and was a key driver in the port relocation initiative. He is credited with drafting the Arawak Port conceptual plan and previously served as Co-chair of the Southwest Port Task Force. Mr. Maura has held key management positions in the retail and wholesale grocery sector. He is also a member of the Bahamas Trade Commission Bahamas Trade Commission and a former Director of ACPDH;

a post he relinquished once assuming his current role. Mr. Maura has a Bachelor of Arts degree in Economics with a minor in Business Administration from Rollins College in Winter Park, Florida, U.S.A. Mr. Maura is a Bahamian citizen aged 47 years and has served in this role since November 2010. P.O. Box CR-56766, Suite #1202, Nassau, The Bahamas.

Dion Bethell, – Chief Financial Officer

Mr. Bethell is Chief Financial Officer of APD with over 5 years' experience in international shipping, having served as CFO at Container Terminals Ltd; a subsidiary of Tropical Shipping Ltd. Prior to this, Mr. Bethell spent over 16 years working in the financial services industry with his last role being that of Director, Vice President and CFO at W&P Fund Services Ltd. /The St. James Bank & Trust Company Ltd. Mr. Bethell is also Chairman of the Bahamasair Employees Provident Fund. Mr. Bethell has a Bachelor of Business Administration degree in Accounting from Tiffin University in Ohio, U.S.A. and is a licensed Chartered Accountant with the Bahamas Institute of Chartered Accountants.

Mr. Bethell is a Bahamian citizen aged 44 years and has served in this role since November 2010. P.O. Box CR-56766, Suite #1202, Nassau, The Bahamas.

Rudy Levarity, Jr. – Operations & Facility Manager

Mr. Levarity is the Operations & Facility Manager at APD and has over 9 years experience in international shipping, previously serving in a similar role at Betty K Agencies Limited. Mr. Levarity is a member of both the American Society for Industrial Security (ASIS) and the International Facility Management Association. Mr. Levarity has also previously served as a detective for 8 years with the Royal Bahamas Police Force. Mr. Levarity has a Diploma in Accounting & Human Resource Management from The College of the Bahamas and a Diploma in Project Management from Anderson Price.

Mr. Levarity is a Bahamian citizen aged 37 years and has served in this role since December 2010. P.O. Box CR-56766, Suite #1202, Nassau, The Bahamas.

Larry Marshall – Security & Safety Manager

Mr. Marshall is the Security & Safety Manager at APD; previously working for over 26 years in various roles within the Royal Bahamas Police Force; most recently stationed at the Grove Southern District. Mr. Marshall has attended numerous training courses locally and internationally in counter-terrorism, advanced maritime operations, narcotics, intelligence and detection, and staff motivational and leadership training over his career.

Mr. Marshall is a Bahamian citizen aged 48 years and has served in this role since August 2011. P.O. Box CR-56766, Suite #1202, Nassau, The Bahamas.

Brando Glinton – Gate & Interchange Manager

Mr. Glinton is the Gate & Interchange Manager at APD; previously working for over 24 years in

various roles within the Bahamas Customs Department; most recently as a Customs/Revenue Officer. Mr. Gilton has attended numerous customs, intelligence and detection training courses over his career and is most notably certified to operate both the MT1213LT Mobile Container Scanner and the Heimman-Smith X-Ray portable Scanner. Mr. Gilton is currently finishing his LLB Law degree from the University of Huddersfield, England and has an Associate of Arts degree in Management & Marketing from the Bahamas Baptist Community College in Nassau.

Mr. Gilton is a Bahamian citizen aged 44 years and has served in this role since September 2011. P.O. Box CR-56766, Suite #1202, Nassau, The Bahamas.

Cloran Watchorn – Financial Accountant, Reporting

Mrs. Watchorn is the Financial Accountant - Reporting at APD. Mrs. Watchorn has a diverse experience in accounting, having worked in the banking industry for over 13 years. Her most recent position was that of an Assistant Financial Controller at Kerzner International (Bahamas) Limited. Mrs. Watchorn has a Bachelor of Science Degree in Accounting from Nova Southeastern University in Fort Lauderdale.

Mrs. Watchorn is a Bahamian citizen and has served in this role since July 2011. P.O. Box CR-56766, Suite #1202, Nassau, The Bahamas.

Anthony Cooke – Financial Accountant, Operations

Mr. Cooke is the Financial Accountant - Operations at APD and is relatively new to the shipping industry. Mr. Cooke was recently the Accounts Manager at Cooke-McIver & Co for 3 years. However prior to this appointment he worked for over 12 years in the financial services sector; most recently at The St. James Bank & Trust Company where he was the Operations Manager and Money Laundering Reporting Officer. Mr. Cooke has a Bachelor of Science Degree in both Accounting and Finance from Florida State University in Tallahassee, Florida and also ICA International Diplomas in Anti-Money Laundering and in Compliance.

Mr. Cooke is a Bahamian citizen aged 45 years and has served in this role since September 2011. P.O. Box CR-56766, Suite #1202, Nassau, The Bahamas.

Crispin Seymour – Berthing & Facility Maintenance Manager

Mr. Seymour is the Berthing & Facility Maintenance Manager at APD and has over 15 years experience in international shipping previously working at the Freeport Container Port and Tropical Shipping; most recently as the Heavy Equipment Maintenance Manager. Mr. Seymour has attained numerous industry certifications from various courses throughout the United Kingdom and the United States and is also a Reserve Police Constable attached to the Marine Support Unit of the Royal Bahamas Police Force Reserves. Mr. Seymour's other civic duties include serving as treasurer for the H.O.Y.T.E.S. (Helping Our Youth through Education & Sports) program; past president of the Anglican Church Men (The Church of Ascension) and as a member of the Bahamas Red Cross.

Mr. Seymour is a Bahamian citizen aged 45 years and has served in this role since September 2011. P.O. Box CR-56766, Suite #1202, Nassau, The Bahamas.

EXECUTIVE COMPENSATION

The aggregate compensation, including other benefits (i.e. medical insurance, auto allowances, profit sharing) of key management of the Company totaled \$635,000 for the previous fiscal year. Of this amount, \$597,000 represented cash compensation with the balance of \$38,000 being non cash compensation; specifically attributed to auto allowances. No employee of APD is indebted to the Company.



Prior to making an investment decision, Eligible Investors should review the Prospectus and consider the suitability of this investment in light of their personal circumstances. Eligible Investors should note that the Shares have a return risk countered only by the ability of the Company to earn profits. As such investors could lose all or a portion of their investment. In addition to other information set forth in this Prospectus, the Company will be subject to a number of risk factors, which may impact on its future performance.

Eligible Investors should consider the following factors in addition to the other information in this Prospectus before subscribing for Shares in the Offering.

Eligible Investors are encouraged to seek independent professional investment and legal advice.

FACTORS TO CONSIDER INCLUDE:

Actual operating results may differ from forward looking statements presented in this Prospectus

This Prospectus contains forward-looking statements about the objectives, plans, and intentions of the Company. Forward looking statements are typically identified by words such as “believe”, “expect”, “anticipate”, “intend”, “estimate”, and other similar expressions or future or conditional verbs such as “will”, “should”, “would”, “ought” or “could”. Forward looking statements are subject to risk and uncertainties that may be general or specific.

Forward looking statements do not guarantee future performance and involve risks and uncertainties that could cause actual results to differ materially from those anticipated. The information contained in this Prospectus, stated or incorporated by reference, identifies certain important factors that could cause such differences.

The Company is dependent on general economic conditions

The Company’s forecast earnings depend to a large extent on the economy of The Bahamas, which is sensitive to numerous factors beyond the Company’s control, including general economic, domestic and international conditions and macroeconomic policies. General economic conditions such as inflation, recession, unemployment and monetary policies can affect the profitability of the industry, sector and the Company.

Shares may not trade at or above the Issue Price

Eligible Investors should be aware that the market value of their investment might go down as well as up. Historical results and profitability do not guarantee future performance. The market price of the Shares following the Offering could be subject to significant fluctuations in response to various factors and events, such as, but not limited to, the liquidity of the market, differences between the Company’s actual financial or operating results and those anticipated by analysts and investors, volatility and fluctuations in prevailing interest rates, and changes in analysts’ recommendations.

The Company is dependent upon certain key management personnel

The Company is dependent upon certain key management personnel whom it considers important to its future success. The loss of such individuals or other members of senior management could have an adverse impact on the future performance of the Company.

The Shares will be listed on an exchange, but a vibrant secondary market may not develop

The Company intends to list its Shares on BISX; however an active secondary market may not develop for the Shares. Investment in the Shares may not initially be suitable for investors that require liquidity or who cannot accept the loss of their investment in part or in full.

The Company is exposed to interest rate and other monetary risks and regulations

The Company is exposed to changes in interest rates, exchange rates, currency fluctuations, restrictions, and regulations governing the Company's business. Changes to these rates and alterations to any existing statutes, regulations or interpretations of such can affect the Company, the industry and general market and economic conditions.

No independent representation

The Company has consulted with legal counsel, financial advisors and other experts regarding the structure of the Company and this Offering. Such counsel and advisors are accountable to the Company only and not to the Eligible Investors themselves. Each Eligible Investor should consult their own independent advisors in determining the desirability of an investment in the Company.

The Company is subject to risks associated with its normal course of business

The Company is subject to certain risks in the normal course of its business operations. These include but are not limited to credit risk, interest rate risk, reinvestment risk, foreign exchange risk, service price volatility and operational risks such as human error, technological errors and obsolescence, changes in applicable laws and regulations, environmental risks, business interruptions, supply and delivery risks, fraud, and unforeseen natural or other disasters.

Non revocation of Subscription

Subscriptions for the Shares in this Offering will be irrevocable. If the Offering does not proceed for any reason whatsoever, you will not receive interest on your subscription funds and those funds will be promptly returned to you within six weeks after the closing date.

The investment in these Shares may not be appropriate for all investors

Investment in Shares may be speculative as the value of the investment may decrease as well as increase. The contents of this Prospectus do not constitute investment advice. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, attorney-at-law, financial advisor, banker, accountant or other professional advisor prior to investing in the Company.

The Company may encounter unforeseen construction delays, cost overruns & residual construction risk

The Company, despite its best efforts, may encounter risks that result in the planned construction completion timeline being extended beyond what is currently scheduled or it may encounter circumstances that can result in higher costs than originally budgeted to complete the Project. Furthermore, once construction is complete and the Project is fully operational, the Company could subsequently discover construction faults that could impact the operations of The Company.

The Company may be unable to refinance the construction bridge loan facility

The Company within its forecast financial information assumes it will be able to refinance, via the capital markets, the short term bridging facility that it has obtained to partly finance the completion of the Project. There is no guarantee that efforts to refinance will be successful.

The Government may in the future relocate containerized shipping port operations

Although there are a number of significant legal restrictions, financial and other penalties in the MOU, any future Government could decide that shipping operations on the island of New Providence should be relocated or approve the opening of alternative/competing port sites (whether sea-side or inland) while the "Exclusivity Period" is still in effect.

The Company faces the risk of 'Force Majeure'

The Company may be unable to perform its obligations as a result of Acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockade, embargo, labor dispute, strike, lockout or interruption or failure of electricity or telephone service.

The Company is exposed to legislative and/or regulatory changes enacted by the Government

The Government or any regulatory body empowered by the Government may decide to impose rules or taxes or fees that may affect the Company that are currently unforeseen.

POTENTIAL RISK MITIGANTS

The following potential risk mitigants do not address all of the above identified 'Investment Risks', nor can they completely eliminate the relevant investment risks investors must consider before making a decision in regards to the appropriateness of the Shares offered herein. However, the following seeks to provide Eligible Investors with additional information as they make their investment decisions:

- APD, as outlined in the MOU, is permitted to amend tariffs to maintain an IRR of no less than 10% for the Company. To assist in achieving this stated goal, The Government has given APD the flexibility, subject to a Tariff Amendment Model, to make periodic adjustments to fees and tariffs to ensure returns are maintained at these levels.
- Should the Government seek to mandate APD to relocate its port operations prior to the expiration of the Land Leases, under the MOU the Government will be liable to fully reimburse APD all its reasonable relocation costs. Furthermore, the Government would also have to compensate APD for all buildings, leasehold improvements and immovable equipment at the NCP & GFT at the greater of their net book value or fair market value should this relocation occur during the Term (of the Land Leases).
- The Government has agreed within the MOU that it cannot establish or approve any competing ports within the Exclusivity Area during the Exclusivity Period. The existing port at Clifton Pier used for the loading and unloading of fuels, petroleum products, asphalt and cement will continue to operate.
- Arawak Cay as a Brownfield site inherently has financial and environmental advantages over any potential competing sites. The cost to develop additional ports to service New Providence would be significant and likely prohibitively higher than the NCP.
- The vast majority of all cargo and bulk material landing on New Providence is handled by ocean carriers, stevedoring and bulk material operators who are already invested in APD, which is expected to discourage their participation in any competing facility.
- Given future forecasted container volumes expected for New Providence over the next few decades, it would not be economically viable to finance the construction of an additional port on the island without the cost of living for citizens being significantly impacted.
- In regards to any cost overruns, APD's scalable design allows it to make adjustments without sacrificing efficiency or productivity while still being able to accommodate expected container volumes for many years.

MANAGEMENT DISCUSSION AND ANALYSIS

Given APD's audited financial statements are for the period from February 24th, 2009 (date of incorporation) to June 30th, 2011 which essentially reflect a company that is still in construction phase and not yet operational, we are of the view that the following section discussing the projected financial information and its accompanying notes would better serve investors as they seek to make an informed investment decision. For the benefit of prospective investors however, the complete audited financial statements for APD for the period ended June 30th, 2011 can be found in Appendix I at the end of this Prospectus.

PROJECTED FINANCIAL INFORMATION HIGHLIGHTS FOR APD LIMITED

The prospective financial information for FY 2012 through FY 2015 is based on estimates and assumptions made by the Company with respect to expected and anticipated future events. Such prospective financial information is subject to significant inherent uncertainties and contingencies and, accordingly, there is no assurance that the amounts projected will reflect actual results. Investors should perform their own independent analysis using their own assumptions and satisfy themselves as to the reasonableness of the Company's estimates and assumptions. No representations are made as to the accuracy of such forward looking information or the reasonableness of the underlying assumptions. Of note, FY 2013 as highlighted below represents APD's first full year of operations after full build out of all proposed facilities (NCP & GFT).

Prospective Financial Highlights (Amounts expressed in Bahamian dollars)

Prospective Statement of Financial Position as at	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Current assets	1,969,021	3,958,758	4,075,544	4,208,222
Non-current assets	77,583,015	80,577,063	79,911,464	79,260,600
Total assets	79,552,036	84,535,821	83,987,008	83,468,822
Current liabilities	948,490	992,236	1,030,707	1,070,844
Non-current liabilities	32,905,959	36,589,626	35,333,465	34,077,304
Total liabilities	33,859,313	37,566,781	36,349,499	35,133,882
Shareholders' equity	45,697,587	46,953,959	47,622,836	48,320,674
Total liabilities and shareholders' equity	79,552,036	84,535,821	83,987,008	83,468,822

Prospective Statement of Comprehensive Income

for the 12 Months Ended	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Total revenue	6,015,409	25,056,184	26,149,683	27,291,845
Total expenses	(8,430,597)	(20,138,242)	(20,802,308)	(21,531,238)
Operating profit/(loss) before finance costs	(2,415,188)	4,917,942	5,347,375	5,760,607
Total net financing	(277,872)	(2,404,396)	(2,338,692)	(2,259,439)
Net income	(2,693,060)	2,513,546	3,008,683	3,501,168

Prospective Statement of Cash Flows

for the 12 Months Ended	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Net cash provided by/(used in) operating activities	(3,287,538)	6,759,313	7,235,472	7,688,734
Cash provided by/(used in) investing activities	(46,227,263)	(4,936,194)	(1,230,709)	(1,284,992)
Cash provided by/(used in) financing activities	40,427,080	29,310	(5,978,101)	(6,365,198)
Increase/(decrease) in cash and cash equivalents	(9,087,721)	1,852,429	26,662	38,544
Cash at beginning of period	9,128,980	41,259	1,893,688	1,920,350
Cash at the end of the period	41,259	1,893,688	1,920,350	1,958,894

Prospective Financial Ratios	June 30th, 2012	June 30th, 2013	June 30th, 2014	June 30th, 2015
Earnings coverage	N/A	1.80x	1.47x	1.62x
Current ratio	2.08	3.99	3.95	3.93
Debt to equity	68.8%	74.9%	71.3%	67.7%
Debt to total capital	39.5%	41.6%	40.4%	39.2%
Debt to EBITDA	-17.8x	5.1x	4.6x	4.2x
DSCR	N/A	3.18x	2.01x	2.18x
Dividend yield	N/A	2.54%	4.72%	5.66%
Price/earnings ratio	N/A	19.71x	16.47x	14.15x

Project Internal Rate of Return	
IRR (23 year holding period)	10%

The complete listing of assumptions to the above projected financial information and ratios can be found following in Appendix II at the end of this Prospectus.

TARIFF SETTING METHODOLOGY

Management has established a Tariff Setting Methodology and Model that will be used by the Company:

- to ensure the Port's tariffs do not result in any significant increase in the cost of living; and
- to ensure a minimum IRR of 10% in accordance with the MOU

In achieving these two aims, the methodology adopts a 'smoothing' approach whereby any actual variances compared to budget are corrected over a rolling three year period (excluding the Company's initial start up phase). This is to avoid tariff volatility over shorter periods.

The methodology allows for the following corrections:

- Should the Company make any excess profits (profits above those required to achieve a targeted IRR of 10%) these excess profits will be set aside into a specific, non distributable reserve ('Tariff Reserve'). To prevent any future distribution of any such excess profits to shareholders, restrictions will be put in place with regard to amounts held in the Tariff Reserve so that the reserve can only be used to offset any future shortfall in profit targets.
- Should the Company experience a 'shortfall' in its profits compared to its target profit level (required to achieve an IRR of 10%) in any particular year, the Company will aim to recover the profit shortfall over the following three years by adjusting the tariffs. To the extent however, any balances are available within the Tariff Reserve to offset the shortfall, these amounts will be used to offset the shortfall in the first instance (to the extent available) before adjusting Port tariffs

Responsibility for the review and enforcement of the methodology will be given to a specific subcommittee of the Company's Directors.

An annual Common Share dividend payment equivalent to a percentage of free cash flow to shareholders' equity is assumed as 40% in the fiscal year ending June 30, 2013 increasing to 97.5% in the fiscal year ending June 30, 2015 and beyond. Free cash flow to equity is calculated as cash flow from operating activities, less cash flow from investing activities, less cash flow from financing activities, but before dividends. This assumption is subject to the Company building up (by June 30th, 2015) and also maintaining an approximate \$2 million cash reserve and any other critical capital costs and/or cash flow commitments that may exist at the time, and takes into account the required project IRR of the Company. The actual dividend payments will be determined by the Company's Directors on an ongoing basis and therefore may not necessarily always reflect this assumption. A portion of the initial capital invested in the Company, which was invested leading up to and during the construction period, was required to be expensed under IFRS as it relates to soft costs that do not qualify to be capitalized as part of property, plant and equipment. As a result the Company, in 2012 and 2013, is expected to have an accumulated deficit. Hence the dividends expected to be paid will be paid from the Company's surplus, which comprises the Company's share premium and accumulated deficit/retained earnings. As share prices are unpredictable, this cannot be estimated with absolute certainty.

GENERAL INFORMATION

Currency

The legal currency assumed in the context of this Prospectus is and shall be the legal currency as adopted by The Commonwealth of The Bahamas.

Secondary market for Shares

While the Directors intend to list these Shares on the Bahamas International securitiesExchange (BISX), investors should be aware that they might not always be able to readily liquidate their holdings. Following the closing of this offering CFAL and PAL will, on an on-going basis, facilitate the buying and selling of the Shares on BISX.

Litigation

The Company has not encountered any litigation to date.

Material Contracts

The Company has some material contracts which can be viewed at the offices of the Placement Agents, and which are listed on page 41.

Transferability

The Shares are freely transferable by the registered holder thereof, or by their duly authorized agent.

Book entry record

Evidence of ownership of the Shares offered shall be by way of book-entry Share ownership record. Therefore no physical share certificates will be issued.

Employee Relations

The Company currently employs 16 persons (expected to increase to 60+ once fully operational) and all employee relations are considered to be good. Employees are provided with benefits including life, health, dental, accident and disability insurance. A formal private pension plan is still being formulated however it is expected that it will be instituted by the time the Port is operational.

Insurance coverage

The Company reviews insurance coverage at least annually and is of the opinion that it maintains adequate insurance coverage for its business operations and associated business risks.

Governing law

The Shares offered herein are governed by and shall be in accordance with the laws in effect from time to time in the Commonwealth of The Bahamas.

Validity and rejection of applications

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription or application for Shares will be determined by the Company in its sole discretion, whose determination shall be final and binding. All subscriptions are irrevocable.

The Company reserves the absolute right to accept any subscription, application, or form as valid and binding even if not in proper form, not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney or by evidence of satisfactory authority where required.

The Company reserves the absolute right to reject any subscription, application, or form for whatever reason it deems appropriate. Rejections are sometimes the result of applications not being in proper form, not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney or by evidence of satisfactory authority where required, or if the acceptance thereof or the allotment or issue of Shares would, in the opinion of the Company, be unlawful.

Posting

All documents, bankers' drafts and cheques posted to or by the persons entitled thereto (or their agents, as appropriate) will be posted at their risk. The Company accepts no liability for the failure of any documents to reach any person in a timely manner or at all.

Signatures

All forms must be signed by the person(s) named on the form. If a form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any other person acting in a fiduciary capacity, the form should be accompanied by evidence of authority satisfactory to the Company and/or the Escrow Agent.

Each subscriber for the ordinary shares:

1. warrants and represents that any money laundering laws or regulations applicable to such subscriber or the Company have not been and will not be violated by virtue of any action taken by the subscriber in relation to this Offering;
2. warrants and represents that the accompanying payment, if any, will be honored on first presentation;
3. agrees that failure to provide valid payment along with their application renders such application and their entitlement thereto null and void;
4. warrants and represents that any subscription has been properly authorized and all necessary action has been taken by the subscriber;
5. warrants and represents that the subscription and any action taken by the subscriber in connection with the Offering does not violate any laws or regulations relevant to such subscriber or the Company;
6. agrees that the laws of The Bahamas apply to the Offering and submits to the jurisdiction of the courts of The Bahamas;
7. agrees that no receipts for monies submitted will be issued; and
8. agrees that no interest will be paid on refunds of monies submitted.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the offices of CFAL, Ltd., 3rd Floor, 308 East Bay Street, New Providence, or at Providence Advisors Ltd., 2nd Floor, Goodman's Bay Corporate Centre, West Bay Street, New Providence, during normal business hours from Monday to Friday (except public holidays).

- Memorandum and Articles of Association
- Certificate of Incorporation
- Certificate of Good Standing
- Board Resolution approving this Public Offering
- Memorandum of Understanding, dated May 10th, 2010
- Crown Land Leases and Seabed License, all dated June 21st, 2011
- Environmental Impact Assessment Study by Islands by Design Limited & Reiss Engineering Limited dated March, 2010
- Economic Impact Study by KPMG Corporate Finance, dated April 30th, 2011
- Traffic Impact Study by Caribbean Civil Group Limited, dated February 12th, 2010.
- All significant and material construction contracts with a threshold in value in excess of \$1,000,000
- Audited Financial Statements for the period ended June 30th, 2011
- Audited Forecast Financial Statements for the 12 months ended June 30th, 2012, June 30th, 2013, June 30th, 2014 and June 30th, 2015
- Placement Agent Agreement, dated April 28th, 2011
- Registrar and Transfer Agent Agreement, dated September 20th, 2011
- Escrow Agent Agreement, dated April 28th, 2011
- Bridge Facility Loan Agreement, dated September 5th, 2011
- Container Terminal – Common Terminal Operator License awarded to Arawak Stevedoring Limited. As of the date of this Prospectus, the contract details have still not been finalized however the expectation is that this contract will be the

consummated prior to April 2012 and once executed will be included amongst the documents made available for public inspection.

- Bulk Terminal – Common Terminal Operator License awarded to Bahamas Bulk Materials Limited. As of the date of this Prospectus, the contract details have still not been finalized however the expectation is that this contract will be consummated prior to April 2012 and once executed will be included amongst the documents made available for public inspection.

ADVISORS

Financial Advisors

KPMG Corporate Finance

5th Fl., Montague Sterling Centre,
East Bay Street, P.O. Box N-123
Nassau, The Bahamas
Phone: (242) 393-2007, Fax: (242) 393-1772

Providence Advisors Ltd.

2nd Fl., Goodman's Bay Corporate Centre,
West Bay Street, P.O. Box AP-59223
Nassau, The Bahamas
Phone: (242) 328-7115-9, Fax: (242) 328-7129
E-mail: info@providenceadvisors.com

CFAL Ltd.

3rd Floor 308, East Bay Street
P.O. Box CB-12407
Nassau, The Bahamas
Phone: (242) 502-7010, Fax: (242) 326-3889
Email: info@cfal.com

Placement Agents

Providence Advisors Ltd.

2nd Fl., Goodman's Bay Corporate Centre
West Bay Street, P.O. Box AP-59223
Nassau, The Bahamas
Phone: (242) 328-7115-9, Fax: (242) 328-7129
Email: info@providenceadvisors.com

CFAL Ltd.

3rd Floor 308 East Bay Street
P.O. Box CB-12407
Nassau, The Bahamas
Phone: (242) 502-7010, Fax: (242) 326-3889
Email: info@cfal.com

Escrow Agent

CFAL Ltd.

3rd Floor 308 East Bay Street
P.O. Box CB-12407
Nassau, The Bahamas
Phone: (242) 502-7010, Fax: (242) 326-3889
Email: info@cfal.com

Registrar & Transfer Agent

Bahamas Central Securities Depository

#50 Exchange Place, Bay Street
P.O. Box EE-15672
Nassau, The Bahamas
Phone: (242) 322-5573, Fax: (242) 356-3613
Email: info@bahamascsd.com

Secondary Market Maker for the Corporate Shares

Providence Advisors Ltd.

2nd Fl., Goodman's Bay Corporate Centre
West Bay Street, P.O. Box AP-59223
Nassau, The Bahamas
Phone: (242) 328-7115-9
Fax: (242) 328-7129
Email: info@providenceadvisors.com

CFAL Securities Ltd.

3rd Floor 308 East Bay Street
P.O. Box CB-12407
Nassau, The Bahamas
Phone: (242) 502-7010
Fax: (242) 326-3889
Email: info@cfal.com

Counsel and Attorneys of the Company

Higgs & Johnson

Ocean Centre, Montague Foreshore
P.O. Box N-3247
Nassau, The Bahamas
Phone: (242) 502-5200 Fax: (242) 502-5255

KPMG Corporate Finance (a trade name of KPMG Advisory Caribbean Ltd.) is retained as financial advisor to APD on a number of matters including as relates to this Offering. KPMG Corporate Finance does not represent any investing shareholders in the Company and no independent advisor has been retained to represent such current or future shareholders. KPMG Corporate Finance have given and not withdrawn their consent to the issue of this Prospectus with the inclusion herein of their name in the form and context in which it is included.

PAL and CFAL have agreed to also act as financial advisors to APD for this Offering. PAL and CFAL do not represent the potential investors in APD and no independent advisor has been retained to represent such shareholders. PAL and CFAL have given and not withdrawn their consent to the issue of this Prospectus with the inclusion herein of their names as financial advisors to the offering in the form and context in which they are included.

CFAL and PAL have agreed to act as placement agents for the Shares offered herein. CFAL and PAL do not represent the investing shareholders in APD and no independent advisor has been retained to represent such shareholders. CFAL and PAL have given and not withdrawn their consent to the issue of this Prospectus with the inclusion herein of their names in the form and context in which they are included.

CFAL Securities Ltd. (also "CFAL") and PAL have agreed to act as secondary market makers on a best efforts basis for the Shares offered herein. CFAL and PAL do not represent the investing shareholders in APD and no independent advisor has been retained to represent such shareholders. CFAL and PAL have given and not withdrawn their consent to the issue of this Prospectus with the inclusion herein of their names in the form and context in which they are included.

Higgs & Johnson ("H & J") have been retained as counsel and attorney of the Company. The firm does not represent the investing shareholders in the Company and no independent counsel has been retained to represent such shareholders. H & J has given and not withdrawn its consent to the issue of this Prospectus with the inclusion herein of its name as counsel and attorney to the Offering in the form and context in which it is included.

AUDITORS OF THE COMPANY

PricewaterhouseCoopers, Bahamas (PwC), are the appointed Auditors of the Company. The firm has not been contracted to provide assurance on any other information other than the historical financial statements and prospective financial information. PwC has given and not withdrawn their consent to the issue of this Prospectus with the inclusion herein of their name as auditors to the offering in the form and context in which it is included.

PricewaterhouseCoopers

Chartered Accountants
Providence House, East Hill Street
P.O. Box N-3910, Nassau, The Bahamas
Phone: (242) 302-5300, Fax: (242) 302-5350


APD Limited

Arawak Cay
P.O. Box CR56766
Nassau, The Bahamas
Website: www.nassaucontainerport.com
Phone: (242) 323-7066
Fax: (242) 323-7072


KEY MANAGEMENT & DIRECTORS' CONSENT

We, the undersigned collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable inquiries, that to the best of our knowledge and belief, that there are no other facts, the omission of which would make any statement in this Prospectus misleading. Consent given by Board Resolution dated October 20th, 2011

Board of Directors:




James G. Mosko
Chairman



Christopher E. Lightbourn
Corporate Secretary




James Edgar Curling




Anton Saunders

Key Management:



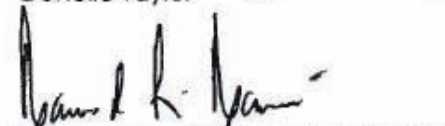
Michael J. Maura, Jr.
Chief Executive Officer



Anthony C. Allen
Deputy Chairman



Donelle Taylor



David R. Davis



Dion Bethell
Chief Financial Controller

The subscription period shall begin on Friday, December 16th, 2011 at 9:00 a.m. and will close at 5:00 p.m. on Tuesday, January 31st, 2012. The Directors reserve the right to extend or cancel this Offer at their discretion.

Eligible Investors, as defined below, should complete the enclosed subscription form and **deliver it, together with payment**, to either:

CFAL Ltd.

3rd Fl., 308 East Bay Street
P.O. Box CB-12407
Nassau, Bahamas

Providence Advisors Ltd.

2nd Fl., Goodman's Bay Corporate Centre
West Bay Street, P.O. Box AP-59223
Nassau, Bahamas

Or failing the above, completed applications can be submitted at any Bank of The Bahamas Limited location or Colina Insurance Limited location.

The only acceptable form of payment shall be by draft or cheque crossed non-negotiable to CFAL Ltd. or Providence Advisors Ltd. Cash, postal orders and direct debit payments will not be accepted.

ELIGIBLE INVESTORS

Eligible Investors include Bahamian citizens and permanent residents with an unrestricted right to work. Other interested investors may subscribe for the Shares upon prior approval from The Central Bank of The Bahamas. No minors are eligible as investors.

THE OFFER IS MADE ONLY TO THE FOLLOWING ELIGIBLE INVESTORS AS DEFINED BELOW:

1. The applicant is 18 years of age or older; and
2. The applicant is a citizen of the Commonwealth of The Bahamas or holds a permanent residency permit with the unrestricted right to work in The Bahamas or is granted approval as an investor in the Company by the Central Bank of The Bahamas; and
3. The applicant is not applying for the Shares as nominee for any other person, corporation, trust or fund that would not be an Eligible Investor.

IF A CORPORATION:

1. The applicant is established under the laws of the Commonwealth of The Bahamas and is a resident for exchange control purposes; and
2. The applicant is wholly owned by individuals who are citizens of The Bahamas and/or permanent residents with the unrestricted right to work or is granted approval as an investor in the Company by the Central Bank of The Bahamas; and
3. All necessary corporate actions have been taken to authorize the purchase of the Shares; and
4. The applicant is not applying for the Shares as nominee for any other person, corporation, trust or fund that would not be an Eligible Investor.

IF A TRUST OR PENSION FUND:

1. Beneficiaries of the trust or fund are citizens or permanent residents of the Commonwealth of The Bahamas with the unrestricted right to work or Bahamian resident companies owned by them and/or any other eligible trust or pension fund which is granted approval as an investor in the Company by the Central Bank of The Bahamas; and

2. Trustees of the trust and managers of the fund represent that they have the necessary power and all requisite actions have been taken to enable them to effect the purchase of the Shares; and
3. The applicant is not applying for the Shares as nominee for any other person, corporation, trust or fund that would not be an Eligible Investor.

ANTI MONEY LAUNDERING PROCEDURES

Measures aimed towards the prevention of money laundering and applicable “know your customer” legislation require that an applicant verify his/her identity to CFAL Ltd. or Providence Advisors Ltd., (“the Agents”). This is in pursuance of Bahamian legislation, mainly, the Proceeds of Crime Act, 2000 (“PCA”), the Financial Transactions Reporting Act, 2000 (as amended) (“FTRA”) and the Financial Transactions Reporting Regulations, 2000 (as amended) (“FTRAR”). Pursuant to the FTRA financial institutions are obliged to verify the identity of existing and prospective clients.

In addition, the Agent may request further information and documents before processing the application. Failure to supply such information as requested by the Agent prior to the Closing of the Offer will render such application void and result in the return of the funds which accompanied such application.

Pursuant to the FTRAR, an individual may be required to produce a copy of the first four pages of his/her passport (and additional pages, if relevant) or national identity card, and evidence of his/her address such as a copy of a recent utility bill or bank statement. Each partner or beneficial owner of an unincorporated business must complete as individuals, and supply the documents requested for individuals. Additionally, a copy of the partnership agreement or other agreement establishing the unincorporated business and authorized signatory listing will be required. Corporate applicants may be required to submit a certified copy of the Certificate of Incorporation (and any certificate of change of name), certified copy of Memorandum and Articles of Association, Certificate of Good Standing from the Registrar of Companies, the authorized signatory listing and the names and addresses of all officers, Directors and beneficial owners.

Depending on the circumstances of each application, a detailed verification may not be required if:

1. the applicant makes the payment from an account held in the applicant's name at a recognized financial institution; or
2. the application is made through an eligible introducer as per the FTRA.

It is further acknowledged that the Agent shall be held harmless and indemnified by the applicant against any loss arising as a result of a failure to process the application if such documentation is required by the Agent and has not been provided by the applicant to the Agent's satisfaction.

A detachable application form may be found at the end of this Prospectus. Additional copies of the Prospectus and application form may be obtained from the offices of Providence Advisors Ltd., 2nd. Floor, Goodman's Bay Corporate Centre or CFAL Ltd., 3rd. floor, 308 East Bay Street, Nassau, or online at www.nassaucontainerport.com

Completed applications must be delivered to Providence Advisors or CFAL Ltd., (the Placement or Escrow Agents for the Offering) accompanied by a remittance by draft or cheque, crossed non-negotiable (cash not accepted) for the full amount of B\$10.00 per Share payable to either Providence Advisors Ltd. or CFAL Ltd.

Terms and conditions

Applications are subject to the following terms and conditions:

1. The Directors reserve the right to reject, in whole or in part, any application.
2. Only applications from Eligible Investors as described on page 43 will be accepted.
3. Applications must be completed in every respect and must be for the minimum number and prices specified herein.
4. The number of Shares applied for must be paid for in full by cheque at the time when the application is made.
5. For individual investors, a copy of the first four pages of your passport must accompany your application along with the provision of your National Insurance number.

Evidence of shares ownership

Investors will be issued a book-entry record by the Bahamas Central Securities Depository ("BCSD"), the Registrar & Transfer Agents for the Shares, for individual Share holdings. BCSD will send Investors a confirmation of their holdings within 6 weeks of the closing of the Offering Period or date of issue, whichever is the later. This confirmation should be kept in a safe place (as if it were a share certificate) but it will relieve the Investor of the risk, expense and concerns over the safekeeping of a certificate.

APPLICATION FORM FOR INDIVIDUAL APPLICANT(S)

For Ordinary Shares in APD Limited

Applications for a minimum 50 Shares will be accepted from 2:00pm on Friday, December 16th, 2011 until 5:00 p.m. on Tuesday, January 31st, 2012 or until the Offer is terminated. Full payment for the Shares subscribed must accompany this application. All cheques must be made payable to **CFAL LTD. or Providence Advisors Ltd.**

CASH & DIRECT DEBITS WILL NOT BE ACCEPTED.

Number of Shares Requested: _____ Payment Enclosed: B\$ _____
(at B\$10.00 per Share for a minimum of 50 Shares and in multiples of 25 Shares thereafter)

Surname: _____ First Name(s): _____

Bahamian Citizen Permanent Resident Central Bank approved investor

National Insurance: _____

Passport Number: _____

Permanent Resident Number(if applicable): _____

And if applicable, Co-Owner:

Surname: _____ First Name(s): _____

Bahamian Citizen Permanent Resident

National Insurance: _____

Passport Number: _____

Permanent Resident Number(if applicable): _____

Please register joint accounts as follows (tick one):

Joint Tenants with Rights of Survivorship Tenants In Common

Joint Tenants with Rights of Survivorship will be used if no indication is made.

(Please print the following information):

P.O. Box: _____ Island: _____

Telephone No. Work: _____ Home: _____

E-Mail: _____

Please note the form of Dividend payment preference:

Cheques mailed to above P.O. Box, or Cheques deposited to my (our) Company,
or Cheques deposited to my (our) brokerage account:

Company Name/ Bank Branch: _____

Bank Account Number: _____

Brokerage Account Number: _____

Declaration

The applicant(s), by signing this application, acknowledge(s) receipt of the Prospectus dated Friday, December 16th, 2011 and make(s) the declarations as indicated on the continuing page of this application.

Signature

Signature of joint applicant (if applicable)
(Continued)

APPLICATION FORM - INDIVIDUAL

**For Individual Applicant(s)
For Ordinary Shares in APD Limited**

The applicant(s), by signing this application on the previous page, make(s) the following declarations:

The applicant is 18 years of age or older; and

The applicant is a citizen of The Commonwealth of The Bahamas or holds a permanent residency permit with the unrestricted right to work in The Commonwealth of The Bahamas or is granted approval as an investor in APD Limited by the Central Bank of The Bahamas; and

The applicant is not applying for the Shares as nominee for any other person, corporation, trust or fund that would not be an eligible investor.

Send completed application and remittance to either:

CFAL Ltd.

3rd Floor, 308 East Bay Street
P.O. Box CB-12407
Nassau, Bahamas
Phone: (242) 502-7010

Providence Advisors Ltd.

2nd Fl., Goodman's Bay Corporate Centre,
West Bay Street
P.O. Box AP-59223, Nassau, Bahamas
Phone: (242) 328-7115-9

Or failing the above, completed applications can be submitted at any Bank of The Bahamas Limited Location or Colina Insurance Limited location.



APPLICATION FORM FOR USE BY A BODY CORPORATE, TRUST OR FUND

For Ordinary Shares in APD Limited



Applications for a minimum 50 Shares will be accepted from 2:00pm on Friday, December 16th, 2011 until 5:00pm on Tuesday, January 31st, 2012 or until the Offer is terminated. Full payment for the Shares subscribed must accompany this application. All cheques must be made payable to **CFAL LTD. or Providence Advisors Ltd.**

CASH & DIRECT DEBITS WILL NOT BE ACCEPTED.

Number of Shares Requested: _____ Payment Enclosed: B\$ _____
(at B\$10.00 per Share for a minimum of 50 Shares and in multiples of 25 Shares thereafter)

(Please print the following information)

Name: _____

Contact Person (s): _____

Company Registration Number: _____

P.O. Box: _____ Island: _____

Telephone No. Work: _____ Home: _____

E-Mail: _____

Please note the form of Dividend payment preference:

Cheques mailed to above P.O. Box, or Cheques deposited to our Company, or Cheques deposited to our brokerage account:

Company Name/Bank Branch: _____

Bank Account Number: _____

Brokerage Account Number: _____

Declaration

The applicant(s), by signing this application, acknowledge(s) receipt of the Prospectus dated Friday, December 16th, 2011 and make(s) the declarations as indicated on the continuing page of this application.

Authorized Signature - Title Under Seal

Authorized Signature - Title Under Seal
(Continued)

APPLICATION FORM - COMPANY, TRUST OR FUND



For Use by a body corporate, Trust or Fund For Shares in APD Limited

The entity, by signing this application on the previous page, make(s) the following declarations:

If a Corporation:

The applicant is established under the laws of the Commonwealth of The Bahamas and is a resident for exchange control purposes; and

The applicant is wholly owned by individuals who are citizens of The Commonwealth of The Bahamas and/or permanent residents with the unrestricted right to work or is granted approval as an investor in APD Limited by the Central Bank of The Bahamas; and

All necessary corporate action has been taken to authorize the purchase of the Shares; and

The applicant is not applying for the Shares as nominee for any other person, corporation, trust or fund that would not be an eligible investor.

If a Trust or Pension Fund:

Beneficiaries of the trust or fund are citizens or permanent residents of the Commonwealth of The Bahamas with the unrestricted right to work or Bahamian resident companies owned by them and/or any other eligible trust or pension fund which is granted approval as an investor in APD Limited by the Central Bank of The Bahamas; and

Trustees of the trust and managers of the fund represent that they have the necessary power and all requisite actions have been taken to enable them to effect the purchase of the Shares; and

The applicant is not applying for the Shares as nominee for any other person, corporation, trust or fund that would not be an eligible investor

Send completed application and remittance to either:

CFAL Ltd.

3rd Fl., 308 East Bay Street
P.O. Box CB-12407
Nassau, Bahamas
Phone: (242) 502-7010

Providence Advisors Ltd.

2nd Fl., Goodman's Bay Corporate Centre,
West Bay Street
P.O. Box AP-59223, Nassau, Bahamas
Phone: (242) 328-7115-9

Or failing the above, completed applications can be submitted at any Bank of The Bahamas Limited Location or Colina Insurance Limited location.

APD LIMITED**Audited Financial Statements****As of June 30, 2011 and for the period from****February 24, 2009 (date of incorporation) to June 30, 2011**



INDEPENDENT AUDITORS' REPORT

To the Shareholders of APD Limited

We have audited the accompanying financial statements of APD Limited (the Company), which comprise the statement of financial position as of June 30, 2011, and the statements of comprehensive income, changes in equity and cash flows for the period from February 24, 2009 (date of incorporation) to June 30, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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.



Auditors' Responsibility (continued)

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 accompanying financial statements present fairly, in all material respects, the financial position of APD Limited as of June 30, 2011, and its financial performance and cash flows for the period from February 24, 2009 (date of incorporation) to June 30, 2011 in accordance with International Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read "PricewaterhouseCoopers", is written over a large, stylized circular flourish.

**Chartered Accountants
Nassau, The Bahamas
October 25, 2011**

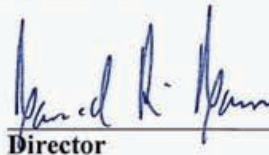
APD LIMITED
(Incorporated under the laws of the Commonwealth of The Bahamas)

Statement of Financial Position
As of June 30, 2011
(Amounts expressed in Bahamian dollars)

	Notes	2011 \$
ASSETS		
Current assets		
Cash and cash equivalents	3	9,128,980
Due from related parties	4	376,383
Deferred borrowing costs	6	579,485
Deposits, prepayments and other assets	5 & 11	<u>204,894</u>
Total current assets		<u>10,289,742</u>
Non-current assets		
Property, plant and equipment	7	<u>31,786,878</u>
Total assets		<u>42,076,620</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable		1,332,225
Retention payable	8	1,612,425
Accrued expenses and other liabilities		<u>224,323</u>
Total current liabilities		<u>3,168,973</u>
Equity		
Share capital	9	40,000
Share premium		40,015,000
Accumulated deficit		<u>(1,147,353)</u>
Total equity		<u>38,907,647</u>
Total liabilities and equity		<u>42,076,620</u>

Approved by the Board of Directors and signed on its behalf by:


 Director


 Director


 Date

The accompanying notes are an integral part of these financial statements.

APD LIMITED

Statement of Comprehensive Income
For the period from February 24, 2009 (date of incorporation) to June 30, 2011
(Amounts expressed in Bahamian dollars)

	Notes	2011 \$
Expenses		
Legal and other professional fees	4 & 12	(611,282)
Staff costs	4	(538,875)
Insurance		(79,952)
Depreciation	7	(36,018)
Utilities		(20,324)
Business license		(1,770)
Other operating expenses		<u>(95,148)</u>
Total expenses		<u>(1,383,369)</u>
Finance income		
Interest income	3	<u>236,016</u>
Total loss for the period attributable to the equity holders		(1,147,353)
Other compressive income		<u>-</u>
Total comprehensive loss for the period		<u>(1,147,353)</u>

APD LIMITED

Statement of Changes in Equity
For the period from February 24, 2009 (date of incorporation) to June 30, 2011
(Amounts expressed in Bahamian dollars)

	<u>Share capital \$</u>	<u>Share premium \$</u>	<u>Accumulated deficit \$</u>	<u>Total \$</u>
Total comprehensive loss for the period	-	-	(1,147,353)	(1,147,353)
Transactions with owners				
Issuance of ordinary shares (Note 9)	40,000	40,015,000	-	40,055,000
Balance as of June 30, 2011	<u>40,000</u>	<u>40,015,000</u>	<u>(1,147,353)</u>	<u>38,907,647</u>

APD LIMITED

Statement of Cash Flows

**For the period from February 24, 2009 (date of incorporation) to June 30, 2011
(Amounts expressed in Bahamian dollars)**

	Notes	2011 \$
Cash flows from operating activities		
Payment of expenses		<u>(1,088,425)</u>
Net cash used in operating activities		<u>(1,088,425)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment		(28,434,837)
Proceeds from sale of property, plant and equipment	4	158,448
Interest received	3	<u>236,016</u>
Net cash used in investing activities		<u>(28,040,373)</u>
Cash flows from financing activities		
Proceeds from issuance of ordinary shares		38,948,473
Borrowing costs paid	6	(579,485)
Payment for cost recoverable from Initial Public Offering	5	<u>(111,210)</u>
Net cash from financing activities		<u>38,257,778</u>
Increase in cash and cash equivalents		9,128,980
Cash and cash equivalents, beginning of period		<u>-</u>
Cash and cash equivalents, end of period		<u>9,128,980</u>

Supplemental non-cash information: Total consideration in kind given for issuance of ordinary shares amounted to \$1,106,527.

1. General information

APD Limited (the Company) was incorporated on February 24, 2009, under the Companies Act, 1992 of the Commonwealth of The Bahamas (The Bahamas). The Company is 50% owned by The Treasurer of The Bahamas and 50% owned by Arawak Cay Port Development Holdings Limited (ACPDHL), hereinafter collectively referred to as the Shareholders. ACPDHL is owned by a consortium of private companies operating in The Bahamas.

The Company's registered office is located at Ocean Centre, Montagu Foreshore, East Bay Street, New Providence, The Bahamas.

On May 10, 2010, the Company and the Government of The Bahamas (the Government) entered into a Memorandum of Understanding (MOU), whereby the Government initiated the relocation of the freight, cargo and port handling activities from Downtown Bay Street on the island of New Providence to Arawak Cay, New Providence, and the Company agreed to design, develop, construct, manage, operate and maintain a new commercial port at Arawak Cay to be known as Nassau Container Port (the Port) and an inland terminal on Gladstone Road, to be known as Gladstone Freight Terminal(the Depot) (Note 11).

The Port and Depot facilities are being developed on 56.55 acres of land on Arawak Cay, New Providence (the Port Land) and 15 acres of land at Gladstone Road, New Providence (the Depot Land). On June 21, 2011, the Minister responsible for the Lands and Survey acting on behalf of the Government leased the Port Land and Depot Land and licensed 27.88 acres of seabed for use of the Company for 45 years which is to become effective upon the substantial completion of the Port and Depot facilities (Note 11).

As of June 30, 2011 the Company is in a development phase and accordingly has not yet commenced operations. Upon completion and the commencement of operations, the Port will include a break bulk, a bulk and a container terminal along 1,167 linear feet of berth. The container terminal will have the capability of handling at least 75,000 Twenty-foot Equivalent Units (TEUs) annually. The Depot which will be comprised of 100,000 square feet and 10,000 square feet of warehouse and administrative office space respectively, once completed, will primarily serve as a deconsolidation and distribution centre. Substantial completion of the Port and the Depot are scheduled for second quarter of 2012.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below.

(a) Basis of preparation

These are the Company's first financial statements prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS).

The financial statements have been prepared for the period from February 24, 2009 (date of incorporation) to June 30, 2011. No information has been presented separately for the period ended June 30, 2010, as the Company was still in the development phase as of the reporting date.

The Company has applied IFRS 1, First-time adoption of International Financial Reporting Standards in preparing these financial statements, and has adopted all IFRSs effective at the end of the reporting period in applying the Company's accounting policies.

The preparation of financial statements in conformity with IFRS requires management to exercise judgment in the process of applying the Company's accounting policies. It also requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

(i) Critical accounting estimates and assumptions

Useful lives of property, plant and equipment

Management determines the estimated useful lives of the property, plant and equipment based on the period over which the assets are expected to be available for use.

2. Summary of significant accounting policies (Continued)

(a) Basis of preparation (continued)

The Company annually reviews the estimated useful lives of property, plant and equipment based on factors that include, but are not limited to, asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of assets. It is possible that the future results of operations could be materially affected by changes in these estimates brought about by changes in above-mentioned factors

(ii) Critical judgment in applying entity's accounting policies

Items of property, plant and equipment that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Identifying and assessing circumstances that indicate that the carrying amount of an item of property, plant and equipment may not be recoverable requires significant judgment. In determining whether circumstances indicating impairment exists, management, at a minimum, considers the following factors:

- A decline in the asset's market value that is significantly greater than would be expected as a result of the passage of time or normal use;
- Significant adverse changes in the technological, market, economic or legal environment;
- Increases in interest rates or other market rates of return;
- Obsolescence or physical damage affecting the asset;
- Significant adverse changes that have taken place or are expected in the way that an asset is used or expected to be used;
- Deterioration in the expected level of the asset's performance; and

2. Summary of significant accounting policies (Continued)**(a) Basis of preparation (continued)**

- Management's own forecasts of future net cash inflows or operating profits may show a significant decline from previous budgets and forecasts.

(ii) Critical judgment in applying entity's accounting policies (continued)

Capitalization of directly attributable cost related to the acquisition of property, plant & equipment

International Accounting Standard (IAS) 16 'Property, Plant and Equipment' requires that the cost of an item of property, plant and equipment should include directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Determining directly attributable costs requires significant judgment. Management determines directly attributable costs as those that are incremental in nature and/or would be necessarily incurred by a third party in bringing the asset to the location and condition necessary for it to be used for the intended purpose.

Inception and commencement of leases

Under IAS 17 'Leases', the lease classification is made at the inception of the lease which is earlier of the date of the lease agreement and the date of the parties' commitment to the lease's principal provisions. Whereas, the commencement of the lease term is the date from which the lessee is entitled to exercise its right to use the leased asset and represents the date from which lease payments made under operating leases are recognised as an expense on a straight-line basis over the lease term.

2. Summary of significant accounting policies (Continued)**(a) Basis of preparation (continued)**

Determining the inception and commencement of the lease required significant judgment. In making the judgment, management reviewed the MOU and the lease agreements, and determined that the Company and the Government had in effect agreed to principal provisions of the lease on May 10, 2010 through the MOU. However, the commencement of the lease occurred on June 21, 2011 which is the date on which the lease agreements were signed and the Company's rights to use the leased assets were established.

(b) Changes in applicable accounting standards

New and amended standards, and interpretations mandatory for the first time for the financial year beginning on or after July 1, 2010 that are relevant to the Company

The application of new standards and amendments and interpretations to existing standards that have been published but are not yet effective are not expected to have a material impact on the Company's accounting policies or financial statements in the period of initial application.

(c) Foreign currencies**a) Functional and presentation currency**

The financial statements are presented in Bahamian dollars, which is the Company's functional and presentation currency, as it represents the currency of the primary economic environment in which the Company operates.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2. Summary of significant accounting policies (Continued)**(d) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash held with banks and other short-term highly liquid investments with original maturities of 3 months or less.

(e) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. The carrying amount of the replaced asset is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

No depreciation is charged on capital work in progress. Depreciation on all of the assets is calculated using the straight-line method to allocate their cost less residual values, over their estimated useful lives, as follows:

Office trailer	1.5 years
Furniture and fixtures	1 - 3 years
Motor vehicles	5 years

The assets' residual values and estimated useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(f)).

At the time of disposal or retirement of assets, the cost and related accumulated depreciation are eliminated, and any resulting gain or loss is reflected in the statement of comprehensive income.

2. Summary of significant accounting policies (Continued)

(f) Impairment of non-financial assets

Items of property, plant and equipment that are subject to depreciation/amortization are reviewed 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 carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units (CGUs)).

Value in use calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates that do not exceed the long-term average growth rate for the CGU.

Non-financial assets that incurred impairment charges are reviewed for possible reversal of the impairment at each reporting date. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognised.

(g) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within 1 year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. Summary of significant accounting policies (Continued)**(h) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs and recognized as part of the borrowings using the effective interest method. To the extent that it is not probable that some or all of the facility will be drawn down, the fee is expensed in the statement of comprehensive income.

(i) Share capital

Ordinary shares are classified as equity. Total value of shares issued in excess of the par value is recognised as share premium.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction from the proceeds.

(j) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services provided in the ordinary course of the Company's activities. Revenue is shown net of returns, rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the Company's activities as described below.

2. Summary of significant accounting policies (Continued)

Sales of services

Revenue from general containerized cargo, bulk and break bulk handling services are recognised upon delivery.

Revenue from rental and other fixed-term contracts are recognised using a straight-line basis over the term of the contract.

Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

(k) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(l) Financial assets

(a) Classification

The Company classifies all its financial assets as 'loans and receivables'. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date in which case, these are classified as non-current assets. The Company's loans and receivables comprise cash and cash equivalents (Note 3), due from related parties (Note 4), and deposits and other assets (Note 5) included in the statement of financial position.

2. Summary of significant accounting policies (Continued)

(b) Recognition

The Company recognises financial assets on the date it becomes a party to the contractual provisions of the instrument.

(c) Measurement

Financial assets are measured initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Subsequent to the initial recognition, financial assets classified as loans and receivables are carried at amortised cost using the effective interest method, less a provision for impairment losses.

(d) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

(e) Impairment

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that the loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of a loss event include:

- significant financial difficulty of the customer;
- a breach of contract, such as a default or delinquency in payments; or
- it becomes probable that the customer will enter bankruptcy or other financial reorganization.

2. Summary of significant accounting policies (Continued)**(e) Impairment (cont'd)**

Individually significant financial assets are tested for impairment if there are indicators of impairment. Impairment loss is recognised in the statement of comprehensive income and the carrying amount of the asset is reduced through the use of an allowance account. Individual insignificant financial assets are grouped together and receivable balances outstanding more than 90 days are fully provided for.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

(f) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(m) Income taxes

Under the current laws of The Bahamas, the Company is not subject to income, capital or other corporate taxes. The Company's operations do not subject it to taxation in any other jurisdiction.

2. Summary of significant accounting policies (Continued)

(n) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with conditions attached to the grant.

Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are presented in the statement of financial position as a deduction from the carrying value. The grant is recognised in the statement of comprehensive income over the life depreciable assets as a reduced depreciation expense.

(o) Earnings/(loss) per share

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to the equity shareholders by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares, if any.

(b) Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, if any.

3. Cash and cash equivalents

	2011
	\$
Cash on hand	500
Cash held with bank	60,089
Short-term fixed deposits with bank	9,068,391
	9,128,980

Short-term fixed deposits with bank represent investments in 1 month call deposits. The deposits are earning interest at 1.75% per annum as of June 30, 2011.

4. Related party balances and transactions

A party is related to the Company if:

- (a) Directly, or indirectly through one or more intermediaries, the party:
 - (i) controls, is controlled by, or is under common control with, the Company;
 - (ii) has an interest in the Company that gives it significant influence over the Company;
- (b) the party is a member of the key management personnel, including directors and officers, of the Company or its shareholders;
- (c) the party is a close member of the family of any individual referred to in (b) above;
- (d) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entities resides with, directly or indirectly, any individual referred to in (b) or (c) above.

4. Related party balances and transactions (Continued)

(a) Amounts due from related parties comprise:

	2011
	\$
Due from Shareholder	<u>352,307</u>
Due from other related parties	<u>24,076</u>
	376,383

The amount due from Shareholder represents amounts paid on behalf of the Shareholder. The amount due from other related parties arise mainly from the sale of land fill. The receivables are unsecured, bear no interest and have no set terms of repayment. No provisions are held against receivables from related parties.

(b) Sale and purchases of goods and services

	2011
	\$
Sale of goods	<u> </u>
Other related parties	<u>171,720</u>
 Purchase of goods and services	
From Shareholders	<u>3,759</u>
From other related parties	<u>371,860</u>
	375,619

Sale of goods is in respect of the sale of land fill dredged from the harbor. The sales have been credited to capital work in progress because they were realised as a direct result of activities associated with the construction of the Company's capital work.

Total goods and services purchased from other related parties that have been capitalised and included within property, plant and equipment amounted to \$352,093.

4. Related party balances and transactions (Continued)

(c) Key management compensation

Key management includes the directors of the Company, the Chief Executive Officer and the Chief Financial Officer. The compensation paid or payable to key management for their services is shown below:

	2011
	\$
Salaries	<u>251,115</u>
Short-term employee benefits (Note 12)	<u>133,150</u>
	384,265

5. Deposits, prepayments and other receivables

Included in deposits, prepayments and other receivables is \$153,000 representing deferred cost paid in connection with the Initial Public Offering (IPO) of the Company's ordinary shares to the general public [Note 11(a)].

6. Deferred borrowing costs

	2011
	\$
Arrangement fee for Demand Construction Loan Facility	<u>250,000</u>
Financial advisory services for replacement financing	<u>329,485</u>
	579,485

6. Deferred borrowing costs (continued)

(a) Arrangement fee for Demand Construction Loan Facility

On June 30, 2010, the Company entered into a 2 year Demand Construction Loan Facility agreement (the Facility) with the Royal Bank of Canada in the amount of \$30 million, to be drawn in Bahamian dollar (B\$) or United States dollar (US\$). The Facility is to be used for funding the construction and development of the Port and the Depot. The key terms of the agreement are as follows:

-	Amount	\$30 million
-	Arrangement fee	\$250,000
-	Interest on B\$ loan	Nassau Prime + 1%
-	Interest on US\$ loan	New York Prime + 1%
-	Repayment	Interest only for first 2 years or until the substantial completion, whichever is shorter. The facility will be repaid via long term replacement financing at the end of 2 years or at the substantial completion.
-	Security/Collateral	<ul style="list-style-type: none"> • Loan agreement and associated documentation; • Negative pledge on all owned assets; and • Undertaking from the shareholders to fund all cost overruns.

During the period ended June 30, 2011, the Company did not draw on the Facility. However, it is expected that the Company will draw on the facility in the next fiscal year (Note 17).

(a) Financial advisory services for replacement financing

This represents the cost of financial advisory services in advising the Company on alternatives for long term financing to replace the Facility. At this time a private placement of preference shares and/or bonds are being considered. The cost is unpaid as of June 30, 2011.

7. Property, plant and equipment

	Office trailer \$	Furniture & fixtures \$	Motor vehicles \$	Capital work in progress \$	Total \$
Cost					
Additions	125,468	87,715	77,295	31,532,418	31,822,896
Balance as of June 30, 2011	125,468	87,715	77,295	31,532,418	31,822,896
Accumulated depreciation					
Depreciation	(15,767)	(11,074)	(9,177)	-	(36,018)
Balance as of June 30, 2011	(15,767)	(11,074)	(9,177)	-	(36,018)
Net book value as of June 30, 2011	109,701	76,641	68,118	31,532,418	31,786,87

Capital work in progress includes costs incurred to June 30, 2011 in connection with the construction of the container, bulk and break-bulk terminals and the administration building at the Port, construction of the inland terminal at the Depot and purchase of freight handling equipment. These projects are expected to be completed in February 2012.

8. Retention payable

The balance represents amounts retained by the Company from the progress payments made to contractors in connection with the construction of the Port and Depot facilities. As of June 30, 2011, the retention payable comprises:

	2011
	\$
American Bridge Bahamas Ltd.	1,564,432
Inline Project Co. Ltd.	47,993
	1,612,425

(a) American Bridge Bahamas Ltd.

Under the terms of the agreement, the Company withholds 10% of the progress payments payable to the contractor until the total amount withheld is equal to 5% of the total contract value. The final payment, constituting the entire unpaid balance of the contract sum, shall be made when the contractor has fulfilled all its commitments under the contract.

8. Retention payable (Continued)

(b) Inline Project Co. Ltd.

Under the terms of the agreement, the Company withholds 5% of the progress payments payable to the contractor. Upon substantial completion of the entire work, the Company will make payments to the contractor up to 97.50% of the contract value, with the balance being withheld for incomplete work and unsettled claims. The final payment, constituting the entire unpaid balance of the contract sum, shall be made upon final completion of the project.

9. Share capital

The Company has an authorised capital of \$65,000 divided into 5,000,000 ordinary shares and 150,000 cumulative preferred shares with par values of \$0.01 and \$0.10 each, respectively.

The Company has issued 4,000,000 ordinary shares that were fully paid for by the shareholders (Notes 11 & 17).

10. Basic and diluted loss per share

The calculation of basic and diluted loss per share is based on the loss attributable to the equity shareholders divided by the weighted average number of ordinary shares outstanding during the period.

	2011
	\$
Total loss for the period attributable to the equity shareholders	<u>\$(1,147,353)</u>
Weighted average number of ordinary shares in issue	<u>948,598</u>
Basic and diluted loss per share	(1.21)

11. Significant agreements

(a) Memorandum of Understanding (MOU)

In accordance with the MOU, 20% of the Company's ordinary shares must be offered for sale to the general public. Accordingly, the Board of Directors (BOD) of the Company has decided to allocate 20% of the issued share capital of the Company to the general public through an IPO. At the conclusion of the IPO, it is expected that the Government and ACPDHL will each own 40% and the general public will own 20% of the ordinary share capital of the Company (Note 17).

The MOU states that the Government will allow the Company to make such adjustments to fees and tariffs as may be required from time to time to maintain an Internal Rate of Return (IRR) of no less than 10%.

Under the MOU, the Government has granted the Company an exclusive arrangement whereby no other port (including sufferance wharfs) or container terminals (whether inland or not) can be established on the islands of New Providence and Paradise Island as well as within 20 miles of the shoreline of New Providence for a period of 20 years from the date of the substantial completion (Note 1).

The MOU further states that the Company and any of its contractors employed during the Port and Depot build-out period, will be exempt from any customs duty and excise taxes on the importation of certain material and equipment that will be used in the construction, equipping, furnishing, completing, opening and operation of the Port and Depot. This exemption was later notified by the Ministry of Finance through its letter to the Company dated June 21, 2011. The Company recognises the exemption in the financial statements as a government grant. The grant received during the period mainly related to acquisition of property, plant and equipment. Under the terms of the MOU, the above exemption will remain in effect so long as the Company fulfills its obligations under the MOU. During the reporting period, the Company did not default on any of its obligations under the MOU.

11. Significant Agreements (Continued)

(a) Memorandum of Understanding (MOU) (continued)

The MOU also provides that so long as the Government will hold at least 40% of the Company's issued capital, no action or decision shall be taken by the BOD in relation to specific matters in the MOU (hereinafter referred to as the Reserved Matters) unless prior approval from the Government has been obtained. Where the context provides, the Reserved Matters are applicable to the Company and its subsidiaries, if any, from time to time (the Company and its subsidiaries are hereinafter referred to as the Group Members). The Reserved Matters are summarised as follows:

- adopting or altering the Memorandum of Association, Articles of Association or other constitutive documents;
- changing the authorised or issued share capital, granting share options or issuing instrument carrying rights of conversion into ordinary shares;
- incurring financial indebtedness which would result in the secured debt exceeding 3 times the Earning Before Interest, Taxation, Depreciation and Amortization or Debt Service Coverage Ratio that is less than 1.5 times;
- making loans or advances to any person other than in the ordinary course of the business;
- selling, transferring, leasing, assigning or otherwise disposing of a material part of undertaking, property and/or assets except for sub-leases made in the ordinary course of business;
- creating encumbrances over all or a material part of undertaking, property and/or assets, or giving guarantees or indemnities for any purpose other than as security in respect of the financial indebtedness which is not otherwise prohibited under the terms of the MOU;
- entering into any contract, liability or commitment which (a) is unusual or onerous or outside the ordinary course of business, or (b) is other than at commercial arm's length terms, except where such contract, liability or commitment satisfies authorization criteria agreed between the Company and the Government;
- awarding of contracts, transactions or arrangements, other than contracts for provision of goods and services being at arm's length whose value does not exceed B\$5 million in a 12 month period, with (a) ACPDHL (b) a Director of ACPDHL and/or (c) an affiliate of ACPDHL, or any director or employee of such affiliate, except where such contracts, transactions or arrangements are awarded in compliance with procedures governing the awards of such that may be agreed between the Company and the Government;

11. Significant Agreements (Continued)

(a) Memorandum of Understanding (MOU) (continued)

- imposing fees and charges, save for such charges and fees preapproved by the Government, which are required to maintain a minimum IRR of 10% per annum;
- taking of any corporate action, legal proceedings or other procedures or steps in relation to (a) suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, liquidation, administration or reorganization of Group Members (b) a composition, compromise, assignment or arrangement with, or for the benefit of, any creditor of the Group Members or (c) appointment of liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Group Member or any of its assets;

The consent and approval of the Government to a Reserved Matter will only be deemed to have been given where a document confirming such consent or approval has been delivered to the Company's registered office. If a consent or refusal of a Reserved Matter is not delivered within 20 business days after receipt of the matter by the Government, the Reserved Matter request shall be deemed to have been approved.

The Company's financial statements shall be subject to annual audits. The auditor of the Company shall also review and report on the Company's compliance with the provisions of MOU relating to the Reserved Matters.

(b) Leases

Pursuant to the terms of the MOU, on June 21, 2011 the Company entered into 45 year lease agreements for 56.55 and 15 acres of the Port Land and the Depot Land, respectively, with the Minister responsible for Lands and Survey. The above lease terms will commence upon the Substantial Completion of the Port and Depot which will be deemed to have been occurred at such time as all works necessary for the full operation of the Port and the Depot are duly completed and evidenced by (i) the issuance of performance certificates or taking over certificates pursuant to the construction contracts and (ii) certificates of occupancy.

Under the terms of the lease agreement for the Port land, the Company shall pay an annual rent of \$40 per TEU until such time as the Substantial Completion is achieved. Once Substantial Completion is achieved, the Company will pay an annual rent of \$2,000,000 or \$40 per TEU, whichever is greater. The fixed rent is payable quarterly in advance during the term and any adjustments based on the rent per TEU is payable within 14 days from the end of each quarter. The rent is subject to annual increases based on the increases in the cost of living.

11. Significant Agreements (Continued)

(b) Leases (cont'd)

The annual rent on the Depot Land is \$1, payable annually in advance.

Under the provision of Item 2 of the Second Schedule of the Stamp Act (revised), the leases of the Port Land and Depot Land were exempt from imposition of stamp tax as the leases were issued on behalf of the Government of the Commonwealth of The Bahamas.

Upon expiration of the term of the above leases, the Company shall have an option to renew the same for another term of 45 years on the same terms and conditions but at an annual rent to be agreed between parties.

Contemporaneously with the signing of the lease agreements on June 21, 2011, the Company was granted a 45 year license by the Minister responsible for Lands and Survey to use the 27.88 acres of seabed for purposes ancillary to the adjacent Port facility, for an annual license fee of \$1, payable annually in advance. Upon expiration of the term of the license, the Company can apply for renewal of the license for another term of 45 years but at an annual licence fee to be agreed between the parties.

The future aggregate minimum lease payments under non-cancellable operating leases above are as follows:

	2011
	\$
No later than one year	<u>2,000,002</u>
Later than one year and no later than 5 years	<u>10,000,010</u>
Later than 5 years	<u>78,000,078</u>
	<u>90,000,090</u>

12. Legal and other professional fees

Legal and other professional fees comprise the following:

	2011
	\$
Incorporation, registration and start-up related activities	<u>337,352</u>
Legal and other professional fees	<u>159,500</u>
Economic impact study	<u>65,870</u>
Directors' fees	<u>41,500</u>
Others	<u>7,060</u>
	611,282

Directors' fees is included within short-term employee benefits in Note 4.

13. Commitments and contingencies

	2011
	\$
Contracted but not yet incurred	<u>4,817,386</u>
Approved but not yet contracted	<u>40,998,159</u>
	45,815,545

14. Financial risk management

The Company's activities expose it to a variety of financial risks such as market risk, credit risk and liquidity risk. The Company's overall risk management framework seeks to minimise potential adverse effects of these risks on the Company's financial performance by understanding and effectively managing these risks.

Risk management is carried out by senior management of the Company under policies approved by the BOD.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's objective when managing market risk is to maintain risk exposure at a level that would optimise return on risk. The Company is exposed to following types of market risks:

(i) Currency risk

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. Foreign exchange risk arises from future transactions, recognised assets and liabilities.

In the normal course of the business, the Company is exposed to foreign exchange risk arising primarily with respect to the United States dollar.

The exchange rate between the Bahamian dollar and the United States dollar is fixed at 1:1 and therefore, the Company's exposure to currency risk is considered minimal.

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As of June 30, 2011, the Company did not hold any fixed interest rate financial instruments which would have exposed it to any significant fair value or cash flow interest rate risk.

14. Financial risk management (Continued)

(b) Credit risk

Credit risk arises from the potential failure of a counterparty to perform according to the terms of the contract. The Company's exposure to credit risk is concentrated in its cash and short-term deposits held with bank and due from related parties. The carrying amount of these financial assets represents the maximum credit exposure to the Company.

The Company seeks to mitigate such risk by placing its cash with financial institutions in good standing with the Central Bank of The Bahamas and by monitoring the payment history of the counter parties before continuing to extend credit to them

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are to be settled by delivering cash or another financial asset.

Management monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs at all times so that the Company does not default on its contractual obligations.

Surplus cash held by the Company over and above the balance required for working capital is invested in short-term deposits which ensure that the Company has sufficient liquidity as determined by the above-mentioned forecasts.

The table below analyses the Company's financial liabilities in relevant maturity groupings based on the remaining period at the contractual maturity date as of June 30, 2011. The amounts disclosed in the table are the contractual undiscounted cash flows.

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14. Financial risk management (Continued)**(c) Liquidity risk (Cont'd)**

	Carrying amount \$	1 month or less \$	1 - 3 months \$	3 - 12 months \$
Accounts payable	1,332,225	1,332,225	-	-
Retention payable	1,612,425	-	-	1,612,425
Accrued expenses and other liabilities	224,323	-	224,323	-
	3,168,973	1,332,225	224,323	1,612,425

As disclosed in Note 13 above, the Company has total capital commitments for provision of goods and services in the amount of \$45,815,545 which mainly relates to construction of the Port and the Depot facilities. These commitments are expected to be incurred and paid within 12 months of the reporting date. The Company expects to utilise the proceeds from issuance of ordinary shares [Note 11(a)] to meet these capital commitments with any excess commitments being covered by the Demand Construction Loan Facility (Note 6).

15. Fair value of financial instruments

Financial instruments utilised by the Company include recorded financial assets and liabilities. Due to the short term nature of these instruments, management does not consider the estimated fair values of financial instruments to be materially different from the carrying values of each major category of the Company's financial assets and liabilities as of the reporting date.

16. Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to achieve the above objective, the Company may adjust the amount of dividends paid to shareholders, raise additional capital through equity and/or debt financing, return capital to shareholders and/or sell assets to reduce debt.

Total capital represents equity shown in the statement of financial position.

The frequency of dividends and the dividend payout ratio are at the sole discretion of the BOD. The Company will seek to distribute free cash flow after maintenance of the minimum capital reserve, and meeting its capital and other financial commitments.

In addition to the above, the MOU has imposed other restrictions on the Company as it relates to capital management, which are detailed in Note 11 above.

17. Subsequent events

i. In order to comply with the provisions of the MOU as summarised in note 11(a) above, the BOD on October 20, 2011 resolved that the Company will issue 1,000,000 ordinary shares to the general public through an IPO at a price of \$10.00 per share.

ii. On September 12, 2011, the Company and Royal Bank of Canada entered into a revised Demand Construction Loan Facility agreement (note 6) whereby the amount of the facility was increased to \$43 million on terms largely similar to the original agreement, with the commitment fee increased to \$328,000.

Prospective Financial Information



REPORT ON EXAMINATION OF PROSPECTIVE FINANCIAL INFORMATION

To the Board of Directors of APD Limited

We have examined the accompanying prospective statements of financial position of APD Limited (the Company) as of June 30, 2012, 2013, 2014 and 2015, and the prospective statements of comprehensive income, changes in equity and cash flows for the years then ending, and a summary of significant accounting policies and other explanatory information, including a summary of material assumptions (the Prospective Financial Information) made in the preparation of the Prospective Financial Information. We conducted our examination in accordance with the International Standard on Assurance Engagements 3400. Management is responsible for the Prospective Financial Information including the assumptions set out in Note 3 on which they are based.

The Prospective Financial Information has been prepared for inclusion in the Prospectus for the Initial Public Offering ("IPO") of ordinary shares of the Company. As the entity is in a start-up phase, the Prospective Financial Information has been prepared using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Consequently, readers are cautioned that the Prospective Financial Information may not be appropriate for purposes other than that described above.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Prospective Financial Information. Further, in our opinion the Prospective Financial Information is properly prepared on the basis of the assumptions and is presented in accordance with International Financial Reporting Standards.

Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the Prospective Financial Information since anticipated events frequently do not occur as expected and the variation may be material.

A handwritten signature in blue ink, appearing to read "PricewaterhouseCoopers", is written over a large, stylized circular flourish.

Chartered Accountants
Nassau, New Providence
The Bahamas
December 5, 2011

Prospective Statement of Financial Position

Amounts expressed in Bahamian dollars	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Current assets				
Cash and cash equivalents	41,259	1,893,688	1,920,350	1,958,894
Accounts receivable	1,927,762	2,065,070	2,155,194	2,249,328
Total current assets	1,969,021	3,958,758	4,075,544	4,208,222
Non-current assets				
Port facilities and crane	77,412,366	80,455,512	79,796,298	79,160,929
Office equipment and vehicles	170,649	121,551	115,166	99,671
Total non-current assets	77,583,015	80,577,063	79,911,464	79,260,600
Total assets	79,552,036	84,535,821	83,987,008	83,468,822
Current liabilities				
Accounts payable	948,490	992,236	1,030,707	1,070,844
Total current liabilities	948,490	992,236	1,030,707	1,070,844
Non-current liabilities				
Deferred lease payment	1,466,667	1,433,333	1,400,000	1,366,667
Bridge loan	31,439,292	-	-	-
Amortizing preference shares	-	17,425,293	16,202,465	14,979,637
Non-amortizing preference shares	-	17,731,000	17,731,000	17,731,000
Total non-current liabilities	32,905,959	36,589,626	35,333,465	34,077,304
Total liabilities	33,854,449	37,581,862	36,364,172	35,148,148
Shareholders' equity				
Common shares	50,000	50,000	50,000	50,000
Share premium	49,488,000	48,230,826	47,084,724	47,084,724
Retained earnings	(3,840,413)	(1,326,867)	488,112	1,185,950
Total shareholders' equity	45,697,587	46,953,959	47,622,836	48,320,674
Total liabilities and shareholders' equity	79,552,036	84,535,821	83,987,008	83,468,822

The accompanying notes are an integral part of these prospective financial statements. These prospective financial statements should be read in conjunction with the Report on Examination of Prospective Financial Information on Page 2.

Prospective Statement of Comprehensive Income

Amounts expressed in Bahamian dollars	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Revenue				
Containers	2,120,510	9,266,372	9,687,992	10,128,795
Terminal handling	1,790,258	7,486,858	7,827,510	8,183,661
Subleases	449,958	1,460,625	1,497,141	1,534,569
Security fees	382,036	1,507,336	1,575,920	1,647,624
Bulk	340,254	1,422,941	1,487,685	1,555,375
Gate fees	451,777	1,889,332	1,975,297	2,065,173
Demurrage/detention	96,094	393,984	403,834	413,930
Break bulk	79,608	332,921	348,069	363,906
Dockage	78,094	320,186	328,191	336,396
Reefer line	136,773	574,789	603,888	634,459
Recoverable utilities	51,600	240,055	246,056	252,208
Vehicles	38,447	160,785	168,100	175,749
Total revenue	6,015,409	25,056,184	26,149,683	27,291,845
Operating expenses				
Terminal handling	(1,574,817)	(6,580,878)	(6,875,177)	(7,182,739)
Employees	(1,928,888)	(2,722,400)	(2,790,460)	(2,860,222)
Ground lease (fixed)	(1,966,667)	(1,966,667)	(1,966,667)	(1,966,667)
Ground lease (variable)	-	(433,920)	(544,663)	(660,445)
Utilities, repairs and maintenance	(829,277)	(2,194,981)	(2,277,075)	(2,362,460)
Crane operating expense	(256,902)	(1,074,363)	(1,123,247)	(1,174,355)
Security	(287,549)	(1,178,950)	(1,208,424)	(1,238,634)
Insurance	(333,791)	(548,636)	(562,352)	(576,411)
Crane lease expense	(114,414)	(457,656)	(457,656)	(457,656)
Real property tax	(251,154)	(509,678)	(505,607)	(501,684)
Professional and consultancy fees	(114,423)	(183,859)	(188,456)	(193,167)
Business licence	(45,116)	(187,921)	(196,123)	(204,689)
Other expenses	(79,133)	(130,067)	(133,318)	(136,652)
Operating expenses before depreciation and amortization	(7,782,131)	(18,169,976)	(18,829,225)	(19,515,781)
Depreciation and amortization	(648,466)	(1,968,266)	(1,973,083)	(2,015,457)
Total operating expenses	(8,430,597)	(20,138,242)	(20,802,308)	(21,531,238)
Operating profit/(loss) before finance costs	(2,415,188)	4,917,942	5,347,375	5,760,607
Finance costs				
Bridge loan interest	(495,212)	(573,539)	-	-
Dividends - amortizing preference shares	-	(826,364)	(1,041,314)	(964,887)
Dividends - non-amortizing preference shares	-	(1,030,614)	(1,374,153)	(1,374,153)
Interest income	217,340	26,121	76,775	79,601
Total financing income/(expenses)	(277,872)	(2,404,396)	(2,338,692)	(2,259,439)
Net income/(loss)	(2,693,060)	2,513,546	3,008,683	3,501,168

The accompanying notes are an integral part of these prospective financial statements. These prospective financial statements should be read in conjunction with the Report on Examination of Prospective Financial Information on Page 2.

APD LIMITED

Prospective Statement of Changes in Equity

Amounts expressed in Bahamian dollars	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Shareholders' equity				
Opening balance	38,907,647	45,697,587	46,953,959	47,622,836
Increase in share capital	10,000	-	-	-
Increase in share premium	9,473,000	-	-	-
Net Income/(loss)	(2,693,060)	2,513,546	3,008,683	3,501,168
Dividends	-	(1,257,174)	(2,339,806)	(2,803,330)
Total shareholders' equity	45,697,587	46,953,959	47,622,836	48,320,674

APD LIMITED

Prospective Statement of Cash Flows

Amounts expressed in Bahamian dollars	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Cash flows from operations:				
Net income/(loss)	(2,693,060)	2,513,546	3,008,683	3,501,168
Add back:				
Depreciation	648,466	1,968,266	1,973,083	2,015,457
Interest revenue	(217,340)	(26,121)	(76,775)	(79,601)
Interest expense	495,212	2,430,517	2,415,467	2,339,040
Increase/(decrease) in lease prepayments	1,466,667	(33,333)	(33,333)	(33,333)
(Increase)/decrease in accounts receivable	(767,001)	(137,308)	(90,124)	(94,134)
Increase/(decrease) in accounts payable	(2,220,482)	43,746	38,471	40,137
Net cash provided by/(used in) operating activities	(3,287,538)	6,759,313	7,235,472	7,688,734
Cash flows from investing activities:				
Port facilities and crane	(46,360,081)	(4,915,335)	(1,242,110)	(1,296,363)
Office equipment	(74,532)	(23,490)	(32,687)	(34,115)
Vehicles	(9,990)	(23,490)	(32,687)	(34,115)
Interest income	217,340	26,121	76,775	79,601
Cash provided by/(used in) investing activities	(46,227,263)	(4,936,194)	(1,230,709)	(1,284,992)
Cash flows from financing activities:				
Net IPO proceeds	9,483,000	-	-	-
Bridge loan principal drawdown/(repayment)	31,439,292	(31,439,292)	-	-
Bridge loan interest	(495,212)	(573,539)	-	-
Preference share issuance/(repayment)	-	35,156,293	(1,222,828)	(1,222,828)
Preference share dividends	-	(1,856,978)	(2,415,467)	(2,339,040)
Common share dividends	-	(1,257,174)	(2,339,806)	(2,803,330)
Cash provided by/(used in) financing activities	40,427,080	29,310	(5,978,101)	(6,365,198)
Increase/(decrease) in cash and cash equivalents	(9,087,721)	1,852,429	26,662	38,544
Cash at beginning of period	9,128,980	41,259	1,893,688	1,920,350
Cash at the end of the period	41,259	1,893,688	1,920,350	1,958,894

The accompanying notes are an integral part of these prospective financial statements. These prospective financial statements should be read in conjunction with the Report on Examination of Prospective Financial Information on Page 2.

APD LIMITED

Key Financial Ratios

Forecast Financial Ratios	For the 12 Months Ended			
	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Earnings coverage	N/A	1.80x	1.47x	1.62x
Current ratio	2.08	3.99	3.95	3.93
Debt to equity	68.8%	74.9%	71.3%	67.7%
Debt to total capital	39.5%	41.6%	40.4%	39.2%
Debt to EBITDA	-17.8x	5.1x	4.6x	4.2x
DSCR	N/A	3.18x	2.01x	2.18x
Dividend yield	N/A	2.54%	4.72%	5.66%
Price/earnings ratio	N/A	19.71x	16.47x	14.15x
Project Internal Rate of Return				
IRR (23 year holding period)	10%			

The accompanying notes are an integral part of these prospective financial statements. These prospective financial statements should be read in conjunction with the Report on Examination of Prospective Financial Information on Page 2.

1. General information

APD Limited (the Company) was incorporated on February 24, 2009, under the Companies Act, 1992 of the Commonwealth of The Bahamas (The Bahamas). The Company is 50% owned by The Treasurer of The Bahamas and 50% owned by Arawak Cay Port Development Holdings Limited (ACPDHL), hereinafter collectively referred to as the Shareholders. ACPDHL is owned by a consortium of private companies operating in The Bahamas.

The Company's registered office is located at Ocean Centre, Montagu Foreshore, East Bay Street, New Providence, The Bahamas.

On May 10, 2010, the Company and the Government of The Bahamas (the Government) entered into a Memorandum of Understanding (MOU), whereby the Government initiated the relocation of the freight, cargo and port handling activities from Downtown Bay Street on the island of New Providence to Arawak Cay, New Providence, and the Company agreed to design, develop, construct, manage, operate and maintain a new commercial port at Arawak Cay to be known as Nassau Container Port (the Port) and an inland terminal on Gladstone Road, to be known as Gladstone Freight Terminal (the Depot).

In accordance with the MOU, 20% of the Company's ordinary shares must be offered for sale to the general public. Accordingly, the Board of Directors (BOD) of the Company has arranged for this to be done by way of an IPO. At the conclusion of the IPO, it is expected that the Government and ACPDHL will each own 40% and the general public will own 20% of the ordinary share capital of the Company.

The MOU states that the Company may make such adjustments to fees and tariffs as may be required from time to time to maintain an Internal Rate of Return (IRR) of no less than 10%.

Under the MOU, the Government has granted the Company an exclusive arrangement whereby no other port (including sufferance wharfs) or container terminals (whether inland or not) can be established on the islands of New Providence and Paradise Island as well as within 20 miles of the shoreline of New Providence for a period of 20 years from the date the Port and the Depot are substantially completed.

2. Basis of preparation and summary of significant accounting policies

The principal accounting policies applied in the preparation of these prospective financial statements are the same as those used in the preparation of the Company's statutory financial statements for the period ended June 30, 2011. These accounting policies may be found on pages 8 - 18 of the statutory financial statements which are included in the Prospectus. These prospective financial statements should be read in conjunction with these accounting policies.

The Prospective Financial Information is properly prepared on the basis of the assumptions set forth in note 3 and is presented in accordance with International Financial Reporting Standards.

2. Basis of preparation and summary of significant accounting policies (continued)

The prospective financial statements present, to the best of management's knowledge and belief, the Company's expected financial position as of June 30, 2012, 2013, 2014 and 2015, respectively, and the results of its operations and its cash flows for the years then ending.

As the Company is in the start-up phase, the Prospective Financial Information has been prepared using a set of assumptions that include hypothetical assumptions about future events and management's actions that may not necessarily occur. The assumptions disclosed herein are those that management believes are significant to the Prospective Financial Information. There will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected and these differences may be material.

3. Summary of significant assumptions

Revenue/Income

- Container volume estimates are based on the historical, current and expected performance of operators. With the exception of bulk, the volume forecasts assume a long term growth rate of 2% per annum and do not take into account any future spikes for imports arising from major development projects. With the BahaMar project underway, bulk operators have seen volume increases. Management's estimate for long term growth rate of 2% per annum is based on the long term projected Gross Domestic Product (GDP) growth for The Bahamas.

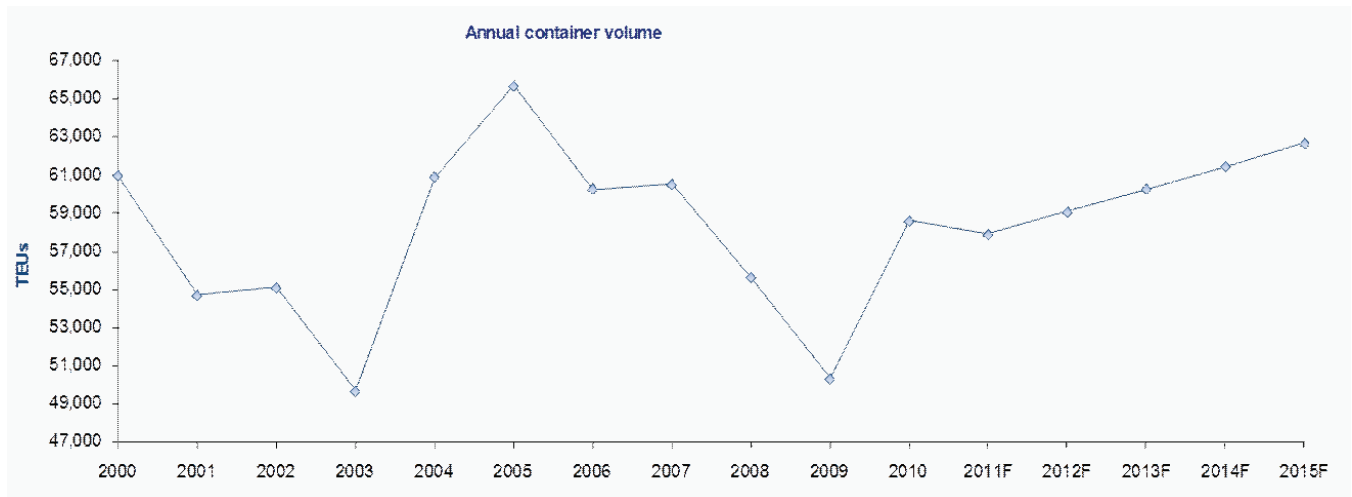
All tariff rates are expected to increase by 2.5% per annum. The assumption is based on the projected long term inflation in The Bahamas. A tariff setting model has been developed to be used periodically to re-set rates such that the Port achieves a predetermined rate of return in line with the MOU.

Projected volumes for the 12 months ended	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Volume				
Containers (TEU s)	56,783	57,919	59,077	60,258
Bulk (tons)	784,314	800,000	816,000	832,320
Break bulk (tons)	20,400	20,808	21,224	21,649
Vehicles (units)	1,569	1,600	1,632	1,665

Source: Management estimates and data provided by operators

Note: The table above represents total market volumes landed in New Providence. For the period ending June 30, 2012 the Company is projecting revenue from the volumes landing during April 2012 to June 2012 after operations commence. For the periods ending June 2013, 2014 and 2015 the Company is projecting revenue on the total annual volumes presented above.

3. Summary of significant assumptions (continued)



Source: United States Journal of Commerce and management estimates

- The prior table depicts the estimated annual volume of cargo imported into New Providence. Based on the latest available information from the Company's contractors, it is expected that the Company will commence its operations in April 2012, which is the point at which the Company will start to earn revenues from its core activities (except for the warehouse sub-lease at the Port, revenues from which have started to accrue since September 2011). Accordingly, the Company is projected to collect revenue on one quarter of the projected volumes for the year ending June 2012. The fiscal year ending June 30, 2013 is expected to be the first full year of operations;
- Containers – landing fees (inclusive of crane fees) for containerized cargo are charged on a per TEU basis;
- Terminal handling – fees to cover the cost of terminal handling services are charged on a per TEU basis;
- Subleases – rental income for administrative and warehouse space at the Port and GFT are charged on a fixed rate per square foot plus common area maintenance fees and is adjusted annually for inflation. Management is in the process of finalizing these contracts with the counterparties and the estimates are based on current discussions;
- Security – fees to cover the cost of security services are charged on a per TEU, per ton, per vehicle or cubic foot basis;

3. Summary of significant assumptions (continued)

Revenue/Income (continued)

- Bulk – landing fees for bulk cargo are based on a fixed per ton fee contract subject to a minimum charge and annual adjustment for inflation. Management is in process of finalizing the contract with the counterparty and the estimates are based on current discussions;
- Gate fees – inspection fees for containers arriving and leaving on ships at the Port are charged on a per container unit basis; and
- Demurrage/detention – fees for failure to return freight equipment/remove freight equipment from the Port facilities within the agreed timeframe, estimated based on overall throughput.
- Break bulk– landing fees for non-containerized and palletized cargo are charged on a per ton basis;
- Dockage – fees for ship usage of the docks are charged per linear foot per day;
- Reefer line – fees for hookup and monitoring of refrigerated containers are charged on a per container basis;
- Vehicles – landing fee for non-containerized vehicles are charged on a per vehicle basis. The fee will be dependent on type, size and weight of vehicle;
- Recoverable utilities – cost incurred by the Company on behalf of the sub-lessees to be expected to be re-charged to the sub-lessees;
- Interest income – interest earned on term deposit balances held with the bank; and Management expects to fully comply with the provisions of the MOU as it relates to the recognition of government grants.

Operating expenses

- All operating expenses, except for crane lease expense, real property tax expense, business license fee and depreciation and amortisation are expected to increase by 2.5% per annum. The assumption is based on the estimated long term inflation rate for The Bahamas.
- Terminal handling – costs related to provision of stevedoring services by contractors are charged mainly at an agreed flat rate per TEU move;

3. Summary of significant assumptions (continued)

Operating expenses (continued)

- Employees – salaries and benefits for the Company's management and staff are based on management's estimate of the staff complement based on currently offered remuneration;
- Ground lease – relates to a ground lease with the Government, which covers both the Port and Depot sites and which is based on the higher of \$2 million per year or \$40 per TEU. The lease payments are due once the Port and the Depot are substantially completed which is expected to occur on April 1, 2012;
- Utilities, repairs and maintenance – costs related to electricity, other utilities, repairs and maintenance are based on management's best estimate. The electricity expense is based on estimated electricity consumption and the related charges for different departments within the Company;
- Crane operating expense – operational expenses for the crane owned by the Company are determined based on the expected crane usage. Maintenance expense is mainly based on a flat agreed fee per usage hour;
- Crane lease expense – lease payments on the two cranes to be rented by the Company. The lease includes a base rent, plus a charge for maintenance costs. The lessor will retain responsibility for the maintenance and insurance of the cranes;
- Security – costs related to 24 hour security services plus the operational and maintenance costs of security vehicles;
- Insurance – costs related to liability and property insurance;
- Real property tax – based on the rates applicable under the Real Property Tax Act (as amended in 2008) to property as follows:
 - NCP site, under rates applicable to a Crown Leased Cay
 - 0.50% of the market value of improvements up to \$10 million dollars; and
 - 0.25% of the market value of improvements above \$10 million dollars;
 - GFT site, under standard rates
 - 1% of the market value up to \$500,000; and
 - 2% of the market value over \$500,000.

3. Summary of significant assumptions (continued)

Operating expenses (continued)

- - Real property tax will be recoverable from tenants as a part of CAM assessments under the applicable subleases e, under standard rates
 - Professional and consultancy fees – costs related to financial advisory, accounting, legal and other professional services and Directors' stipends;
 - Business licence – 0.75% of annual Port and Depot revenues in accordance with the Business Licence Act 2010;
 - Other expenses – miscellaneous expenses such as travel, stationery, IT and operation of general use vehicles;
 - Depreciation– non cash expense related to the depreciation of non-current assets based on the estimated useful life of the asset. It is assumed that none of the items of property, plant and equipment will be impaired during each of the projected periods; and
 - Interest and dividend costs – interest expense and dividends related to the Company's bridge loan and proposed private placement offering of preference shares. Interest payments on the bridge loan includes interest on the principal amounts expected to be outstanding as well as the estimated deferred borrowing costs of \$328,000 which will be amortized in the Statement of Comprehensive Income over the period in which the bridge loan remains outstanding.

Assets

- Cash and cash equivalents – Management estimate of the cash, and other liquid cash equivalents is based on the liquidity requirements of the Company to ensure it has sufficient cash to meet operational needs at all times so that the Company does not default on its contractual obligations. Surplus cash held by the Company over and above the balance required for working capital will be invested in term deposits or other liquid instruments.
- Accounts receivable comprise receivables generated through revenue activities. The payment period, based on the Company's expected credit policy, is assumed to be 30 days. It is assumed that there will be no impairment.
- Property, plant & equipment - An annual capital expenditure of 5% of revenue per annum is forecast, beginning in the fiscal year ending June 30, 2014. This is expected to be adequate to cover specific capital requirements management has currently identified for the next three years. The assets are depreciated based on their estimated useful lives of 45 years, 20 years and 5 years for buildings & plant, cranes, office and vehicles, respectively.

3. Summary of significant assumptions (continued)

Amounts expressed in Bahamian dollars	Buildings & Plant	Cranes	Office	Vehicles	Total
Cost:					
Balance as at June 30, 2011	30,048,694	1,483,724	125,468	165,010	31,822,896
Additions	46,360,081	-	74,532	9,990	46,444,603
Write-offs	-	-	-	-	-
Balance as at June 30, 2012	76,408,775	1,483,724	200,000	175,000	78,267,499
Accumulated depreciation:					
Balance as at June 30, 2011	-	-	15,767	20,251	36,018
Depreciation charge for the year	424,493	55,640	133,333	35,000	648,466
Write-offs	-	-	-	-	-
Balance as at June 30, 2012	424,493	55,640	149,100	55,251	684,484
Net book value as at June 30, 2012	75,984,282	1,428,084	50,900	119,749	77,583,015
Cost:					
Balance as at June 30, 2012	76,408,775	1,483,724	200,000	175,000	78,267,499
Additions	4,863,656	51,678	23,490	23,490	4,962,314
Write-offs	-	-	(200,000)	-	(200,000)
Balance as at June 30, 2013	81,272,431	1,535,402	23,490	198,490	83,029,813
Accumulated depreciation:					
Balance as at June 30, 2012	424,493	55,640	149,100	55,251	684,484
Depreciation charge for the year	1,796,710	75,478	58,729	37,349	1,968,266
Write-offs	-	-	(200,000)	-	(200,000)
Balance as at June 30, 2013	2,221,203	131,118	7,829	92,600	2,452,750
Net book value as at June 30, 2013	79,051,228	1,404,284	15,661	105,890	80,577,063
Cost:					
Balance as at June 30, 2013	81,272,431	1,535,402	23,490	198,490	83,029,813
Additions	1,170,198	71,912	32,687	32,687	1,307,484
Write-offs	-	-	(15,660)	-	(15,660)
Balance as at June 30, 2014	82,442,629	1,607,314	40,517	231,177	84,321,637
Accumulated depreciation:					
Balance as at June 30, 2013	2,221,203	131,118	7,829	92,600	2,452,750
Depreciation charge for the year	1,822,307	79,017	27,975	43,784	1,973,083
Write-offs	-	-	(15,660)	-	(15,660)
Balance as at June 30, 2014	4,043,510	210,135	20,144	136,384	4,410,173
Net book value as at June 30, 2014	78,399,119	1,397,179	20,373	94,793	79,911,464
Cost:					
Balance as at June 30, 2014	82,442,629	1,607,314	40,517	231,177	84,321,637
Additions	1,221,310	75,053	34,115	34,115	1,364,593
Write-offs	-	-	(32,345)	-	(32,345)
Balance as at June 30, 2015	83,663,939	1,682,367	42,287	265,292	85,653,885
Accumulated depreciation:					
Balance as at June 30, 2014	4,043,510	210,135	20,144	136,384	4,410,173
Depreciation charge for the year	1,849,021	82,711	33,225	50,500	2,015,457
Write-offs	-	-	(32,345)	-	(32,345)
Balance as at June 30, 2015	5,892,531	292,846	21,024	186,884	6,393,285
Net book value as at June 30, 2015	77,771,408	1,389,521	21,263	78,408	79,260,600

3. Summary of significant assumptions (continued)

Liabilities and equity

- Deferred lease payment – this relates to the accounting treatment of leases under IFRS. While the land lease with Government does not require lease payments to commence until substantial completion of the Port and Depot (and there are no retrospective payments), IFRS requires that lease payments under operating leases should be recognized as an expense on a straight-line basis over the lease term, from inception of the lease. As a result, an additional \$1.46 million in lease expense has been recorded in the year ended June 30, 2012, which is then amortized over the remaining term of the lease of 44.5 years.
- Accounts payable - includes trade creditors and accrued expenses. The payment period is assumed to be 30 days. Ground and crane lease payments are payable quarterly and monthly in advance, respectively.
- Bridge loan - In September 2011, the Royal Bank of Canada, granted the Company a two year, B\$/US\$43 million, non-amortizing bridge loan facility to part finance construction of the Port. The interest rate is Nassau/NY Prime + 1%. The first drawdown under the facility occurred in October 2011. It is assumed that the bridge loan will be repaid via the preference shares outlined below by September 2012. Interest payments on the outstanding balance commenced in October 2011.
- Preference shares - While the financing to replace the Royal Bank of Canada bridge loan has not yet been finalized, the following structure is under consideration:
 - \$17.7 million in redeemable, non-voting, amortizing (quarterly) preference shares at an approximate interest rate of Nassau Prime + 1.5% over a 15 year term.
 - \$17.7 million in redeemable, non-voting, non-amortizing preference shares at an approximate interest rate of Nassau Prime + 3% over a 20 year term.It is assumed that a private placement of preference shares will occur by September 2012. This assumed capital structure may change depending on market and other considerations at the assumed time of the private placement.
- Shareholders' equity - The Prospective Financial Information assumes that the Company will issue 1 million ordinary shares under an IPO. In accordance with the adopted accounting policy, the estimated offering costs of \$517 thousand will be deducted from the gross proceeds of the offer as a charge against the Company's Share Premium.

3. Summary of significant assumptions (continued)

Liabilities and equity (continued)

- Common share dividends - An annual Common Share dividend payment equivalent to a percentage of free cash flow to equity is assumed as 40% in the fiscal year ending June 30, 2013 increasing to 97.5% in the fiscal year ending June 30, 2015 and beyond. Free cash flow to equity is calculated as cash flow from operating activities, less cash flow from investing activities, less cash flow from financing activities, but before dividends. This assumption is subject to the Company building up (by June 30th, 2015) and also maintaining an approximate \$2 million cash reserve and any other critical capital costs and/or cash flow commitments that may exist at the time, and takes into account the required project IRR of the Company. The actual dividend payments will be determined by the Company's Directors on an ongoing basis and therefore may not necessarily always reflect this assumption. A portion of the initial capital invested in the Company, which was invested leading up to and during the construction period, was required to be expensed under IFRS as it relates to soft costs that do not qualify to be capitalized as part of property, plant and equipment. As a result the Company, in 2012 and 2013, is expected to have an accumulated deficit. Hence the dividends expected to be paid will be paid from the Company's surplus, which comprises the Company's share premium and accumulated deficit/retained earnings.

4. Business activity

The Company will initially have five major operating segments as follows:

Nassau Container Port (NCP) – Arawak Cay based facilities

- Container Terminal – the terminal receiving containerized cargo at three berthing facilities;
- Break Bulk Terminal – the terminal offering services to less-than-container load and pallet based cargo services, including 25,000 sq. ft. of rentable warehouse space;
- Aggregate Terminal – the terminal offering services to bulk operators;
- Administrative Building – the administrative building located on Arawak Cay offering 10,000 sq. ft. of rentable warehousing and administrative space; and Gladstone Freight Terminal (GFT)
- The inland terminal located on Gladstone Road for containerized and less-than-container load cargo offering 90,000 sq. ft. of rentable warehouse space.

4. Business activity (continued)

- It is currently planned that the Company may have up to three terminal operators at the Container Terminal.
- Two terminals are presently designated as private terminals to be operated by private terminal operator(s) for a fee payable to the Company. Other charges such as security, refrigeration hook-up and monitoring, storage and gate services will also be assessed.

The remaining terminal is to be designated as a common terminal to be operated by a Common Terminal Operator ("CTO") to provide terminal services to all carriers requiring such services. The CTO will assess a charge to the Company for the services provided.

- It is also envisioned that the Company will provide stevedoring and terminal services at the Bulk Terminal via a Bulk Terminal Operator ("BTO"). The BTO will assess a charge to the Company for the services provided.
- The Company will rent the Depot warehouse to container operators, while the Port warehouse space will be rented to break bulk operators.
- Office space at the Port will also be rented to various operators however the space allocated to the Company itself, Bahamas Customs and Bahamas Immigration will be made available at no cost.

5. Key Financial Metrics and Ratios

The prospective financial metrics and ratios have been calculated as follows:

- EBITDA - operating profit (earnings) before interest, taxes, depreciation and amortization
- Debt - total outstanding face value of all third party interest bearing debt including the un-amortizing and amortizing preference shares plus any dividends accruing to the un-amortizing and amortizing preference
- Earnings Coverage - net income before interest and taxes divided by total interest and dividend payments on total long term debt and preference shares as per Shares Industry Regulations 2010
- Current ratio - current assets divided by current liabilities
- Debt to Equity - debt divided by total shareholders' equity
- Debt to Capital - debt divided by debt plus total shareholders' equity

5. Key Financial Metrics and Ratios (continued)

- Debt to EBITDA - debt divided by EBITDA
- Debt Service Coverage Ratio (DSCR) - EBITDA divided by principal, interest, lease and dividend payments to preference shareholders
- Dividend Yield - Annual dividends per Ordinary Share divided by Market Price per Ordinary Share. While “price” is traditionally based on the market value of equity for a publicly traded company, due to market volatility and the subsequent effect on the market value of equity which is impossible to predict, the calculation is based on the fixed initial investment value
- Price to Earnings ratio - Market Price per Ordinary Share (based on an assumed price of \$10 per share) divided by net income for the given year. While “price” is traditionally based on the market value of equity for a publicly traded company, due to market volatility and the subsequent effect on the market value of equity which is impossible to predict, the calculation is based on the fixed initial investment value.
- IRR - the discount rate at which the net present value of costs (negative cash flows) of the investments (i.e. \$50 million) equals the net present value of the benefits (positive cash flows) of the investment during and at the end of the holding period (which is assumed to be 21 years of construction and 20 years of full operations).

6. Tariff Setting Methodology

Management has established a Tariff Setting Methodology and Model that will be used by the Company:

- to ensure the Port's tariffs do not result in any significant increase in the cost of living; and
- to ensure a minimum IRR of 10% in accordance with the MOU

In achieving these two aims, the methodology adopts a “smoothing” approach whereby any actual variances compared to budget are corrected over a rolling three year period (excluding the Company's initial start up phase). This is to avoid tariff volatility over shorter periods.

Should the Company make any excess profits (profits above those required to achieve a targeted IRR of around 10%) these excess profits will be set aside into a specific, non distributable reserve (“Tariff Reserve”). The Tariff Reserve can only be used to offset any future shortfall in profit targets (again with the aim of releasing the reserve evenly over a rolling three year period). Responsibility for the review and enforcement of the methodology will be given to a specific subcommittee of the Company's Directors.

