

**APD LIMITED**  
**Unaudited Interim Financial Statements**

**As at December 31, 2012 and  
the six months ended December 31, 2012**

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

**Unaudited Interim Statements of Financial Position**  
**As at December 31, 2012 and June 30, 2012**  
**(Amounts expressed in Bahamian dollars)**

	<b>December 31, 2012</b>	<b>June 30, 2012</b>
	<b>\$</b>	<b>\$</b>
		<b>(Audited)</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,900,604	1,704,845
Accounts receivable	1,467,772	3,024,611
Deferred borrowing costs	329,485	329,485
Deposits, prepayments and other assets	219,930	221,312
Spare parts inventory	334,972	217,817
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<b>Total current assets</b>	<b>5,252,763</b>	<b>5,498,070</b>
<b>Non-current assets</b>		
Property, plant and equipment	83,048,212	83,247,950
Investment properties	3,124,993	1,155,914
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<b>Total non-current assets</b>	<b>86,173,205</b>	<b>84,403,864</b>
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<b>Total assets</b>	<b>91,425,968</b>	<b>89,901,934</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	715,220	1,959,694
Due to related parties	2,224,361	2,924,074
Retention payable	1,645,640	3,300,489
Accrued expenses and other liabilities	846,049	554,661
Bridge loan	37,016,515	35,203,199
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<b>Total current liabilities</b>	<b>42,447,785</b>	<b>43,942,117</b>
<b>Non-current liabilities</b>		
Deposits held	131,242	104,242
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<b>Total liabilities</b>	<b>42,579,027</b>	<b>44,046,359</b>
<b>Equity</b>		
Share capital	49,969	49,969
Share premium	49,192,308	49,192,308
Accumulated deficit	(395,336)	(3,386,702)
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<b>Total equity</b>	<b>48,846,941</b>	<b>45,855,575</b>
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<b>Total liabilities and equity</b>	<b>91,425,968</b>	<b>89,901,934</b>
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**APD LIMITED****Unaudited Interim Statements of Comprehensive Income  
For the six months ended December 31, 2012 and 2011  
(Amounts expressed in Bahamian dollars)**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Landing fees	4,812,975	-
Terminal handling fees	2,681,535	-
Stevedoring fees	1,583,082	-
Gate fees	1,179,740	-
Security	973,227	259,046
Storage fees	925,555	-
Hazmat fees	372,400	-
Subleases	326,224	186,335
Dockage	154,524	-
Reefer line	153,550	-
Line handling fees	64,340	-
Other income	26,461	2,200
	<hr/>	<hr/>
<b>Total revenue</b>	<b>13,253,613</b>	<b>447,581</b>
	<hr/>	<hr/>
<b>Expenses</b>		
Terminal handling costs	(2,419,475)	(667)
Staff costs	(1,972,307)	(439,496)
Government lease	(1,309,430)	(983,739)
Depreciation	(1,147,898)	(139,458)
Utilities	(534,672)	(44,821)
Insurance	(412,751)	(147,164)
Real property tax	(402,028)	-
Legal and other professional fees	(340,360)	(121,752)
Repairs and maintenance	(332,700)	(15,615)
Office supplies, postage and delivery	(83,728)	(33,814)
Company meetings and events	(35,722)	(9,601)
Business license	(27,713)	-
Bad debt expense	(7,008)	-
Security	(900)	(297,138)
Other operating expenses	(181,611)	(30,951)
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<b>Total expenses</b>	<b>(9,208,303)</b>	<b>(2,264,216)</b>
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<b>Operating income (loss)</b>	<b>4,045,310</b>	<b>(1,816,635)</b>

**APD LIMITED**

**Unaudited Interim Statements of Comprehensive Income (Continued)**  
**For the six months ended December 31, 2012 and 2011**  
**(Amounts expressed in Bahamian dollars)**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Finance costs</b>		
Bridge loan interest	(1,054,916)	(43,498)
Interest income	<u>972</u>	<u>24,992</u>
<b>Total finance costs, net</b>	<b><u>(1,053,944)</u></b>	<b><u>(18,506)</u></b>
<b>Total income (loss) for the period attributable to the equity holders</b>	<b><u>2,991,366</u></b>	<b><u>(1,835,141)</u></b>
Other comprehensive income	<u>-</u>	<u>-</u>
<b>Total comprehensive income (loss) for the period</b>	<b><u>2,991,366</u></b>	<b><u>(1,835,141)</u></b>
<b>Basic and diluted income (loss) per share</b>	<b><u>0.63</u></b>	<b><u>(1.23)</u></b>

**APD LIMITED****Unaudited Interim Statements of Changes in Equity  
For the six months ended December 31, 2012 and 2011  
(Amounts expressed in Bahamian dollars)**

	<b>Share capital \$</b>	<b>Share premium \$</b>	<b>Accumulated deficit \$</b>	<b>Total \$</b>
<b>Balances at July 1, 2011</b>	<b>40,000</b>	<b>40,015,000</b>	<b>(1,147,353)</b>	<b>38,907,647</b>
Total comprehensive loss for the period	-	-	(1,835,141)	(1,835,141)
<b>Balances at December 31, 2011</b>	<b>40,000</b>	<b>40,015,000</b>	<b>(2,982,494)</b>	<b>37,072,506</b>
<b>Balance at July 1, 2012</b>	<b>49,969</b>	<b>49,192,308</b>	<b>(3,386,702)</b>	<b>45,855,575</b>
Total comprehensive income for the period	-	-	2,991,366	2,991,366
<b>Balances at December 31, 2012</b>	<b>49,969</b>	<b>49,192,308</b>	<b>(395,336)</b>	<b>48,846,941</b>

**APD LIMITED****Unaudited Interim Statement of Cash Flows  
For the six months ended December 31, 2012 and 2011  
(Amounts expressed in Bahamian dollars)**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Total comprehensive income (loss)	2,991,366	(1,835,138)
<b>Adjustments for:</b>		
Depreciation	1,147,898	139,458
Provision for bad debts	7,008	-
Interest income	(972)	(24,992)
Interest expense	1,054,916	43,498
<b>Cash flow provided by (used in) operating activities before changes in working capital</b>	<b>5,200,216</b>	<b>(1,677,174)</b>
(Increase) decrease in accounts receivable	1,549,831	(109,459)
(Increase) decrease in deposits, prepayments and other assets	1,382	(981,255)
Increase in deferred borrowing cost	-	(78,000)
Increase in spare parts inventory	(117,155)	(1,239)
Decrease in accounts payable	(1,244,474)	(104,954)
Decrease in due to related parties	(699,713)	-
Decrease in retention payable	(1,654,849)	(1,612,424)
Increase in accrued expenses and other liabilities	291,388	-
Increase in deposits held	27,000	28,242
<b>Cash provided by (used in) operating activities</b>	<b>3,353,626</b>	<b>(4,536,263)</b>
<b>Cash flows from investing activities</b>		
Construction of port facilities	(2,374,212)	(21,604,244)
Purchase of vehicles, furniture and equipment	(543,027)	(1,278,260)
<b>Net cash used in investing activities</b>	<b>(2,917,239)</b>	<b>(22,882,504)</b>
<b>Cash flows from financing activities</b>		
IPO costs	-	(251,330)
Bridge loan principal drawdown	1,813,316	19,653,743
Interest income	972	24,992
Interest expense	(1,054,916)	(43,498)
<b>Net cash from financing activities</b>	<b>759,372</b>	<b>19,383,907</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>1,195,759</b>	<b>(8,034,860)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,704,845</b>	<b>9,128,980</b>
<b>Cash and cash equivalents, end of period</b>	<b>2,900,604</b>	<b>1,094,120</b>

## **APD LIMITED**

### **Notes to the Condensed Unaudited Interim Financial Statements December 31, 2012**

#### **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 40% owned by The Treasurer of The Bahamas, 40% owned by Arawak Cay Port Development Holdings Limited (ACPDHL) and 20% owned by the general public, hereinafter collectively referred to as the Shareholders. ACPDHL is owned by a consortium of private companies operating in The Bahamas.

The Company is a public company, which was listed on the Bahamas International Securities Exchange effective April 11, 2012. 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 were offered for sale to the general public through an Initial Public Offering (IPO) held in February 2012. At the conclusion of the IPO, the Government and ACPDHL each owned 40% and the general public owned 20% of the ordinary share capital of the Company.

The Port and Depot facilities were 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 became effective May 1, 2012 and August 13, 2012, respectively, when the Port and Depot facilities were substantially completed.

The Company commenced operations on the date of substantial completion of the Port facility on May 1, 2012. Operations of the Port include a break bulk, a bulk and a container terminal that has 1,167 linear feet of berthing. The container terminal will have the capability of handling at least 75,000 Twenty-foot Equivalent Units (TEUs) annually. The Depot is comprised of 100,000 square feet and 10,000 square feet of warehouse and administrative office space respectively, and serves as a deconsolidation and distribution centre.

These condensed interim financial statements have not been audited.

#### **2. Basis of preparation**

These condensed interim financial statements for the six months ended December 31, 2012 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial information should be read in conjunction with the annual

financial statements for the year ended June 30, 2012, which have been prepared in accordance with the International Financial Reporting Standards (IFRSs).

### **3. Accounting policies**

The accounting policies applied, methods of computation and presentation are consistent with those of the annual financial statements for the year ended June 30, 2012.

There are no new IFRSs or interpretations of the International Financial Reporting Interpretations Committee (IFRICs) that are effective for the first time for this interim period that would be expected to have a material impact on the Company.

### **4. Estimates**

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended June 30, 2012.

### **5. Financial risk management**

#### **5.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

These condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as at June 30, 2012. There have been no changes in the Company's risk management policies since June 30, 2012.

#### **5.2 Liquidity risk**

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

There is no additional draw-down related to the bridge loan facility other than the draw-down made on August 29, 2012 amounting to B\$1,813,316. As of the end of the interim period, management is in the process of finalising the plan for the repayment of the loan.

### **6. Seasonality of operations**

Given that the Company is only in operation for a total period of nine months, seasonal trends cannot be identified with certainty as of interim date.