

**(SUMMARY DRAFT DOCUMENT - DETAILS TO FOLLOW)**

**THE PROPOSED CHINA-BAHAMAS AGRICULTURE  
AND FISHERIES INITIATIVE**

**(“THE INITIATIVE”)**

July 2016

**SUBMITTED BY:  
The Bahamas Embassy to The People’s Republic of China  
(Beijing, China)**

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## **THE PROPOSED CHINA-BAHAMAS AGRICULTURE AND FISHERIES INITIATIVE**

The Proposed Initiative is designed primarily for Bahamians of various economic backgrounds to participate in the long-term growth and development of the Agriculture and Fisheries Industries in The Bahamas, in an equal partnership with The Government of The People’s Republic of China or its substantial representatives.

The Initiative will entail the incorporation of one hundred (100) Bahamian Companies under the Companies Act of 1992, and each of the one hundred (100) companies will be owned 50-50 by both the People’s Republic of China (“PRC”) and by Bahamians and/or Bahamian Entities.

Additionally, as proposed, the China-Bahamas Agriculture and Fisheries Initiative, is designed to result in the following:

1. The PRC or its substantive representatives will contribute to the one hundred (100) “Participating Companies,” over a ten (10) year period, the equivalent of 2.1 billion dollars (\$2,100,000,000) in cash (for working capital), agricultural and farming equipment as well as skilled expertise.
2. The Bahamas Government will lease, with an option to renew the lease for additional years, to all of the one hundred (100) “Participating Companies”, ten thousand (10,000) acres of Crown Land located on the Island of Andros. Lease options will be available to each “Participating Company” for an additional one hundred (100) acres, provided certain clearly defined performance benchmarks are achieved.
3. The Bahamas Government will grant to each of the one hundred (100) “Participating Companies” fishing licenses consistent with existing Bahamian laws.

While realization of a reasonable return on an investment in agriculture is a relatively slow process, requiring substantial capitalization over many years, Participating Companies in the Initiative will within months of commencement of operations realize positive cash flow from the sale of seafood.

It is anticipated that the agricultural products and the seafood will be used either for local consumption or will be exported to China or the USA for sale. The management of “Participating Companies” will resolve to do what is in their best interest.

## **THE CHINESE GOVERNMENT’S BUDGET FOR THE CARIBBEAN AND LATIN AMERICA**

The Government of The People’s Republic of China has budgeted thirty five billion dollars (\$35,000,000,000) for infrastructural development projects in The Caribbean and in Latin America, and this Proposed China-Bahamas Agriculture and Fisheries Initiative hopes to qualify for funding under this program.

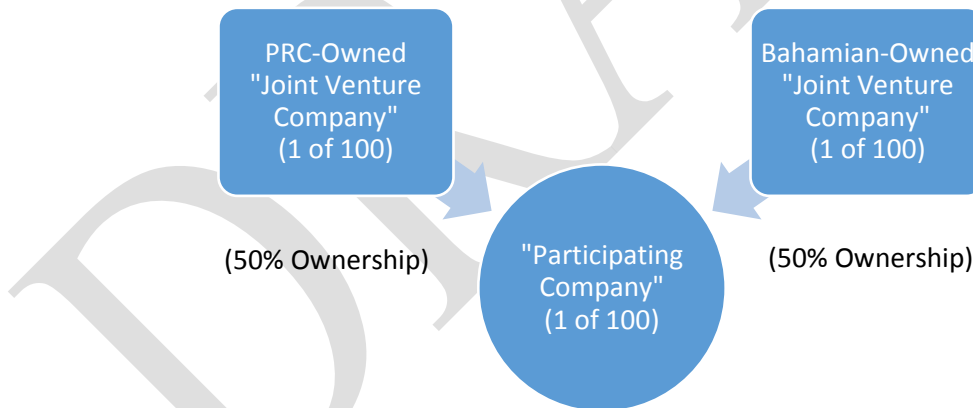
### **“PARTICIPATING COMPANY” OWNERSHIP AND CAPITALIZATION**

For each of the one hundred (100) designated “Participating Companies” in “the Initiative,” the ownership structure will be as follows:

1. Two (2) Bahamian Companies, hereinafter called the “Joint Venture Companies,” will come together in a 50-50 ownership structure (i.e. a Joint Venture) to incorporate, and equally own, yet another company that will “Participate” in the Proposed China-Bahamas Agriculture and Fisheries Initiative. There will be one hundred (100) such companies, hereinafter called “Participating Companies.”

Two (2) “Joint Venture Companies” will equally own the “Participating Company” as shown in the illustration below:

### **ILLUSTRATION OF “JOINT VENTURE COMPANIES” OWNERSHIP OF “PARTICIPATING COMPANY” (NUMBER 1 of 100)**



#### **A. PRC owned “Joint Venture Company” (1 of 100)**

Each PRC owned Joint Venture Company will be incorporated under the Companies Act, 1992, and will be the vehicle that transfers the specified equivalent (i.e. \$2,100,000,000) of cash, agriculture and fisheries equipment as well as skilled expertise to the “Participating Company” on an annual basis, and over a ten (10) year period. As illustrated above, the PRC owned Joint Venture Company will own fifty percent (50%) of the Participating Company.

## **PARTICIPATING COMPANY OWNERSHIP AND CAPITALIZATION (continued)**

### **B. Bahamian owned “Joint Venture Company”**

Each Bahamian owned Joint Venture Company will be owned by a minimum of ten (10) equal shareholders who will each make a one time contribution of twenty five thousand dollars (\$25,000) for a total capitalization of two hundred and fifty thousand dollars (\$250,000). Of that total capitalization of \$250,000, ninety percent (90%) or \$225,000 will be contributed to the related “Participating Company” for working capital. The balance of twenty five thousand dollars (\$25,000), that is \$250,000 less \$225,000, will be retained in the Bahamian owned Joint Venture Company to pay annual expenses.

The Bahamian Government will transfer to each Bahamian owned Joint Venture Company, via a long-term (renewable) lease agreement, one hundred (100) acres of Bahamian Crown Land which will be used for farming. The Crown Land will be subleased to the “Participating Company.”

#### **Definition of a Shareholder in the Bahamian Owned Joint Venture Company**

**A one tenth shareholder in the Bahamian owned Joint Venture Company is defined as one of the following:**

- 1. A Bahamian individual;**
- 2. A Bahamian Company that has Bahamian shareholders (perhaps two or more shareholders);**
- 3. A registered Cooperative that has numerous members (perhaps tens of members);**
- 4. A registered Credit or Labour Union that has numerous members (perhaps hundreds of members); or**
- 5. Any other organized grouping of Bahamians, as herein defined.**

## **BENEFITS OF THIS INITIATIVE**

The Proposed China-Bahamas Agriculture and Fisheries Initiative is designed to provide significant benefits to both the economies of The People’s Republic of China and The Commonwealth of The Bahamas, and it is anticipated that The Bahamas will realize the following benefits from this Initiative:

1. Significant Bahamian participation in two (2) major pillars of the Bahamian economy, that is, agriculture and fisheries;
2. The Bahamian economy will receive a financial infusion (in cash and in kind) of approximately \$2.1 billion dollars over a ten (10) year period;
3. Employment opportunities for Bahamians in the areas of agriculture and fisheries will increase;
4. The Initiative is designed to encourage young, educated and enterprising Bahamians living abroad to return home; and
5. Agriculture in 2014 was less than one percent (1%) of Gross Domestic Product (GDP) and this Initiative is designed to increase The Bahamas’ Agricultural output.

## **CORPORATE GOVERNANCE**

All Participating Companies are required to have six (6) Members of The Board of Directors, from which a Chairman will be selected who will have an extra vote to break any tie vote.

## **ANNUAL AUDITS**

Participating Companies will all have a December 31<sup>st</sup> year end and annual audits should be completed by April 30<sup>th</sup> of the following year.

## **BISX LISTINGS**

All Participating Companies will be listed on the Bahamas International Stock Exchange (“BISX”), with shares traded freely.

**END**

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