

SECURITIES COMMISSION OF THE BAHAMAS

PUBLIC NOTICE

No. 2 of 2012 18 April 2012

**NOTICE RELATING TO THE REGULATORY STATUS OF BAHAMAS SUPERMARKETS
LIMITED PURSUANT TO THE SECURITIES INDUSTRY ACT, 2011**

This **NOTICE** is issued by the Securities Commission of The Bahamas (“the Commission”) pursuant to section 13(e) and (j) of the Securities Industry Act, 2011 (“SIA”) to, inter alia, “publish notices, guidelines, bulletins, and policies describing the views of the Commission regarding the interpretation, application, or enforcement of securities laws.” The Commission has responsibility for the licensing, regulation and supervision of the securities and investment funds industries of The Bahamas pursuant to the SIA, the Investment Funds Act, 2003, and the Financial and Corporate Service Providers Act, 2000. In addition, the Commission is specifically mandated pursuant to section 12(1)(b) and (c) of the SIA to, “maintain surveillance over the capital markets and ensure orderly, fair and equitable dealings in securities” and “foster timely, accurate, fair and efficient disclosure of information to the investing public and the capital markets”.

In fulfilling its mandate, the Commission issues this Notice to provide information to the investing public and investors (shareholders) of securities in connection with recent developments concerning Bahamas Supermarkets Limited (“BSL” or “the Company”).

The public is hereby advised that BSL is a public issuer whose shares are traded over-the-counter and, as such, is not listed on the Bahamas International Securities Exchange (BISX). Under the provisions of the SIA, BSL is required to provide annual audited financial statements to the Commission, and to notify the Commission and the public of all material events affecting, or likely to affect the Company. BSL is also required to hold an Annual General Meeting (“AGM”) at least once every year pursuant to section 65(1) of the Companies Act, 2000.

BSL’s request for an extension to file its annual audited financial statements for the year ended 30 June 2011 was not considered. The Commission also notes that for each of the three years ended 30 June, a disclaimer of opinion was issued by the independent public accountants (“Auditors”) retained to conduct these audits. The inability of the Auditors to express an opinion on these statements was attributed to significant matters outlined in the Auditor’s reports that caused limitations in the scope of the audits.

The public is advised that BSL's last AGM was held on 9 December 2009 when the 2008 consolidated financial statements were tabled. The audited financial statements for each of the years ended 30 June 2009 – 2011 have therefore not been tabled for review, discussion and shareholder approval. As the Commission indicated in a previous communication, the AGM offers an opportunity for accountability to shareholders by the Directors and Management of the Company.

Given these facts and other general concerns regarding the Company's operations, the Commission has established an enhanced monitoring program in respect of BSL and will continue to monitor its activities. Concerning the Commission's obligations under the SIA generally, the public is advised that appropriate steps will be taken to:

- a) Provide protection to investors from unfair, improper or fraudulent practices;
- b) Foster fair and efficient capital markets and confidence in the capital markets in The Bahamas; and
- c) Reduce systemic risk.

Any questions regarding this Notice should be directed to:

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