

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS**

***AFRICA INTERNATIONAL CAPITAL - ANGOLA INTERNATIONAL
CAPITAL***

For the six months ended 30 June 2015

Company information

Africa International Capital - Angola International Capital For the six months ended 30 June 2015

1. **Date of Incorporation of Africa International Capital - Angola International Capital:**
12 March 2014

2. **Directors of Africa International Capital - Angola International Capital:**

| | |
|---|------------------|
| Christopher Darnell (Chief Executive Officer) | Appointed |
| Evan Behrens | 18 March 2014 |
| Gerhard Greif | 25 July 2014 |
| Garth Lorimer Turner | 25 July 2014 |
| Tracy Packwood | 25 July 2014 |
| Dilek Macit | 25 July 2014 |
| Matthew Milller | 23 January 2015 |
| Pavlos Papageorgiou | 23 January 2015 |
| | 16 July 2015 |

3. **Registered Office of Africa International Capital - Angola International Capital:**
Clarendon House, 2 Church Street,
Hamilton, HM 11,
Bermuda

4. **Secretary of Africa International Capital - Angola International Capital:**
Codan Services Limited
Clarendon House, 2 Church Street,
Hamilton, HM 11,
Bermuda

5. **Auditors of Africa International Capital - Angola International Capital:**
Ernst & Young Incorporated
102 Rivonia Road
Sandton
Johannesburg
South Africa

Interim condensed consolidated statement of comprehensive income
Africa International Capital - Angola International Capital
For the six months ended 30 June 2015

| | Notes | 1 Jan 2015 to 30 June 2015 | 1 Jan 2014 to 30 June 2014 |
|--|-------|-------------------------------|-------------------------------|
| | | USD 000's | USD 000's |
| Rental income | 5 | 1,783.4 | - |
| Property operating expenses | 6 | (255.5) | - |
| Net rental income | | 1,527.9 | - |
| Other income | 5 | 32.3 | - |
| Administration expenses | 6 | (307.2) | - |
| Operating profit | | 1,253.0 | - |
| Gain from exchange rate differences | | 1.4 | - |
| Finance costs | 7 | (903.1) | - |
| Transition costs | 8 | (45.5) | - |
| Net loss before taxation | | 305.8 | - |
| Taxation | 9 | (158.9) | - |
| Profit for the period | | 146.9 | - |
| Other comprehensive income | | | |
| Exchange differences on translation | | (5,273.3) | - |
| Other comprehensive income | | (5,273.3) | - |
| Total comprehensive loss for the period, net of tax | | (5,126.4) | - |
| Earnings/loss per share (USD) | | | |
| Basic and diluted earnings/(loss) for the period attributable to ordinary equity holders of the Company and its subsidiaries (dollars) | 10 | 0.30 | - |

Notes:

This statement is to be read in conjunction with the Notes to the Financial Statements on pages 7 to 17.

Interim condensed consolidated statement of financial position
Africa International Capital - Angola International Capital
As at 30 June 2015

| | | 30 June 2015 | 31 Dec 2014 |
|--------------------------------------|-------|---------------------|----------------------|
| | | USD 000's | Audited USD 000's |
| Assets | Notes | | |
| Non-current assets | | | |
| Investment property | 11 | 25,857.1 | - |
| Total non-current assets | | 25,857.1 | - |
| Current assets | | | |
| Trade and other receivables | 12 | 2,276.0 | - |
| Cash and cash equivalents | 13 | 525.8 | 3.2 |
| Total current assets | | 2,801.8 | 3.2 |
| Total assets | | 28,658.9 | 3.2 |
| Equity and liabilities | | | |
| Equity | | | |
| Issued capital | 14 | 500.0 | 500.0 |
| Reserves | | (5,273.3) | - |
| Retained earnings | | (524.7) | (671.6) |
| Total equity | | (5,298.0) | (171.6) |
| Non-current liabilities | | | |
| Provisions | 15 | 544.8 | - |
| Total non-current liabilities | | 544.8 | |
| Current liabilities | | | |
| Trade and other payables | 16 | 566.3 | - |
| Deferred revenue | 17 | 579.7 | - |
| Deposits from tenants | 18 | 317.4 | - |
| Promissory note | 19 | 31,572.1 | - |
| Related parties payable | 21 | 376.6 | 174.8 |
| Total current liabilities | | 33,412.1 | 174.8 |
| Total equity and liabilities | | 28,658.9 | 3.2 |

Notes:

This statement is to be read in conjunction with the Notes to the Financial Statements on pages 7 to 17.

Interim condensed consolidated statement of changes in equity
Africa International Capital - Angola International Capital
For the six months ended 30 June 2015

| | Issued Capital (Note 14) USD 000 | Foreign Currency Translation Reserve USD 000 | Retained earnings USD 000 | Total USD 000 |
|-----------------------------|--|--|---|-------------------------|
| As at 1 January 2015 | 500.0 | - | (671.6) | (171.6) |
| Profit for the quarter | - | - | 146.9 | 146.9 |
| Other comprehensive income | - | (5,273.3) | - | (5,273.3) |
| As at 30 June 2015 | 500.0 | (5,273.3) | (524.7) | (5,298.0) |
| | | | | |
| As at 1 January 2014 | 500.0 | - | - | 500.0 |
| Profit for the quarter | - | - | - | - |
| Other comprehensive income | - | - | - | - |
| As at 30 June 2014 | 500.0 | - | - | 500.0 |

Notes:

This statement is to be read in conjunction with the Notes to the Financial Statement on pages 7 to 17.

Interim condensed consolidated statement of cash flows
Africa International Capital - Angola International Capital
For the six months ended 30 June 2015

| | Notes | 1 Jan 2015 to 30 June 2015 | 1 Jan 2014 to 30 June 2014 |
|--|-----------|-------------------------------|-------------------------------|
| | | USD 000's | USD 000's |
| Cash flows from operating activities | | | |
| Received from customers | | 1,074.9 | - |
| Payments made to suppliers | | (1,170.9) | - |
| Other receipts/(payments) | | (910.0) | - |
| Net cash outflows from operating activities | | (1,006.0) | - |
| Cash flows from investing activities | | | |
| Inflows from acquisition of subsidiary (As at 23 January 2015) | | 1,595.8 | - |
| Proceeds from sale of motor vehicle | | 31.7 | - |
| Net cash inflows from investing activities | | 1,627.5 | - |
| Cash flows from financing activities | | | |
| Inflows from financing activities | | - | - |
| Net cash inflows from financing activities | | - | - |
| Net decrease in cash and cash equivalents | | 621.5 | - |
| Loss on foreign currency translation | | (98.9) | - |
| Cash and cash equivalents at beginning of period | | 3.2 | - |
| Cash and cash equivalents at end of period | 13 | 525.8 | - |

Notes:

This statement is to be read in conjunction with the Notes to the Financial Statements on pages 7 to 17.

Notes accompanying the interim condensed consolidated financial statements

Africa International Capital Ltd - Angola International Capital

For the six months ended 30 June 2015

1. Corporate information

Africa International Capital Ltd (herein called the Company) was incorporated in Bermuda under the Companies Act 1981 on 12 March 2014 having unlimited duration with registration number 48815. The Company was registered as a segregated accounts company under the Segregated Accounts Companies Act 2000 on 18 June 2014.

Angola International Capital (referred to herein as the Angola Business Unit) was established by the Company as a segregated account of the Company on 18 June 2014 and named 'Angola International Capital' in respect of the Company's intended investment and operations in Angola. The Angola Business Unit was admitted to the Bermuda Stock Exchange on 15 August 2014. The registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.

The financial statements are presented in US dollar (USD). USD is the presentational currency of Angola Business Unit and its subsidiaries (herein called the Group) and are rounded to the nearest thousand. As at 30 June 2015, USD is the functional currency of the Group.

The Group is principally engaged in real estate management in Angola and intends to acquire and operate investment properties to generate rental income.

2. Summary of significant accounting policies and disclosures

a) Basis of preparation

These interim condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Africa International Capital - Angola International Capital annual financial statements as at 31 December 2014.

These interim condensed consolidated financial statements for the six months ended 30 June 2015 have not been audited or reviewed.

b) New policies, standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new policies, standards and interpretations effective as of 1 January 2015.

Investment property

Investment property comprises completed property that is held to earn rentals or for capital appreciation or both. Property held under an operating lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property is measured initially at cost.

Subsequent to initial recognition, investment property is stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any. The group assesses the residual value of the building at each reporting period and applies depreciation if the residual value is less than the carrying value of the business on a straight line basis over the estimated useful life of the property, usually between 15 to 30 years.

Investment property is derecognised when it has been disposed of, or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses at the retirement or disposal of investment property. Any gains or losses are recognised in the profit or loss in the year of retirement or disposal.

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the six months ended 30 June 2015

2. Summary of significant accounting policies and disclosures (continued)

Investment property (continued)

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

c) Impact of standards, interpretations and amendments issued but not yet effected by the Group

Revenue recognition

“Revenue from Contracts with Customers” (“IFRS 15”), provides a comprehensive five-step revenue recognition model for all contracts with customers. The IFRS 15 revenue recognition model requires management to exercise significant judgment and make estimates that affect revenue recognition. IFRS 15 is effective for annual periods beginning on or after 1 January 2017, with earlier application permitted. The Group is currently evaluating the impact of adopting this standard on the consolidated financial statements.

Financial instruments

Financial Instruments” (“IFRS 9”), was issued by the IASB in July 2014 and will replace IAS 39, “Financial Instruments: Recognition and Measurement”. IFRS 9 introduces a model for classification and measurement, a single, forward-looking “expected loss” impairment model, and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses.

It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity’s own credit risk on such liabilities are no longer recognised in profit or loss. IFRS 9 is effective for annual periods beginning on or after 1 January 2018; however, it is available for early adoption. In addition, the own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. The Group is currently evaluating the impact of adopting this standard on the consolidated financial statements.

d) Critical accounting estimates and judgements

The preparation of interim financial statements in conformity with IAS 34 requires the use of certain critical accounting estimates and judgments. Estimates and judgments are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. In preparing these condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation and uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2014 except for:

Provision for doubtful debts

A provision for doubtful debts was raised based on a review of the outstanding trade receivable accounts as at the end of the reporting period. Given the nature of the business and the climate in which Angola operates, balances that are outstanding for more than one month at the reporting date have been written off and a provision has been raised for the remaining balances. Management believes that it is highly unlikely that these amounts will be recovered in the future, however, should the Group be able to recover some amounts these amounts will potentially increase revenue in future periods.

3. Operating segments

The Group operates one segment with one business activity: operating and managing residential and commercial real estate in Angola. All investment properties are held in Angola.

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the six months ended 30 June 2015

4. Asset Acquisition

On 23 January 2015, the Group acquired 100% of the voting shares of ADV Holding Ltd and its subsidiaries (ADV Group), an unlisted company based in the British Virgin Islands. The Group has acquired the ADV Group because it holds prominent real estate assets in Angola. The acquisition has been accounted for under the asset acquisition method (refer note 19). The interim condensed consolidated financial statements include the results of the ADV Group for the five month period from the acquisition date.

The fair value of identifiable assets and liabilities as at the date of acquisition were:

| | Fair value recognised on acquisition USD 000 |
|--|---|
| Assets | |
| Investment property | 30,669.0 |
| Cash | 1,595.8 |
| Trade and Other Receivables | 2,972.2 |
| Liabilities | |
| Trade and Other Payables | (2,000.8) |
| Working capital payable to vendor | (2,567.2) |
| Total identifiable net assets at fair value | 30,669.0 |

From the date of acquisition, the ADV Group has contributed USD 1.8 million of revenue and USD 1.6 million to the net profit before tax from the continuing operations of the Group. If the acquisition had taken place at the beginning of the year, revenue from continuing operations would have been USD 2.4 million and the profit from continuing operations for the period would have been USD 1.3 million.

Transition costs of USD 0.04 million have been expensed and are included in the statement of comprehensive income and are part of operating cash flows in the statement of cash flows.

5. Income

| | 1 Jan 2015 to 30 June 2015 USD 000 | 1 Jan 2014 to 30 June 2014 USD 000 |
|---------------|---|---|
| Rental income | 1,783.4 | - |
| Other Income | 32.3 | - |
| Total | 1,815.7 | - |

Rental income is recorded Net of Imposto Predial Urbano (IPU) (Real estate income tax). IPU is currently set at 15%.

6. Property operating and administrative expenses

| | 1 Jan 2015 to 30 June 2015 USD 000 | 1 Jan 2014 to 30 June 2014 USD 000 |
|------------------------------------|---|---|
| Property operating expenses | | |
| Bad debt expense | 26.9 | - |
| Other property operating expenses | 228.6 | - |
| Total | 255.5 | - |
| Administrative expenses | | |
| Other administrative expenses | 307.2 | - |
| Total | 307.2 | - |

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the six months ended 30 June 2015

7. Finance costs

| | 1 Jan 2015 to 30 June 2015 | 1 Jan 2014 to 30 June 2014 |
|------------------|-------------------------------|-------------------------------|
| | USD 000's | USD 000's |
| Interest expense | 903.1 | - |
| Total | 903.1 | - |

Finance costs relate primarily to the variable interest rate charged by the vendor of the ADV Group for the period from 1 January 2015 to 30 June 2015 (refer to note 19).

8. Transition costs

| | 1 Jan 2015 to 30 June 2015 | 1 Jan 2014 to 30 June 2014 |
|------------------|-------------------------------|-------------------------------|
| | USD 000's | USD 000's |
| Transition costs | 45.5 | - |
| Total | 45.5 | - |

Transition costs relate to legal and other costs incurred during the acquisition process of the properties by the ADV Group.

9. Taxation

The group's revenues are subject to corporate income tax or real estate income tax (IPU). Income that is subject to IPU is not subject to corporate income tax.

An overview of the Angolan tax that the group is subject to is listed below:

Corporate income tax

Industrial Tax (Income Tax) is levied on all profits derived from Angola. All the income obtained by an Angola company operating overseas will be fully taxable.

The tax rate applicable is 30%.

Tax payment obligations should be fulfilled under the following conditions: Companies have to file form Modelo 1 up to 31 May of the following year and advance payments of tax shall be made in July of the year.

Operating losses incurred by resident companies, or by a branch of a non-resident company, may be carried forward to set off against taxable profits for 3 years.

Real estate income tax (IPU)

IPU is levied on rental income earned by individuals or companies owning real estate assets on actual rental income when assets are leased. IPU is currently set at 15% and is payable by the end of the following month.

Withholding tax

This regime establishes a withholding tax on payments made to persons and companies carrying out, occasionally or permanently, contracting services, subcontracting services or rendering of services, regardless of whether or not they have a head office, permanent office or permanent establishment in Angola.

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the six months ended 30 June 2015

9. Taxation (continued)

The tax rate applicable is 6.5%

Tax collection/(payment) method: The tax shall be withheld by the contracting party for each payment made and paid over to the Tax Office within the following month, accompanied by a complete official document. The tax shall be paid in the currency which is determined in the respective contract and converted into Kwanza.

Consumption tax

This tax is levied on the supply of goods and services as well as on the import of goods into Angola. The tax rate ranges from 2% to 30%, depending on the goods or service. The standard rate of consumption tax is 10%.

Several types of services that are not subject to taxation are subject to consumption tax at a rate of 5% or 10% are consultant services, dispatch services and the transportation of goods and passengers inside the Angolan territory. Whenever an Angola company provides a service subject to consumption tax, this tax should be included in the invoice issued with the tax cost being borne by the purchaser of the service. However, if these services are acquired to a non-resident entity, the Angola company shall self-assess consumption tax over the acquisition price and deliver it to the Angola tax authorities.

The Group has been subject to the following tax expense:

| | 1 Jan 2015 to 30 June 2015 | 1 Jan 2014 to 30 June 2014 |
|----------------------|---------------------------------------|---------------------------------------|
| | USD 000's | USD 000's |
| Corporate income tax | 139.3 | - |
| Withholding tax | 7.1 | - |
| Other taxes | 12.5 | - |
| Total | 158.9 | - |

Withholding tax and other tax expense relates to the payment of tax on behalf of non-resident Angolan companies.

In the previous year the Group was not liable for corporate income tax as the main revenue of the Group was rental income which was taxed with IPU. However, during the current year, the Group is also liable for corporate income tax as a result of the service income earned.

10. Earnings per share

Earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares.

Basic and diluted loss per share

| | Quarter ended 30 June 2015 | Quarter ended 30 June 2014 |
|--|---------------------------------------|---------------------------------------|
| | USD '000 | USD '000 |
| Profit attributable to ordinary shareholders | 146.9 | - |
| Weighted average number of ordinary Shares (thousands) | 500.0 | - |
| Basic and diluted loss per share (dollars) | 0.30 | - |

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the six months ended 30 June 2015

11. Investment property

| | 30 June 2015 | 31 Dec 2014 |
|---|---------------------|--------------------|
| | USD 000's | USD 000's |
| Opening Balance | - | - |
| Acquisition of assets | 30,669.0 | - |
| Movement due to devaluation of Angolan Kwanza | (4,811.9) | - |
| Closing Balance | 25,857.1 | - |

Upon acquisition, all investment properties are measured at cost. Originally the assets were acquired at USD 30.7m and recorded at the appropriate spot rate on the date of acquisition in the local company's books and records. On translation to the Group's presentation currency, the asset value has declined as a result of a depreciation of the Angolan Kwanza. The difference is taken through the foreign currency translation reserve.

12. Trade and other receivables

| | 30 June 2015 | 31 Dec 2014 |
|---|---------------------|--------------------|
| | USD 000's | USD 000's |
| Trade receivables | 366.7 | - |
| Provision for impairment of trade receivables | (26.9) | - |
| Net trade receivables | 339.8 | - |
| Payment on account | 1,213.9 | - |
| Other receivables | 722.3 | - |
| Total | 2,276.0 | - |

We foresee no further reduction in the carrying amount of other receivables.

Payment on account represents payments made to the vendor for the acquisition of Isha and Pina properties. This entire amount will be deducted from the amount owing to the vendor on settlement of the promissory note.

13. Cash and cash equivalents

| | 30 June 2015 | 31 Dec 2014 |
|--------------------------|---------------------|--------------------|
| | USD 000 | USD 000 |
| Cash at bank and in hand | 525.8 | 3.2 |
| Total | 525.8 | 3.2 |

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the six months ended 30 June 2015

14. Share capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction in equity from the proceeds.

| | Par Value | Shares authorised | Issued and fully paid shares | Issued but not fully paid shares |
|----------------------|-----------|-------------------|------------------------------|----------------------------------|
| Share capital | | | | |
| Issued Shares | \$1.00 | 250,500.0 | 500.0 | - |
| | | 250,500.0 | 500.0 | - |

| Reconciliation of shares outstanding | Africa International Capital - Angola International Capital Shares | |
|---|---|--------------------|
| | 30 June 2015 | 31 Dec 2014 |
| Opening balance | 500 | - |
| Issued and fully paid shares | - | 500 |
| Issued but not fully paid shares | - | - |
| Closing balance | 500 | 500 |

Crescat Ventures Ltd owns 100% of the issued shares of the Angola Business Unit. Please refer to note 21 – Related Parties for information on the consideration provided by Crescat Ventures Ltd for these 500,000 shares. Christopher Darnell, Chief Executive Officer of the Company, is the sole shareholder of Crescat Ventures Ltd.

15. Provisions

| | 30 June 2015 | 31 Dec 2014 |
|----------------------------|---------------------|--------------------|
| | USD 000's | USD 000's |
| Provision for duty payable | 544.8 | - |
| Total | 544.8 | - |

The provisions presented are for duty payable on rentals contracts and Real Estate Income Tax (IPU) owing to the Angolan Government.

16. Trade and other payables

| | 30 June 2015 | 31 Dec 2014 |
|-------------------|---------------------|--------------------|
| | USD 000's | USD 000's |
| Trade payables | 106.7 | - |
| Tax liabilities | 102.3 | - |
| Other liabilities | 357.3 | - |
| Total | 566.3 | - |

Tax liabilities include:

- a) Corporate income tax accrued not yet due
- b) Corporate income tax withheld from expenses paid to suppliers

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the six months ended 30 June 2015

17. Deferred revenue

| | 30 June 2015 | 31 Dec 2014 |
|------------------|---------------------|--------------------|
| | USD 000's | USD 000's |
| Deferred revenue | 579.7 | - |
| Total | 579.7 | - |

Rent received in advance is deferred on the balance sheet and the total minimum lease payments are amortised on a straight-line basis in the profit or loss over the lease terms.

18. Deposits from tenants

| | 30 June 2015 | 31 Dec 2014 |
|-----------------------|---------------------|--------------------|
| | USD 000's | USD 000's |
| Deposits from tenants | 317.4 | - |
| Total | 317.4 | - |

Deposits from tenants represent amounts held as security in case of damages to the property and represent 1 months' rent. Deposits are refunded once a tenant vacates the property and the property inspection confirms that the property has been left in a satisfactory state.

19. Promissory note

| | 31 March 2015 | 31 Dec 2014 |
|-----------------|----------------------|--------------------|
| | USD 000's | USD 000's |
| Promissory note | 30,669.0 | - |
| Interest | 903.1 | - |
| Total | 31,572.1 | - |

On 23 January 2015, in order to acquire the Isha and Pina properties, the Group acquired 100% of the voting shares of ADV Holding Ltd (ADV), an unlisted company based in the British Virgin Islands, in exchange with the vendor, the Angola Business Unit has executed a promissory note.

In addition, as at 30 June 2015 the Group is contractually obliged to pay to the vendor the net receivables derived from the assets of ADV, less a property management fee representing 6% up to 31 March 2015 and 10% thereon of income of those assets. The net receivable less property management fee is accounted for as interest payable.

20. Financial risk

The Group does not trade in financial instruments but, in the normal course of its operations, the Group is primarily exposed to credit, currency and liquidity risks.

In order to manage these risks, the Group may enter into transactions that make use of financial instruments. The Group has developed a comprehensive risk management process to facilitate, control and monitor these risks. This process includes normal documentation of policies, including limits, controls and reporting structures. The executive management and the Board of Directors are responsible for risk management activities within the Group.

a) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. The exposure to credit risk is monitored by management on an on-going basis. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience. The Group has no significant concentration of credit risk which has not been provided against at the period end.

The Group's cash and cash equivalents and short-term deposits are placed with high credit quality financial institutions.

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the six months ended 30 June 2015

20. Financial risk (continued)

a) Credit risk (continued)

The carrying amount of the financial assets represents the Group's maximum exposure to credit risk without taking into consideration any collateral provided:

| | 30 June 2015 | 31 Dec 2014 |
|---------------------------|---------------------|--------------------|
| | USD 000's | USD 000's |
| Trade receivables | 339.8 | - |
| Cash and cash equivalents | 525.8 | 3.2 |
| Total | 865.6 | 3.2 |

b) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet a financial commitment in any location or currency. This risk is minimised through the holding of cash balances and regular cash flow forecasts prepared and reviewed so that the cash needs of the Group are managed according to its requirements.

The following table details the Group's contractual maturity for its non-derivative financial liabilities. The table has been compiled based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to repay the liability:

| | Less than 1 year | More than 1 and less than 2 years | Total |
|------------------------|-----------------------------|--|-----------------|
| | USD 000's | USD 000's | USD 000's |
| Trade payables | 106.7 | - | 106.7 |
| Issued Promissory Note | 30,669.0 | - | 30,669.0 |
| Deposits from tenants | 317.5 | - | 317.5 |
| Total | 31,093.2 | - | 31,093.2 |

c) Currency risk

The Group is exposed to the risk that the exchange rate of the Angolan Kwanza relative to the currencies in which the Group transacts may change in a manner which has a material effect on the reported values of its assets and liabilities. Currency derivatives are not used to manage this risk.

The carrying amount of the Group's foreign currency denominated monetary assets at reporting date is summarised as follows:

| | 30 June 2015 | 31 Dec 2014 |
|---------------------------|---------------------|--------------------|
| | USD 000's | USD 000's |
| Cash and cash equivalents | 525.8 | 3.2 |
| Total | 525.8 | 3.2 |

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the six months ended 30 June 2015

21. Related parties

Crescat Ventures Limited (Crescat)

As at 30 June 2015, Crescat was the manager of Africa International Capital Ltd. There was a management agreement in place between Africa International Capital Ltd and Crescat to provide certain management and strategic advisory services to help ensure Africa International Capital Ltd and its accounts meet their stated investment objectives.

Crescat's shareholders as at the date of the Statement of Financial Position are Christopher Darnell, Chief Executive Officer of Africa International Capital Ltd and of the Angola Business Unit; and the Phoenix Trust.

As part of its management agreement with Africa International Capital Ltd a fee amounting to USD 500,000 fell due and payable upon the successful listing of the Angola Business Unit on the Bermuda Exchange.

The USD 500,000 fee payable to Crescat was offset, by way of a Netting and Offsetting Agreement between Africa International Capital Ltd on behalf of Angola International Capital and Crescat, against the receivable due from Crescat for a USD 500,000 issue of shares.

Africa International Capital – General Account

The Company and the Angola Business Unit, a segregated account of the Company, entered into an agreement for the provision of services by the Company to the Angola Business Unit. The Company will provide, inter alias: transaction coordination services; strategic advisory services; cash flow management service; and financial reporting services; in return for a fee payable by the Angola Business Unit. For the six months ended 30 June 2015, the Company charged fees to the Angola Business Unit totalling USD 363,243 (31 December 2014 – 171,430).

As of reporting date the Angola Business Unit has a payable of USD 363,243 (31 December 2014 – 171,430) to the Company.

The following table provides the total amount of transactions that have been entered into with related parties during the six months ended 30 June 2015, as well as balances with related parties as at 30 June 2015 and 31 December 2014

| | | Interest paid | Amounts owed to related parties |
|--|------|--------------------------|--|
| | | USD 000's | USD 000's |
| Entity with significant influence over the Group: | | | |
| Crescat Ventures Ltd | 2015 | - | 13.4 |
| | 2014 | - | - |
| Africa International Capital – General Account | 2015 | - | 363.2 |
| | 2014 | - | 171.4 |

22. Subsequent events

Acquisition of share capital

On 11 August 2015 the Group's subsidiary Ques-Com-Construcao e Prestacao de Servicos, Lda acquired the outstanding residual share capital of AGPV Lda. At the date of the auditors review report Africa International Capital - Angola International Capital and its subsidiaries holds 100% of the share capital of AGPV Lda.

The initial agreement to acquire ADV Holding Ltd and its subsidiaries and thereby acquire the real estate projects (a portfolio of cash-flow generating residential and commercial buildings) was executed on 27 July 2014 and amended on 23 January 2015 and on 19 February 2015. Under the conditions precedence of these agreements, Angola Development Ventures Inc. (the vendor) was to arrange AGPV Lda and its subsidiaries for acquisition by transferring the investment properties and surface rights into the Group

Notes accompanying the interim condensed consolidated financial statements
Africa International Capital Ltd - Angola International Capital
For the six months ended 30 June 2015

22. Subsequent events (continued)

Acquisition of share capital (continued)

On 3 September 2015 an agreement between Angola International Capital Ltd and Africa International Capital Ltd – Angola International Capital was executed transferring all of the ADV Holding Ltd Shares to Angola International Capital Ltd in exchange for all of the shares in the Angola International Capital Ltd.

Further, on 7 September 2015 a tripartite agreement between Angola International Capital Ltd, Africa International Capital Ltd – Angola International Capital and Angola Development Ventures Inc (the vendor) was executed novating all accrued and future rights and obligations from Africa International Capital Ltd – Angola International Capital to Angola International Capital Ltd including the promissory notes that were issued under the acquisition agreement.

Termination of Crescat management agreement

The company is in the process of terminating the current management agreement in place between Africa International Capital Ltd and Crescat.

As consideration for the termination of the management agreement, Angola International Capital intends to issue non voting preference shares providing the right to receive 7.5% of income distributable to shareholders, the payment of USD 1 million and the issuance of a further five hundred thousand fully paid up shares of par value USD\$1.00.