2015

COMPLIANCE RISK REVIEW REPORT

13/JAN

INFRASTRUCTURE AFRICA (GP) LIMITED

Monitoring Date: 14/09/15 | Monitoring Completed: Yes/No

Company Overview:

Risk Profile: High

Reason for Risk Profile:

Proposed activity: The Company acts as the General Partner to a Limited Partnership ultimately owned by an Angolan state owned entity, Fundo Soberano de Angola.

There are several allegations of nepotism and corruption with regards to the State Wealth Fund on which the Son of the President of Angola (Jose Filomeno Dos Santos) sits as director.

The asset manager of the Fund is Quantum global Group whose founder is the Company's beneficial owner, Jean Claude Bastos de Morais also a friend and mentor of Jose Filomeno Dos Santos.

Several critics in Angola pointed out that there may be high risks of corruption and lack of transparency since the State Wealth Fund is controlled mainly by individuals who are closely related to each other and have political affiliations.

- Several adverse internet results on the director: Jean Claude Bastos de Morais

  Jean Claude Bastos is known to be the friend and mentor of Jose Filomeno Dos Santos and some critics outline that it is because of this political affiliations that Quantum global Group has been appointed as the asset manager of the State Wealth Fund. The close relationship between Jean Claude Bastos and the son of President can raise some concerns regarding the transparency of the management of the State Wealth Fund.

- World Check hit on one of the BO: Fundo Soberano De Angola is a state owned entity.

- **Risk Profile following risk review:** High

Action to be taken: Maintain in Risky Client Database and monitor the inflow and outflow of funds.

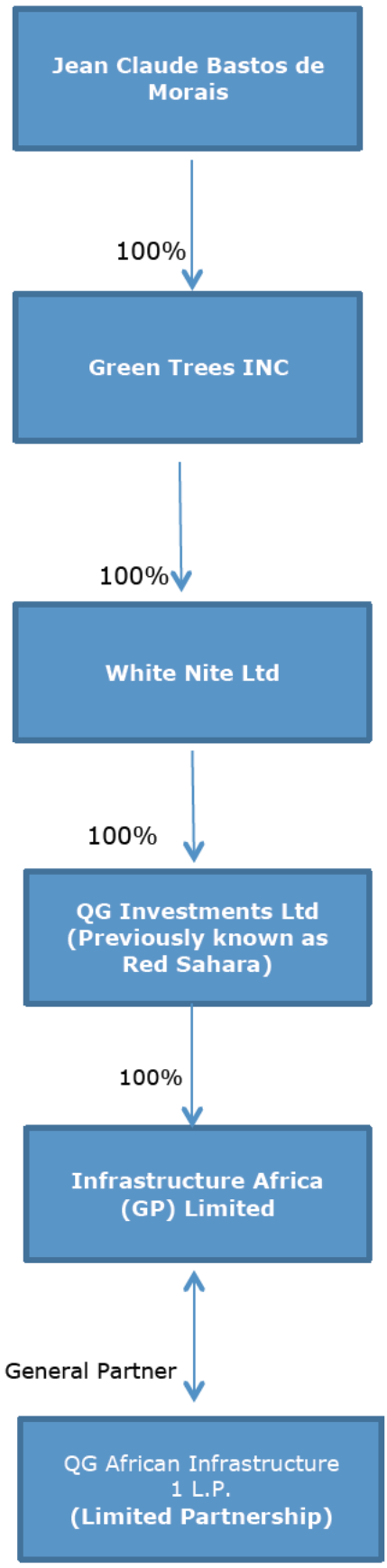
Infrastructure Africa (GP) Limited was incorporated on 15 May 2014 as a Category One Global Business Company.

[redacted]

Proposed activity: Acts as a General Partner to a limited partnership, QG African Infrastructure 1 L.P which make investments in infrastructure assets across sub- Saharan Africa.

Activity undertaken: The Company shall act as the General Partner of the Limited Partnership and shall receive management fees for the management services rendered to the Limited Partnerships.

Structure:


Jean Claude Bastos de Morais
100%
Green Trees INC
100%
White Nite Ltd
100%
QG Investments Ltd (Previously known as Red Sahara)
100%
Infrastructure Africa (GP) Limited
General Partner
QG African Infrastructure 1 L.P. (Limited Partnership)

Stated source of fund: The Company shall receive management fees for the services rendered to the Limited Partnership as General Partner.

Actual source of fund: To be determined (no bank statement found).

Bank account overview: The Company holds a USD call account with Standard Bank (Mauritius) Limited.

World Check:

- World Check hit on Fundo Soberano De Angola as being a PEP:

  [BIOGRAPHY] (100% state owned - reported 2012). Sovereign Wealth Fund (Oct 2012 -). [IDENTIFICATION] Chairman of the Board of Directors: José Filomeno de Sousa dos Santos (Jun 2013 -). Armando Manuel (Oct 2012 - May 2013). [REPORTS] To be determined.

- World Check hit on Jean Claude Bastos de Morais as being a PEP:

  [BIOGRAPHY] [BIOGRAPHY] Member of the Supervisory Board of Fundo Activo de Capital de Risco Angolano (SOE) (Aug 2013 -). Founder and Vice President of the Board of Directors of Banco Kwanza Invest (2008-). Chairman of the Advisory Board of Quantum Global Wealth Management (2003-). Founder of Quantum Global Group (2003). [IDENTIFICATION] José Filomeno de Sousa dos Santos (PEP) (associate). Dual citizenship: Swiss/Angolan. [REPORTS] To be determined. [NOTE] No further information has been found and if this profile contains negative allegations, it should be assumed that such allegations are denied. The accuracy of the information found in the underlying media sources should be verified with the profile subject before any action is taken. In accordance with our terms and conditions, unless you are under a legal or regulatory obligation to do so, this profile and World-Check's identity should not be disclosed.

Internet Search:

Internet search highlighted that the fund, FSDEA has been accused of lacking transparency after President Eduardo dos Santos' 36-year-old son Jose, was made its head.

There are also several articles on Mr Jean Claude Bastos outlining that the the sovereign-wealth fund's choice of asset manager Quantum Global Group, of Zug, Switerland, has angered the president's critics because of its personal ties to Mr. dos Santos, his son. Quantum's founder and advisory board chairman is Jean-Claude Bastos de Morais, an Angolan-Swiss financier and mentor to Mr. dos Santos. They also are business partners, who five years ago started an investment bank in Luanda called Banco Kwanza Invest. Marcolino Moco, a former prime minister and presidential confidant put forward the following:

"How can the fund be transparent when they pick a company with such connections?"He was fired in 1996 and now is a critic of what he asserts is the Angolan president's lurch toward greed and autocracy."

"For decades, a tiny clique revolving around the president of Angola has deftly used anonymous shell companies to loot billions in state assets. These shell companies are incorporated in 'offshore 'financial centres known as 'tax havens' or 'secrecy jurisdiction"

Risk Review Comments

General Resolutions Comments:

1. The board resolution dated 05.02.15 outlines that the Company entered into a loan agreement with the shareholder. The loan agreement could not be found neither on file nor on DMS.

   The client is now deciding that funds received from the Shareholder will be treated as service agreement and we are still in discussion with the client. Kindly note that the board resolution will be superseded.

2. We take note of an undated shareholder resolution approving the appointment of Mr [redacted]. Please note that the resolution could not be seen on file.

   Kindly note that the shareholder resolution has been requested from the client and they have not yet reverted. Follow up is being done.

3. We take note of an undated board resolution approving the AFS for the year ended 31.12.14 on DMS, same has been executed by Jean Claude Bastos only and could be found only on DMS.

   Kindly note that the executed version has been received and is in the pigeon hole.

4. We found the draft of an annual meeting for the year 2015. Please advise whether same has been finalised.

   Kindly note that we have received a scanned copy of the executed version from the client. Same has been saved on DMS.

5. Please note that the Company has not waived the requirements for interests register and major transactions.

   Kindly note that a shareholder's resolution to waive the requirements for interests register and major transactions has been sent to the client and we are still waiting for the executed version.

Others:

6. Please advise whether the Company as a GBC 1 is abiding by the additional substance requirements as issued by the FSC.

   Kindly note that we are currently liaising with the client on same.

7. We understand from the client acceptance pack that the source of fund of the Company be – receipt of management fees. From an analysis of the bank transactions, we note that no management fees have been received till date.

   Kindly note that the business activity of the Company is to act as the general partner to QG African Infrastructure 1 L.P. Please note that the Company will only receive partnership interests.

8. The board resolution dated 03 October 2014 found on DMS approving the side letters has not been fully executed.

   Kindly note that we have checked on DMS and noted that the board resolution dated 03 October 2014 on DMS approving the side letters has been fully executed.

9. We found the passport of [redacted] on file. Please advise how the latter is related to the Company.

   Kindly note that Mr Helton is an Investment Committee member of QG African Infrastructure 1 L.P.

10. We take note of some certified true copies of Red Sahara Ltd (now known as QG Investments) and White Nite Ltd. Please note that same should be moved to the file 3 of Hotel Africa (GP) Limited since file notes have been put in all the files of the Fundo Companies indicating that all the due diligence of Jean Claude Bastos, QG Investments Ltd, Red Sahara Ltd and White Nite Ltd are kept in the file of Hotel Africa (GP) Limited.

    The needful has been done.