CAPOINVEST LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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CORPORATE DATA

		Date of appointment	Date of resignation
DIRECTORS :	Appleby Directors (BVI) Limited	29 November 2011	31 January 2012
	Jean Claude Bastos de Morais	31 January 2012	-

SECRETARY :
Appleby Corporate Services (BVI) Ltd
Jayla Place
Wickhams Cay 1
Road Town
Tortola
British Virgin Islands

REGISTERED OFFICE :
C/o Appleby Corporate Services (BVI) Ltd
Jayla Place
Wickhams Cay 1
Road Town
Tortola
British Virgin Islands

BANKER :
AfrAsia Bank Limited
Bowen Square
10, Dr Ferrière Street
Port Louis
Republic of Mauritius

AUDITORS:
KPMG
KPMG Centre
31, Cybercity
Ebène
Republic of Mauritius

The directors of Capoinvest Limited (the 'Company') are pleased to present their report to the members together with the audited consolidated financial statements of the Company and its subsidiary (the "Group") and the separate financial statements of the Company for the year ended 31 December 2014.

INCORPORATION

The Company was incorporated in the British Virgin Islands on 29 November 2011 under the BVI Business Companies Act 2004 as a BVI Business Company.

PRINCIPAL ACTIVITY

The principal business activity of the Company is to provide financing power to CAIO PORTO S.A for the design, financing, constructing, equipping operating and maintaining a new deep-water port in Cabinda in Angola.

RESULTS AND DIVIDEND

The results for the Group and the Company for the year ended 31 December 2014 are shown in the statement of profit or loss and other comprehensive income and related notes.

The directors do not recommend the payment of a dividend for the year under review (2013: Nil).

DIRECTORS

The present membership of the Board is set out on page 1.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of financial statements for each financial period which presents fairly the financial position, financial performance, changes in equity and cash flows of the Company.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company continues in business.

The directors confirm that they have complied with the above requirements in preparing these financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the relevant legislation. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

By order of the Board

____
Director

Date:

CAPOINVEST LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	THE GROUP 2014 USD	THE COMPANY 2014 USD	THE GROUP (Unaudited) 2013 USD	THE COMPANY (Unaudited) 2013 USD
Income					
Foreign exchange gain		**1,283**	**1,277**	-	-
Expenses					
Advisory fees		**1,983,732**	**1,983,732**	-	-
Professional fees		**29,177**	**29,177**	-	-
Accounting fees		**8,500**	**8,500**	-	-
Audit fees		**7,000**	**7,000**	-	-
Administration fees		**4,436**	**4,436**	1,750	1,750
Government fees		**1,100**	**1,100**	350	350
Disbursements		**812**	**812**	-	-
Amortisation		**461**	**-**	1,373	-
Other expenses		**-**	**-**	25,832	-
Total expenses		**2,035,218**	**2,034,757**	29,305	2,100
Loss for the year		**(2,033,935)**	**(2,033,480)**	(29,305)	(2,100)
Taxation	5	**-**	**-**	-	-
Loss for the year		**(2,033,935)**	**(2,033,480)**	(29,305)	(2,100)
Other comprehensive income					
Exchange difference on translation of foreign operations		**(240,979)**	**-**	253	-
Total comprehensive loss for the year		**(2,274,914)**	**(2,033,480)**	(29,052)	(2,100)

The notes on pages 9 to 24 form an integral part of these financial statements.

	Notes	THE GROUP 2014 USD	THE COMPANY 2014 USD	THE GROUP Unaudited 2013 USD	THE COMPANY Unaudited 2013 USD
ASSETS					
Non-current assets					
Plant, property and equipment	6	**69,918**	**-**	70,117	-
Intangible assets	7	**827,372**	**-**	-	-
Investment in subsidiary	8	**-**	**20,000**	-	20,000
Loan receivable	9	**-**	**5,000,000**	-	-
Total non-current assets		**897,290**	**5,020,000**	70,117	20,000
Current assets					
Amount due by related parties	10	**15,180,000**	**15,180,000**	100	100
Other receivables		**5,995**	**-**	-	-
Cash and cash equivalents		**4,363,567**	**-**	494	-
Total current assets		**19,549,562**	**15,180,000**	594	100
Total assets		**20,446,852**	**20,200,000**	70,711	20,100
EQUITY AND LIABILITIES					
Equity					
Share capital	11	**200,000**	**200,000**	100	100
Share premium		**19,980,000**	**19,980,000**	-	-
Accumulated losses		**(2,083,430)**	**(2,040,788)**	(49,495)	(7,308)
Foreign currency translation reserve		**(240,852)**	**-**	127	-
Total equity		**17,855,718**	**18,139,212**	(49,268)	(7,208)
LIABILITIES					
Current liabilities					
Amount due to related parties	12	**2,435,562**	**2,041,040**	105,947	27,308
Trade and other payables	13	**155,572**	**19,748**	10,053	-
Other current liabilities		**-**	**-**	3,979	-
Total liabilities		**2,591,134**	**2,060,788**	119,979	27,308
Total equity and liabilities		**20,446,852**	**20,200,000**	70,711	20,100

Approved by the Board of Directors and authorised for issue on .... and signed on its behalf by:

Director

The notes on pages 9 to 24 form an integral part of these financial statements.

THE GROUP

	Share capital	Share premium	Retranslation reserve	Accumulated losses	Total
	USD	USD	USD	USD	USD
Balance at 1 January 2014	100	-	127	(49,495)	(49,268)
Issue of shares	199,900	19,980,000	-	-	20,179,900
Loss for the year	-	-	-	(2,033,935)	(2,033,935)
Other comprehensive loss for the year	-	-	(240,979)	-	(240,979)
Total comprehensive loss for the year	-	-	(240,979)	(2,033,935)	(2,274,914)
Balance at 31 December 2014	**200,000**	**19,980,000**	**(240,852)**	**(2,083,430)**	**17,885,718**

THE COMPANY

	Share capital	Share premium	Accumulated losses	Total
	USD	USD	USD	USD
Balance at 1 January 2014	100	-	(7,308)	(7,208)
Issue of shares	199,900	19,980,000	-	20,179,900
Total comprehensive loss for the year	-	-	(2,033,480)	(2,033,480)
Balance at 31 December 2014	**200,000**	**19,980,000**	**(2,040,788)**	**18,139,212**

The notes on pages 9 to 24 form an integral part of these financial statements.

CAPOINVEST LIMITED
CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED TO 31 DECEMBER 2014

	THE GROUP	**THE COMPANY**	THE GROUP	THE COMPANY
			(Unaudited)	(Unaudited)
	2014	**2014**	2013	2013
	USD	**USD**	USD	USD
Cash flows from operating activities				
Loss before taxation	**(2,033,935)**	**(2,033,480)**	(29,305)	(2,100)
Adjustments for:				
Amortisation	**461**	**-**	1,373	-
Effects of foreign exchange rates	**(237,480)**	**-**	261	-
Operating loss before working capital changes	**(2,270,954)**	**(2,033,480)**	(27,671)	(2,100)
Working capital adjustments				
Increase in other receivables	**(5,995)**	**-**	-	-
Increase in trade and other payables	**145,519**	**19,748**	10,053	-
Decrease/ Increase in other current liabilities	**(3,979)**	**-**	3,979	-
Increase in amount due to related parties	**2,329,615**	**2,013,732**	71,663	-
Increase/ Decrease in amount due by related parties	**(15,179,900)**	**(15,179,900)**	-	2,100
Net cash used in operating activities	**(14,985,694)**	**(15,179,900)**	58,024	-
Cash flows from investing activities				
Acquisition of property, plant and equipment	**(3,300)**	**-**	(70,117)	-
Acquisition of intangible assets	**(827,833)**	**-**	-	-
Repayment of loan	**-**	**(5,000,000)**	-	-
Net cash used in investing activities	**(831,133)**	**(5,000,000)**	(70,117)	-
Cash flows from financing activities				
Proceeds from issue of shares	**20,179,900**	**15,179,900**	-	-
Loan to subsidiary	**-**	**5,000,000**	-	-
Net cash generated from financing activities	**20,179,900**	**20,179,900**	-	-
Net movement in cash and cash equivalents	**4,363,073**	**-**	(12,093)	-
Cash and cash equivalents at the beginning of the year	**494**	**-**	12,587	-
Cash and cash equivalents at the end of the year	**4,363,567**	**-**	494	-

The notes on pages 9 to 24 form an integral part of these financial statements.

1. General

The Company was incorporated on 29 November 2011 as a BVI Business Company under the the BVI Business Companies Act 2004 in the British Virgin Islands. The Company's registered office address is c/o Appleby Corporate Services (BVI) Ltd, Jayla Place, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

The Company's principal activity is to provide financing power to CAIO PORTO S.A for the design, financing, constructing, equipping operating and maintaining a new deep-water port in Cabinda in Angola.

2. Basis of preparation

The consolidated financial statements of the Company and its subsidiary (together the 'Group') and separate financial statements of the Company are collectively referred to as the 'financial statements'.

Details of the subsidiary, the results of which are included in the consolidated financial statements as at 31 December 2014 are as follows:

Company Name	Proportion of shares and voting rights	Country	Date of Incorporation	Date of acquisition
CAIO PORTO S.A	100%	Angola	12 December 2011	12 December 2011

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis, except that financial assets and financial liabilities are measured at fair values.

(c) Functional and presentation currency

The consolidated financial statements are presented in United States Dollar (USD) which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 4.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented in these consolidated financial statements, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity which it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Investment in subsidiary

In the Company's financial statements, the investment in the subsidiary is shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(ii) Loss of control

On the loss of the control, the Group derecognises the assets and liabilities of the subsidiary and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Company and its subsidiary operate ('the functional currency'). The consolidated financial statements are presented USD, which is the Company's functional currency. The subsidiary's functional currency is the Angolan Kwanza.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised through profit or loss. Non-monetary items are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

3. Significant accounting policies (Continued)

Group companies (Continued)

The assets and liabilities of the consolidated subsidiary whose functional currency is different from the USD are converted by using the exchange rates prevailing at the closing date. The components of equity are converted with the use of historical rates. Income, expenses and treasury flows are converted at the average rate of exchange if this approximates the transaction date rates. Translation adjustments that result from this conversion process are recognised as distinct components in shareholders' equity.

(c) Revenue

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

(d) Finance income

Foreign currency gains and losses on financial assets and liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movement are in a net gain or loss position.

(e) Taxation

The Group

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using ta rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

3. Significant accounting policies (Continued)

(f) Taxation (Continued)

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

The Company

The Company being registered as a BVI Business Company is not subject to income tax in the British Virgin Islands.

(f) Expense recognition

All expenses are accounted for in the statement of profit or loss and other comprehensive income on the accruals basis.

(g) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

(h) Intangible assets

(i) Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition.

3. Significant accounting policies (Continued)

(h) Intangible assets (Continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimate residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Group capitalises development costs of a new port.

(i) Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date when they are originated. All other financial assets are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial asset: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method.

3. Significant accounting policies (Continued)

(i) Financial instruments (Continued)

Loans and receivables include loan receivable from subsidiary, amount due by related parties, cash and cash equivalents and other receivables.

Loan receivable from subsidiary, amount due by related parties and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amount.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and all deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(i) Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date when they are originated. All other financial liabilities are recognised initially on the trade date.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise amount due to related parties and trade and other payables.

Amount due to related parties and trade and other payables are stated at their nominal value.

(j) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

(k) Impairment of financial assets

Non derivative financial assets

A financial asset not classified as at fair value through profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of the borrower or issuers, the disappearance of an active market for a security or observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

3. Significant accounting policies (Continued)

(l) Provision

A provision is recognised if, as a result of a past event, the Group and the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(m) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(n) New Standards, Interpretations and Amendments not yet effective

Up to the date of issue of these financial statements, the International Accounting Standards Board (IASB) has issued a number of amendments, new standards and interpretations which are not yet effective for the period ended 31 December 2014 and which have not been adopted in these financial statements.

The Company and the Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the Company's results of operations and financial position.

These statements, where applicable, will be applied in the year when they are effective.

Standard/Interpretation		**Effective date for annual periods beginning on or after:**
IAS 1	Disclosure Initiative	01 January 2016
IFRS 15	Revenue from contracts with customers	01 January 2017
IFRS 9	Financial Instruments	01 January 2018

Amendments to IAS 1: Disclosure Initiative

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.

The amendments apply for annual periods beginning on or after 1 January 2016 and early application is permitted.

IFRS 15: Revenue from contracts with customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The Company is currently in the process of performing a more detailed assessment of the impact of this standard on the Company and will provide more information in the financial statements for the year ending 31 December 2016.

The standard is effective for annual periods beginning on or after 1 January 2017, with early adoption permitted under IFRS.

3. Significant accounting policies (Continued)

(n) New Standards, Interpretations and Amendments not yet effective (Continued)

IFRS 9: Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

The amendments to this standard will include changes in the measurement bases of the financial statements to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

4. Accounting judgements and key sources of estimation uncertainty

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, which are described in note 3, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. As described in note 2, the directors have considered those factors described therein and have determined that the functional currency of the Company is the USD.

Measurement of fair values

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2014 is included in note 13 and relates to the determination of fair value of financial instruments.

Going concern

The Company's management has made an assessment of the company's liability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's liability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

5. Taxation

The Company being a BVI Business Company is not subject to income tax in the British Virgin Islands.

Under current laws and regulations, the subsidiary company is subject to income tax in Angola at the rate of 30%.

5. Taxation (Continued)

Tax charge

	2014	2013
	USD	USD
Loss before taxation	**(455)**	(27,206)

Taxation at the Angolan statutory income taxation rate of 30%

As at 31 December 2014, the subsidiary had no chargeable income and therefore no provision for tax has been made.

6. Property, plant and equipment

The Group's property, plant and equipment consist of equipment and construction costs of a new port in the province of Cabinda in Angola.

	Equipment	**Under construction**	**Total**
	USD	**USD**	**USD**
Cost			
At 01 January 2014	-	70,117	70,117
Additions	3,300	-	3,300
Effects of movements in exchange rates	(3,499)	-	(3,499)
Balance at 31 December 2014	**(199)**	**70,117**	**69,918**

During the year, the Group acquired basic and administrative equipment.

The Group's construction costs include the construction of a fence around the ground where the Port of Cabinda will be located in the future.

7. Intangible assets

	Development costs	**Other intangible assets**	**Total**
	USD	**USD**	**USD**
Cost			
At 01 January 2014	3,865	-	3,865
Acquisitions	750,841	76,971	827,812
Effects of movements in exchange rates	-	-	-
At 31 December 2014	754,706	76,971	831,677
Accumulated amortisation			
At 01 January 2014	3,865	-	3,865
Charge for the year	**-**	461	461
Effects of movements in exchange rates	-	(21)	(21)
At 31 December 2014	3,865	440	4,305
Balance at 31 December 2014	**750,841**	**76,531**	**827,372**

7. Intangible assets (Continued)

As at 31 December 2014, the carrying amount of development costs included costs related to the construction of the port, personnel and other operating costs as well as expenses incurred for incorporating the subsidiary company.

8. Investment in subsidiary

The Company's investment relates to unquoted shares in its subsidiary. The details of the investments are set out below:

	The Company 2014	The Company 2013
	USD	USD
At start	**20,000**	20,000
Additions during the year/period	**-**	-
At end	**20,000**	20,000

9. Loan receivable

	The Company 2014	The Company 2013
	USD	USD
Loan granted to subsidiary, CAIO PORTO S.A	**5,000,000**	-

The above loan is unsecured, interest free and repayable on demand.

10. Amount due by related parties

	The Group 2014	**The Company 2014**	The Group 2013	The Company 2013
	USD	**USD**	USD	USD
Caiorina Limited	**180,000**	**180,000**	100	100
QG African Infrastructure 1 L.P.	**15,000,000**	**15,000,000**	-	-
	15,180,000	**15,180,000**	100	100

The amounts due by the related parties are unsecured, interest free and repayable on demand.

11. Stated capital

	2014	2013
	USD	USD
Issued and fuly paid		
Ordinary shares at USD1 each	**20,180,000**	100

As at 31 December 2014, the shareholding of the Company was as follows:

Name of shareholder	**Number of shares**	
	2014	2013
Caiorina Limited	**180,000**	100
QG African Infrastructure 1 L.P.	**20,000**	-
	200,000	100

12. Amount due to related parties

	The Group	**The Company**	The Group	The Company
	2014	**2014**	2013	2013
	USD	**USD**	USD	USD
Jean Claude de Morais Bastos	**20,000**	**20,000**	20,000	20,000
Quantum Global Capital Advisors AG	**2,021,040**	**2,021,040**	7,308	7,308
Other related parties	**394,522**	**-**	78,639	-
	2,435,562	**2,041,040**	105,947	27,308

The amount due to related parties is unsecured, interest free and repayable on demand.

13. Trade and other payables

	The Group	**The Company**	The Group	The Company
	2014	**2014**	2013	2013
	USD	**USD**	USD	USD
Accrued expenses	**19,748**	**19,748**	10,053	-
Trade payables	**135,824**	**-**	-	-
Other payables	**-**	**-**	3,979	-
	155,572	**19,748**	14,032	-

14. Financial risk management

Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to shareholder. The capital structure of the Group consists of equity, comprising stated capital and revenue deficit.

13. Financial risk management (Continued)

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 13 to the financial statements.

The Group's activities expose it to a variety of financial risks:

- Credit risk
- Liquidity risk
- Market risk, including market price risk, currency risk and interest rate risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group manages credit risk by banking with reputable financial institution and transacting with credit worthy and reputed customers. The maximum credit exposure at the reporting date is the carrying amount of the financial assets which comprise amount due by related parties, cash and cash equivalents and other receivables.

	The Group	**The Company**	The Group	The Company
	2014	**2014**	2014	2013
	USD	**USD**	USD	USD
Assets				
Loan receivable	**-**	**5,000,000**	-	-
Amount due by related parties	**15,180,000**	**15,180,000**	100	100
Cash and cash equivalents	**4,363,567**	**-**	494	-
Other receivables	**5,995**	**-**	-	-
	19,549,562	**20,180,000**	594	100

(ii) Liquidity risk

Liquidity is the risk that an entity will encounter financial difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities, the ability to close out market positions and to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. At the year end, the directors did not consider there would be any significant liquidity risk.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the period to contractual maturity date.

13.Financial risk management (Continued)

(ii) Liquidity risk (Continued)

The Group

	On demand	Up to one year	More than one year	Total
	USD	**USD**	**USD**	**USD**
At 31 December 2014				
Amount due to related parties	**-**	**2,021,040**	**414,522**	**2,435,562**
Trade and other payables	**-**	**155,572**	**-**	**155,572**
Total	**-**	**2,176,612**	**414,522**	**2,591,134**

The Group

	On demand	Up to one year	More than one year	Total
	USD	USD	USD	USD
At 31 December 2013				
Amount due to related parties	-	-	105,947	105,947
Trade and other payables	-	3,979	10,053	14,032
Total	-	3,979	116,000	119,979

The Company

	On demand	Up to one year	More than one year	Total
	USD	**USD**	**USD**	**USD**
At 31 December 2014				
Amount due to related parties	**-**	**2,021,040**	**20,000**	**2,041,040**
Trade and other payables	**-**	**19,748**	**-**	**19,748**
Total	**-**	**2,040,788**	**20,000**	**2,060,788**
At 31 December 2013				
Amount due to related parties	-	7,308	20,000	27,308
Trade and other payables	-	-	-	-
Total	-	7,308	20,000	27,308

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market price risk

Market price risk represents the potential loss that can be caused by a change in the market value of the financial asset. The Group is not exposed to price risk at year end.

13.Financial risk management (Continued)

(iii) Market risk(Continued)

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. As at 31 December 2014, financial instruments were non-interest bearing and the Group was therefore not exposed to interest rate risk.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's reporting currency.

Currency profile

The currency profile of the Group's and Company's financial assets and liabilities is summarised as follows:

At 31 December 2014

	The Group Financial assets 2014 USD	**The Company Financial assets 2014 USD**	**The Group Financial liabilities 2014 USD**	**The Company Financial liabilities 2014 USD**
Denominated in:				
United States (USD)	**15,180,000**	**20,180,000**	**2,060,788**	**2,060,788**
Angolan Kwanza (AOA)	**4,369,562**	**-**	**530,346**	**-**
	19,549,562	**20,180,000**	**2,591,134**	**2,060,788**

At 31 December 2013

	The Group Financial assets 2013 USD	The Company Financial assets 2013 USD	The Group Financial liabilities 2013 USD	The Company Financial liabilities 2013 USD
Denominated in:				
United States (USD)	100	100	27,308	27,308
Angolan Kwanza (AOA)	494	-	92,671	-
	594	100	119,979	27,308

Foreign currency sensitivity analysis

The Group is primarily exposed to changes in the exchange rates of the AOA relative to the USD.

At 31 December 2014, if the AOA had strengthened/ weakened by 10% against the USD with all other variables held constant, the profit before tax would have been USD383,922 (2013: USD9,218) higher/ lower.

14. Fair value of financial assets

(i) Valuation models

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

(ii) Financial instruments not measured at fair value

The financial instruments not measured at fair value through profit or loss are short-term financial assets and financial liabilities whose carrying amounts approximate fair value. The following table sets out the fair values of financial instruments not measured at fair value and analyses it by the level in the fair value hierarchy into which each fair value measurement is categorised.

The Group

	Level 1	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**
Assets				
Loan receivable	-	-	5,000,000	5,000,000
Amount due by related parties	-	-	15,180,000	15,180,000
Other receivables	-	-	5,995	5,995
Cash and cash equivalents	4,343,567	-	-	4,343,567
Total	**4,343,567**	**-**	**20,185,995**	**24,529,562**
Liabilities				
Amount due to related parties	-	-	2,193,462	2,193,462
Trade and other payables	-	-	155,572	155,572
Total	-	-	**2,349,034**	**2,349,034**

15.Related party transactions

During the year ended 31 December 2014, the Group and the Company transacted with the following related entities. The nature, volume of transaction and the balance with the entities are as follows:

Name of entity	**Relationship**	**Nature of transactions**	**The Group 2014**	**The Company 2014**	The Group 2013	The Company 2013
			USD	**USD**	USD	USD
Jean Claude de Morais Bastos	Ultimate Beneficial Owner	Amount payable	**20,000**	**20,000**	20,000	20,000
Quantum Global Capital Advisors AG	Related party	Amount payable	**2,021,040**	**2,021,040**	7,308	7,308
Caiorina Limited	Shareholder	Amount receivable	**180,000**	**180,000**	100	100
QG African Infrastructure 1 L.P.	Shareholder	Amount receivable	**15,000,000**	**15,000,000**	-	-
CAIO PORTO S.A.	Sudsidiary	Loan receivable	**-**	**5,000,000**	-	-

16.Holding and ultimate holding company

The directors regard Caiorina Limited, a company incorporated in the British Virgin Islands as the parent holding company and Green Trees Inc., a company incorporated in Seychelles as the ultimate holding company.

17. Comparative figures

The comparative figures relate to the financial year ended 31 December 2013. The figures are unaudited as the Company being a BVI Business Company has no reporting requirements.

18. Events after reporting date

Management has performed an evaluation of subsequent events and has determined that there were no subsequent events requiring adjustment or disclosure to the financial statements for the year ended 31 December 2014.