

QG INVESTMENTS AFRICA MANAGEMENT LTD.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

QG INVESTMENTS AFRICA MANAGEMENT LTD.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

11. RELATED PARTY TRANSACTIONS

During the year ended 31 December 2015, the Company traded with the following related parties.

Transactions during the year:	Nature	Year ended	Period from
		31 December 2015	19 May 2014 (date of incorporation) to 31 December 2014
		USD	USD
Companies under common control			
QG Africa Hotel L.P.	Management income	12,500,000	10,416,667
QG African Infrastructure 1 L.P.	Management income	22,000,000	18,333,333
QG Africa Agriculture L.P.	Management income	5,121,528	-
QG Africa Mezzanine L.P.	Management income	5,121,528	-
QG Africa Mining L.P.	Management income	5,121,528	-
QG Africa Timber L.P.	Management income	5,121,528	-
QG Africa Healthcare L.P.	Management income	6,194,444	-
QG Africa Hotel L.P.	Expenses reimbursed	4,471	-
QG African Infrastructure 1 L.P.	Expenses reimbursed	17,137	-
QG Africa Agriculture L.P.	Expenses reimbursed	3,551	-
QG Africa Mezzanine L.P.	Expenses reimbursed	28,441	-
QG Africa Mining L.P.	Expenses reimbursed	3,183	-
QG Africa Timber L.P.	Expenses reimbursed	1,036	-
Boabab Holding Ltd	Expenses reimbursed	2,843	-
Sun Juice Holdings Limited	Expenses reimbursed	10,240	-
LinkAfrica	Expenses reimbursed	16,669	-
Quantum Global Alternative Investments AG	Advisory fees	(21,859,722)	(11,500,000)
Shareholder			
QG Investments Ltd.	Dividend declared	(28,000,000)	(13,000,000)
QG Investments Ltd.	Shares issued	-	35,001
		31 December 2015	31 December 2014
		USD	USD
Balance at end of year:			
QG Investments Ltd.	Dividend Payable	(10,000,000)	(13,000,000)
QG Africa Mezzanine L.P.	Expenses reimbursed	28,441	-
QG Africa Timber L.P.	Expenses reimbursed	(4,200)	-
Quantum Global Alternative Investments AG	Expenses reimbursed	(1,958)	-
Quantum Global Alternative Investments AG	Advisory fees	3,537,500	-
QG Investments Ltd.	Ordinary share receivable	1	1

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11. RELATED PARTY TRANSACTIONS (CONTINUED)

Pursuant to the Management Agreement dated 12 June 2014, between the Company and QG Africa Hotel L.P. and QG African Infrastructure 1 L.P. and dated 6 March 2015 between the Company and QG Africa Healthcare L.P., QG Africa Mining L.P., QG Africa Agriculture L.P., QG Africa Mezzanine L.P. and QG Africa Timber L.P. respectively, the Company acting as their investment manager, is entitled to reimbursement of expenses incurred in the performance of its obligations under this agreement.

Compensation of key management personnel

There was no compensation to key management personnel for the financial year ended 31 December 2015.

Directors' fees for the year ended 31 December 2015 was **USD 2,491** (2014: USD 1,555).

12. MANAGEMENT INCOME

	Year ended 31 December 2015	Period from 19 May 2014 (date of incorporation) to 31 December 2014
	USD	USD
Management income received from:		
QG Africa Mezzanine L.P.	5,121,528	-
QG Africa Mining L.P.	5,121,528	-
QG Africa Timber L.P.	5,121,528	-
QG Africa Agriculture L.P.	5,121,528	-
QG Africa Healthcare L.P.	8,194,444	-
QG Africa Hotel L.P.	12,500,000	10,416,667
QG African Infrastructure 1 L.P.	22,000,000	18,333,333
	63,180,556	28,750,000

Pursuant to the Management Agreement dated 12 June 2014, between the Company and QG Africa Hotel L.P. and QG African Infrastructure 1 L.P. and dated 6 March 2015 between the Company and QG Africa Healthcare L.P., QG Africa Mining L.P., QG Africa Agriculture L.P., QG Africa Mezzanine L.P. and QG Africa Timber L.P. respectively, the Company was appointed to act as the investment manager and to accept and carry out such operational and investment management responsibilities and duties as are imposed by their respective Management Agreement and Partnership Deeds.

During the investment year, as defined in the Side Letter to Management Agreement, the Company shall be entitled to receive management income as follows:

- 2.5% and 2% per annum of the Partnership Commitments from QG Africa Hotel L.P. and QG African Infrastructure 1 L.P., respectively; and
- 2.5% per annum of the greater of the Partnership Commitments and net asset value from QG Africa Healthcare L.P., QG Africa Timber L.P., QG Africa Agriculture L.P., QG Africa Mezzanine L.P. and QG Africa Mining L.P.

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13. ADVISORY FEES

	Year ended 31 December 2015	Period from 19 May 2014 (date of incorporation) to 31 December 2014
	USD	USD
Advisory fees paid to Quantum Global Alternative Investments AG on the following partnerships:		
QG Africa Mining L.P.	1,579,861	-
QG Africa Agriculture L.P.	1,579,861	-
QG Africa Mezzanine L.P.	2,048,611	-
QG Africa Timber L.P.	2,048,611	-
QG Africa Healthcare L.P.	2,527,778	-
QG Africa Hotel L.P.	4,375,000	4,166,667
QG African Infrastructure 1 L.P.	7,700,000	7,333,333
Other advisory fees	429,505	-
	<u>22,289,227</u>	<u>11,500,000</u>

Pursuant to the Advisory agreement dated 12 June 2014 between the Company and Quantum Global Alternative Investments AG, the latter was appointed to act as the investment adviser to the Company and to advise in respect of the portfolio on a non-discretionary basis in connection with management, operation or control of the business and affairs of the Partnerships by the Company.

During the investment year, as defined in the Side Letter to Investment Advisory Agreement, the Company shall be entitled to pay to Quantum Global Alternative Investments AG:

- 1% per annum of greater of the Partnership Commitments and net asset value of QG Africa Mezzanine L.P. and QG Africa Timber L.P.;
- 1% per annum of greater of the Partnership Commitments and net asset value of QG Africa Healthcare L.P., QG Africa Mining L.P. and QG Africa Agriculture L.P., until 30 September 2015;
- 1% and 0.8% per annum of greater of the Partnership Commitments of QG Africa Hotel L.P. and QG African Infrastructure 1 L.P. respectively, until 30 September 2015;
- 0.25% per annum of greater of the Partnership Commitments and net asset value of QG Africa Healthcare L.P., QG Africa Mining L.P. and QG Africa Agriculture L.P., as from 1 October 2015;
- 0.5% per annum of greater of the Partnership Commitments of QG Africa Hotel L.P., as from 1 October 2015; and
- 0.4% per annum of greater of the Partnership Commitments of QG African Infrastructure 1 L.P., as from 1 October 2015.

Other advisory fees had arisen in relation to the advisory agreements entered by the Company with the following parties:

