Risks Relating to the Investments

The Company's business is concentrated in Zimbabwe and is therefore sensitive to national and regional economic developments.

The Company's focus is on Zimbabwe-based businesses, businesses outside Zimbabwe with operations in Zimbabwe and businesses in the part of Mozambique known as the Beira Corridor, which will be significantly affected by economic developments in this region. Currently, the economic situation in Zimbabwe is particularly precarious, with officially acknowledged inflation rates reaching approximately 7,982 per cent. in September 2007. The Directors believe the Company will only be able to achieve its objectives in the event that the Zimbabwean economy radically improves. Factors which may affect economic conditions in Zimbabwe and the greater region include: the availability of foreign currency; interest rates; foreign exchange rates; the extent of investment activity; employment rates; individual government economic policies; and regulatory and political developments, including the threat of civil war and/or revolution. There is no guarantee that the economy in Zimbabwe will improve and accordingly the Company may not be able to make any investments which will realize any commercial return.

Continued economic recession or further downturns in the Zimbabwean economy will impair the value of the Company's investments or prevent it from increasing its investment base.

While the Company does not intend to fully invest the proceeds of the offer until the Zimbabwean economy has radically improved, any investment made pending stabilisation or following marked improvements in the Zimbabwean economy may still be exposed to periods of adverse economic conditions. During these periods of adverse economic conditions, companies in which the Company has invested may experience decreased revenues, financial losses, difficulty in obtaining access to financing and increased funding costs. During such periods, these companies may also have difficulty in expanding their businesses and operations and be unable to meet their debt service obligations or other expenses as they become due. Any of the foregoing could cause the value of the Company's investments to decline. In addition, during periods of adverse economic conditions, the Company may have difficulty accessing financial markets, which could make it more difficult or impossible to obtain funding for additional investments and harm its financial condition, results of operations and share price.

The due diligence process that the Company intends to undertake in connection with investments may not reveal all relevant facts.

Before making investments, the Company intends to conduct due diligence to the extent it deems reasonable and appropriate based on the applicable facts and circumstances. The due diligence process will be undertaken and supervised by Ernst & Young. The objective of the due diligence process will be to identify attractive investment opportunities and to prepare a framework that may be used from the date of investment to drive operational performance and value creation. When conducting due diligence, the Company will be expected to evaluate a number of important business, financial, tax, accounting, environmental and legal issues in determining whether or not to proceed with an investment. Outside consultants, legal advisers, accountants and investment banks are expected to be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Company and Ernst & Young will be required to rely on resources available to it, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence process may at times be required to rely on limited or incomplete information particularly with respect to newly established companies for which only limited information is available. Accordingly, the Company cannot guarantee that the due diligence investigation it carries out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Any failure by the Company to identify relevant facts through the due diligence process may cause it to make inappropriate investment decisions, which could have a material adverse effect on the Company's financial performance, results of operations and share price.

The Company's investments may include a substantial portion of investments in companies that it does not directly control.

The Company's investments may include investments in equity securities of companies that it does not directly control. In particular, proposed indigenisation legislation may prevent the Company from acquiring majority control of Zimbabwean businesses. The Company's ability to make investments and/or acquisitions in Zimbabwe may also be affected by requirements of Zimbabwean regulatory bodies. There is no guarantee that the requisite consents in respect of the Company's investment proposals will be obtained by the Company. Furthermore, the Company may also dispose of investments in portfolio companies over time in a manner that results in it retaining a minority investment. Minority holdings are subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve the Company's interests. The Company's equity investments in such companies may also be diluted further if it does not partake in future equity or equity-linked fundraising opportunities. If any of the foregoing were to occur, the values of investments could decrease and the Company's financial condition, results of operations and share price could suffer as a result.

The Company cannot guarantee that the value of the investments it reports from time to time will in fact be realised.

The Company anticipates that a substantial majority of its investments will be in the form of investments for which market quotations are not readily available. The Company will be required to make good faith determinations as to the fair value of these investments on a half-yearly basis in connection with the preparation of its financial statements. Assets and investments in Africa, particularly property related assets, are inherently difficult to value due to the individual nature of each investment. There is no single standard for determining fair value in good faith and, in many cases, fair value is best expressed as a range of fair values from which a single estimate may be derived. The types of factors that may be considered when applying fair value pricing to an investment in a particular company include the historical and projected financial data for the company, valuations given to comparable companies, the size and scope of the company's operations, the strengths and weaknesses of the company, expectations relating to investors' receptivity to an offering of the company's securities, the size of the Company's holding in the company and any control associated therewith, information with respect to transactions or offers for the company's securities (including the transaction pursuant to which the investment was made and the period of time that has elapsed from the date of the investment to the valuation date), applicable restrictions on transfer, industry information and assumptions, general economic and market conditions, the nature and realisable value of any collateral or credit support and other relevant factors. Fair values may be established using a market multiple approach that is based on a specific financial measure (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues or net asset value) or, in some cases, on a cost basis or a discounted cash flow or liquidation analysis. As valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, these may fluctuate over short periods of time and may be based on estimates. In addition, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed. Even if market quotations are available for the Company's investments, such quotations may not reflect the value that would actually be realised because of various factors, including the possible illiquidity associated with a large ownership position, subsequent illiquidity in the market for a company's securities, future market price volatility, foreign exchange fluctuations or the potential for a future loss in market value based on poor industry conditions or the market's view of overall company and management performance.

The Company's financial conditions, results of operations and share price could be adversely affected if the values of investments that it records are materially higher than the values that are ultimately realised upon the disposal of the investments. In addition, changes in values attributed to investments from quarter to quarter may result in volatility in the net asset values and results of operations reported from period to period. The Company cannot guarantee that the investment values recorded from time to time will ultimately be realised as results or capital gains.

The Company's equity investments may be in companies that are highly leveraged.

The Company may make investments in companies whose capital structures have a significant degree of leverage, including leverage resulting from the structuring of the Company's investment in such companies. Indebtedness may constitute a significant portion of the total debt and equity capitalisation of certain portfolio companies. In addition, portfolio companies that are not or do not become highly leveraged at the time an investment is made may increase their leverage after the time of investment, including in connection with an expansion into additional or different markets. Investments in highly leveraged companies are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. In addition, the incurrence of a significant amount of indebtedness by a portfolio company may, among other things:

(a) give rise to an obligation to make mandatory prepayments of debt using excess cash flow, which may limit the company's ability to respond to changing industry conditions to the extent additional cash is needed for the response, to make unplanned but necessary capital expenditures or to take advantage of growth opportunities;

(b) limit the portfolio company's ability to adjust to changing market conditions, thereby placing it at a competitive disadvantage compared to its competitors who have relatively less debt;

(c) limit the portfolio company's ability to engage in strategic acquisitions that may be necessary to generate attractive returns or further growth; and

(d) limit the portfolio company's ability to obtain additional financing or increase the cost of obtaining such financing, including for capital expenditures, working capital or general corporate purposes.

In addition, to the extent that a portion of the Company's capital is invested in portfolio companies whose capital structures have a significant degree of indebtedness, it may be subject to additional risks associated with changes in prevailing interest rates. As a result, the risk of loss associated with a leveraged company is generally greater than for companies with comparatively less debt.

The Company may incur indebtedness in addition to the indebtedness that is incurred by portfolio companies. Such additional indebtedness could subject the Company to additional risks.

The Company may use borrowings in relation to its investments. The extent of the borrowings and the terms thereof will depend on the Company's ability to obtain access to credit facilities or other forms of debt financing. Any delay in obtaining or failure to obtain suitable or adequate financing from time to time may impair the Company's ability to invest in suitable opportunities and achieve its intended portfolio size within the projected timeframe or at all, which may impact negatively on the Company's financial condition, results of operations and share price.

Such indebtedness is likely to contain financial and operating covenants, which could affect the Company's ability to engage in certain types of activities or to make distributions in respect of equity. As the Company anticipates that a significant proportion of its investments will be illiquid and will not generate distributable cash on a regular basis, it may not be able to meet any debt service obligations. If the Company were to incur indebtedness in the future and fail to satisfy any debt service obligations or breach any related financial or operating covenants, it could be prohibited from making any distributions until such breach is cured or the lender could declare the full amount of the indebtedness to be immediately due and payable and could foreclose on any assets pledged as collateral. Any of these outcomes could have a material adverse effect on the Company's financial condition, results of operation and share price. This indebtedness would also give rise to additional costs, including servicing costs, and the amount and timing of realisations on investments may not match the amount and timing of such costs.

In addition, any financing arrangements entered into by the Company may contain cross-default provisions such that a default under one particular financing arrangement could automatically trigger defaults under other financing arrangements. Such cross-default provisions could, therefore, magnify the effect of an individual default, and if such provisions were exercised, result in a substantial loss to the Company.

The success of the Company will depend on the Company's ability to effectively and efficiently acquire attractive investment opportunities, obtain the necessary approvals and manage the operations in a new operating environment.

In order to expand its asset base, the Company may seek to acquire selected rights, properties or assets, or may acquire trading companies. The Company's success in making any acquisitions will depend on a number of factors, including, but not limited to:

• negotiating acceptable terms with the seller of the business or asset(s) to be acquired;

• obtaining approval from relevant regulatory authorities for the business or asset(s) to be acquired, as applicable;

• assimilating the operations of an acquired business or asset(s) in a timely and efficient manner;

• maintaining the Company's financial and strategic focus while integrating the acquired business or asset(s); and

• to the extent that the Company makes an acquisition outside of markets in which it has previously operated, conducting and managing operations in a new operating environment.

Any problems experienced by the Company in making an acquisition as a result of one or more of these factors could have a material adverse effect on its business, operating results and financial condition.

Information relating to the investment region and industry data that has been provided by third party sources may prove incorrect or unreliable.

There is a limited amount of publicly available information and research in relation to the Company's investment region, including Zimbabwe and the Beira Corridor in Mozambique. Information regarding the investment region is based on data and reports compiled by third parties, and on the Company's knowledge of the regions in which it intends to invest. There can be no guarantee that the data and reports provided are accurate or complete. Further, such data and reports may be the product of a biased third party who may purposefully provide false or misleading information.

In many cases, there is no readily available external information (whether from government bodies or other organisations) to validate analysis and estimates related to the region. Further, should this data prove to be incorrect, the Company's financial condition, results of operations, and share price may be adversely affected.

The Company's operations are subject to potential losses that may not be covered by insurance.

There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, that may be uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose capital invested in the affected property as well as anticipated future revenue from that property. Inflation, changes in ordinances, environmental considerations, and other factors, including terrorism or acts of war, also might make the insurance proceeds insufficient to repair or replace a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds might not be adequate to restore the Company's economic position. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose capital invested in the affected asset as well as anticipated future income from that investment. In addition, the Company could be liable to repair damage caused by uninsured risks. The Company may also remain liable for any debt or other financial obligation related to that asset. No guarantee can be given that material losses in excess of insurance proceeds will not occur in the future.

Shareholders may be adversely affected by currency movements.

The Company may be making investments and incurring costs in currencies other than its reporting currency, Pounds Sterling. Dividends (if any) will be declared in Pounds Sterling and payment of dividends (if any) will be made in Pounds Sterling. The movement of exchange rates between Pounds Sterling and any other currencies in which the Company's investments are denominated may have a separate effect, potentially unfavourable as well as favourable, on the return otherwise experienced on the investments made by the Company. In addition, the periodic non-availability of foreign currency in Zimbabwe can render real assessments or comparisons of investments difficult. There is a risk that the fair value of future cash flows will fluctuate as a result of changes in currency exchange rates.

Furthermore, strict foreign exchange controls may adversely impact the Company's ability to mitigate risks. Any, or all, of these factors may adversely affect the Company's financial condition, results of operations, and share price.

Changes in the Companies Act of 2006 of the Isle of Man may remove protections and safeguards that investors may expect to find in relation to a public company.

The Company is a limited company incorporated under the Companies Act 2006 of the Isle of Man, which came into force on 1 November 2006, and therefore has yet to be the subject of judicial interpretation by the courts of the Isle of Man. The Companies Act 2006 does not make a distinction between public and private companies and some of the protections and safeguards that investors may expect to find in relation to a public company under the Act are not provided for under the applicable Isle of Man law.