Risks Relating to Investing in Zimbabwe

The Company's investment strategy is contingent on a radical improvement in the Zimbabwean economy and, accordingly, investing in the Company's Ordinary Shares involves a high degree of risk.

The Company's investments involve a higher degree of risk and volatility than alternative investment options and may be subject to a total loss of principal. The Company will only be able to achieve its objectives in the event that the Zimbabwean economy radically improves. At present Zimbabwe is facing extreme socio-economic difficulties including severe foreign currency shortages, hyperinflation, disease, civil unrest, spiralling underemployment and critical shortages of food, manufactured goods and fuel. According to Reuters, the official annual inflation rate rose from 32 per cent. in 1998, to an official estimated high of 7,982 per cent. in September 2007. Certain private sector estimates put the figure significantly higher. Consequently, investments may not appreciate and, in fact, may decline in value or result in a total loss to the Shareholder. As a result, an investment in the Ordinary Shares is high risk and only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to investment, and who have sufficient resources to be able to bear any losses which may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide variety of other financial assets and should not form a major part of an investment portfolio. Investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio and are willing to risk total loss of their investment.

Foreign companies wishing to invest in Zimbabwe must obtain prior clearance and approvals to do so from the Zimbabwe Investment Authority, and failure to obtain this clearance will significantly impair the Company's ability to achieve its investment objectives.

All foreign companies wishing to invest in Zimbabwe are required to obtain prior clearance and approvals from the ZIA. Under Zimbabwean law, no share in a Zimbabwean registered company may be issued to a foreign resident without the approval of the Exchange Control Authorities who have delegated their authority to the ZIA where the project is considered to be a new venture. Prior to the Company or any wholly owned subsidiary making an investment in Zimbabwe it will need to seek and be granted an investment certificate pursuant to this procedure. There is no guarantee that the Company will be successful in obtaining such approvals and clearance.

Zimbabwe's current economic climate, severe socio-economic hardship and political instability may prevent the Company from achieving its investment objectives.

Zimbabwe is currently experiencing severe socio-economic hardship and political instability. In April 2007 the IMF reported that the Zimbabwean economy was suffering sustained contraction in output, evidenced by a 39 per cent. decline in real GDP since 1997. The IMF attributes the contraction in the economy to government policy in Zimbabwe which has been subject to rapid and unpredictable change, including the unplanned redistribution of commercial farms, the repeated fixing of the exchange rate by the Reserve Bank of Zimbabwe at highly overvalued rates, suspension of property rights (particularly in agriculture and mining) and price controls in response to hyperinflation that have caused acute shortages of many basic commodities. Zimbabwe has the shortest life expectancy in the world, approximately 1.7 million people living with HIV/AIDS-related diseases, and unemployment and poverty levels are near 80 per cent. The deterioration in the standard of living has caused many people to leave Zimbabwe, especially skilled labour. These social, economic and political conditions may adversely affect the Company's ability to identify and successfully invest in suitable investments, and, even if such investments are identified, could have a material adverse affect on the financial condition, results of operations and share price of the Company.

The projects carried out by the Company in Zimbabwe will be subject to Zimbabwean laws, and the financial position of the Company may be adversely affected by the policies described above, as well as governmental regulations, policies and directives relating to currency exchange controls, investment approvals, land ownership, expropriation of property, repatriation of income, taxation, export controls, employee relations, environmental legislation and other matters. If the Company cannot obtain or maintain the necessary permits, authorisations or agreements to implement planned projects or continue its operations under conditions or within time frames that make such plans and operations economically feasible, or if legal or fiscal regimes or the governing political authority change materially, the Company may not be able to implement its plans and realise its investment objectives.

In addition, there has been negative publicity about Zimbabwe's economic climate, severe socio-economic hardships and political instability, which may result in negative perceptions of Zimbabwe among investors, which could lead to a decline in the value of the Company's Ordinary Shares and the Company's ability to access international markets. These outcomes would adversely impact the Company's capital expenditure plans and its ability to implement its investment strategies.

Land or other property acquired by the Company could be expropriated by the Government of Zimbabwe, imposing significant costs and burdens and materially adversely affecting the Company's financial condition, results of operations and share price.

Land rights acquired by the Company could be expropriated by the Government of Zimbabwe under the constitutional amendment of 2005. Under the amendment, the Government is empowered to compulsorily acquire any agricultural land by a simple notification in the Government Gazette. The amendment nationalises Zimbabwe's farmland and allows the Government to acquire agricultural land for any purpose, including resettlement and redistribution. Landowners do not receive any compensation for land expropriated by the Government. However, they are entitled to compensation for permanent improvements they have effected on the land. Landowners cannot challenge the government's decision to acquire their land in any Zimbabwean Court but may challenge the compensation they are paid for permanent improvements made to the land. While the amendment does not currently contemplate expropriation of non- agricultural land, there can be no assurance that non-agricultural land will not also become subject to expropriation.

The ownership of agricultural land by non-Zimbabwean citizens is not generally permitted unless a project is aimed at: upgrading an economically marginal area; bringing significant industrialisation to a primary agricultural area; creating major employment; bringing about new agricultural productivity or beneficiation; introducing some new form of export processing; or creating a major tourist industry in an under-utilised area. Non-Zimbabwean citizens wishing to utilise agricultural land are required to make specific application to the ZIA, which will review each case on its merits, in consultation with relevant government ministries. The Company may not meet the criteria applicable to foreign ownership or receive the necessary approvals for acquiring and developing agricultural land. Because the substantial majority of Zimbabwe's land is categorized as "agricultural" for purposes of relevant regulations, the Company may incur difficulties in directly obtaining and developing property that meets its investment criteria. Ownership of commercial and industrial property by foreign investors under a ZIA-approved project is permitted.

While the Company intends to use all reasonable endeavours to invest in and acquire (as appropriate) property using structures that comply with Zimbabwean laws and regulations relating to ownership by foreign companies of land and property, there can be no guarantee that in the future Zimbabwe will not adopt laws and regulations which could include further land reform or redistribution of property assets in the country. Equally, the Zimbabwe Government could interpret existing law to the detriment of the Company or its investments.

There is no assurance that any of the privately held land rights or other rights acquired by the Company in the future will not become subject to expropriation, acquisition or redistribution by the Government, or that the Company would be adequately compensated for any permanent improvements to land or property it has effected, which could have a negative impact on the Company's operations and therefore an adverse effect on its business, operating results and financial condition.

Zimbabwe's hyperinflationary economy may affect the Company's financial condition, results of operations, and share price.

The economy of Zimbabwe is considered to be a hyperinflationary economy, as noted above. Certain unofficial private sector reports estimate the inflation rate to be above 11,000 per cent. in August 2007. However, according to the RBZ, the official year-on-year inflation rates for 2007 were 4,530 per cent. in May, 7,251 per cent. in June, 7,634 per cent. in July, 6,593 per cent. in August, and 7,982 per cent. in September. However, the IMF has forecasted that the inflation rate will reach 100,000 per cent. inflation by year end. As production has decreased at the same time the money supply is being increased, the Zimbabwean economy has experienced severe inflationary pressure. If hyperinflation continues in Zimbabwe, the Company may not be able to adjust the prices for its goods and services sufficiently to offset the inflationary effects on the value of the Zimbabwean dollar. Hyperinflationary pressures may also hinder the Company's ability to access foreign financial markets or lead to additional governmental policies to combat inflation that could harm the Company's business and adversely affect the value of the Ordinary Shares.

A current RBZ directive requires a Zimbabwean company to immediately convert 35 per cent. of all foreign currency received from the exportation of goods or services at the official rate, which is significantly lower than the parallel rate. The remaining 65 per cent. may be held by a Zimbabwean company in the foreign currency indefinitely. If hyperinflation continues in Zimbabwe the value of earnings received from the exportation of goods or services and held as cash by a portfolio company would be devalued.

In order to comply with International Accounting Standard 29, Financial Reporting in Hyperinflationary Economies ("**IAS 29**"), financial statements prepared for Zimbabwean companies need to take full account of the effects of inflation using a "current purchasing power" approach. Accordingly, financial statements for Zimbabwean companies are required to be restated to reflect fair values, to account for changes in the general purchasing power of the Zimbabwe Dollar measured against the consumer price index published by the Central Statistical Office of Zimbabwe. The Company's consolidated financial statements, to the extent portfolio companies use the Zimbabwean dollar as a functional currency, will need to be periodically restated to account for such changes in the general purchasing power of the Zimbabwean Dollar. In addition, the Company will not be able to control the price at which it sells any products or provides any services in the future, it is possible that higher future inflation in Zimbabwe may result in an increase in future operational costs in Zimbabwean Dollars, which without a concurrent devaluation of the Zimbabwe Dollar against the Pound Sterling, could have a material adverse effect upon the Company's operations and financial condition. In a hyperinflationary economy, fair value gains and losses can be significant.

Foreign currency controls and shortages may negatively affect the Company's financial condition and prospects.

Zimbabwe currently faces acute foreign currency shortages which may negatively affect the Company's prospects, and prevent conversion into the Company's reporting currency, Pounds Sterling. Due in part to restrictions on currency exchange and a resulting shortage of foreign currency, a number of domestic companies have failed to import essential raw materials and external suppliers are now demanding pre-payments for any supplies when dealing with Zimbabwean firms. A number of companies are unable to import machinery and equipment as well as spares required to improve production. The Company or entities which it invests in may face a similar situation.

While all new foreign shareholders post 1992 in Zimbabwe are permitted to remit full dividends declared from current after tax trading profits, these remittances are subject to approval by the RBZ or an authorised dealer and confirmation that no recourse to local borrowing will be necessary. Although the Company may

be able to thereby remit 100 per cent. of any dividends which it may pay in the future, the ability to do so will be dependent on the availability of foreign currency in Zimbabwe and the RBZ's willingness to prioritise the remittance of the foreign currency component of the Company's dividend. Lack of sufficient foreign currency or failure to obtain necessary approval and confirmation will result in the inability of the Company and/or any investments to pay dividends to foreign shareholders.

Foreign currency shortages in Zimbabwe have created the existence of an unofficial illegal parallel market for foreign currency in Zimbabwe. This has created an anomaly between the official exchange rates and the illegal parallel market rates, with the former being much lower than unofficial illegal parallel market rates. As of September 2007, the unofficial rate was 600,000 Zimbabwean Dollars for one US Dollar, while the official exchange rate, for the same period, was 30,000 Zimbabwean dollars for one US Dollar. On 18 October 2007, the International Herald Tribune reported that the illegal parallel market was asking for 1,000,000 Zimbabwean Dollars for one US Dollar. Any conversion of the Zimbabwean currency by the Company will be done in accordance with accounting standards that call for the true and fair position of assets and liabilities to be reflected. If the disparity between the official exchange rate and the parallel market continues in the future, profits received by the Company will be exchanged at a rate that does not fully consider the hyperinflationary environment. This in turn could have adverse effects on the Company's financial results and investment performance.

Furthermore, the currency exchange rate in use when the Company makes investments in Zimbabwe will be approved by the RBZ at their discretion. The currency exchange control laws of the countries in which the Company may operate in the future may require permission from local authorities for transactions involving foreign currency. Specifically, the currency exchange rate in use when the Company makes investments in Zimbabwe will be approved by the RBZ at their discretion. The rate will be negotiated between the Company and RBZ at the time of investment and, consequently, the agreed upon rate may be substantially different from the official rate. The Company cannot guarantee that it will be able to negotiate a favourable rate or that such rate will be better than those of Company's competitors or that, in the event the Company does secure a favourable rate, the Company will continue to be in a position to do so.

The implementation of proposed indigenisation legislation in Zimbabwe may negatively affect the Company's financial condition, results of operations, and share price.

The Indigenisation and Economic Empowerment Bill (the "**Bill**") has passed through both houses of the Zimbabwe Parliament and now awaits Presidential consent before becoming law. Among other things, the Bill states an intention that at least 51 per cent. of the shares of every public company and other business be owned by indigenous Zimbabweans. The Bill also provides the Minister of State for Indigenisation and Empowerment, unrestricted authority to issue statutory instruments that are subsidiary legislation without the approval of Parliament. If the Bill becomes law, the Company may be unable to obtain majority control of businesses in Zimbabwe, which may jeopardise its investment plans and adversely affect its financial position. In addition, if the Bill becomes law, any majority owned investments by the Company could be subject to forced sale or confiscation in order to achieve compliance with the foreign ownership limitations contained in the Bill.

Zimbabwe's current precarious economic climate may prevent the Company from achieving its investment objectives.

The success of the Company depends, among other things, upon the radical recovery of the Zimbabwean economy and the ability of the Board, in conjunction with its advisers, to select suitable investment opportunities, which will provide favourable returns on the capital provided by Shareholders in the longer term. There can be no guarantee that this objective will be achieved.

Economic statistics and supporting data relating to Zimbabwe may at times be dated, or unavailable. Since 2000, the Zimbabwean economy has experienced considerable volatility. According to the RBZ, the official annual inflation rate reached a high of 7,982 per cent. in September 2007. Such pressure is aggravated by perennial foreign currency shortages and increases in the rates at which businesses are charged to access most of their foreign currency requirements.

Local government, municipal bodies and utility providers are experiencing increased financial strain in the current economic environment in Zimbabwe, reflecting in particular a lack of available foreign currency. This situation is giving rise, among other things, to increased shortages of power and municipal water supplies and telecommunications difficulties. These risks may potentially adversely affect future operations.

The Company's investment strategy is dependent upon future radical improvement in the Zimbabwean economy and it is therefore possible that a significant period of time may elapse before an investment by the Company will produce any returns. Indeed, there is no assurance that the economy in Zimbabwe will radically improve and accordingly the Company may not be able to make any profits and may incur losses, which may lead to a total loss of Shareholders' investments.

The Company may experience problems in acquiring and managing property which may adversely affect the Company's financial condition, results of operations and share price.

The Company's intended investment strategy may involve the acquisition and development of real estate in Zimbabwe. Acquisition of real estate is speculative in nature, is frequently unsuccessful and involves many risks. The real estate market is relatively illiquid compared to certain other investments and real estate investments generally cannot be sold quickly. The limited number of real estate development companies in Zimbabwe further limits the liquidity of real estate investments. The procedure for obtaining governmental consents and ensuring compliance with relevant regulations in connection with real estate acquisitions, including restrictions on foreign ownership of certain types of property, may be protracted and costly and subject to inefficient and cumbersome bureaucracy. Future changes to applicable planning regulations may jeopardise property development projects which have already commenced. The Company may be unable to obtain the financing necessary to complete property acquisitions and development in a timely or adequate manner. The lack of reliable property valuations and information on the real estate sector in Zimbabwe may also have an adverse effect on the Company's ability to obtain financing for property acquisitions and development. Additionally, government authorities may require real estate developers to make a significant contribution towards the local infrastructure in exchange for construction permission. Market values and rental income for properties owned by the Company in the future will be generally affected by supply and demand for properties, which will be determined, in part, by factors of the Zimbabwean economy, such as changes in the gross domestic product, currency exchange rates, employment trends, inflation and changes in interest rates.

Any difficulties, costs or time delays in acquiring and developing property could have a material adverse effect on the Company's business, operating results and financial condition. The Company cannot be certain that any investment it makes in property in Zimbabwe will produce a return and that if it does, such returns will be easily convertible, and prevent conversion into the Company's reporting currency, Pounds Sterling. It is possible that the Company will sustain losses through any real estate investments.

The Company will be subject to extensive regulation and changes in laws could adversely affect the Company's financial condition, results of operations and share price.

The Company will be subject to extensive national, regional and local regulation as a result of its potential investments in tourism, accommodations, infrastructure, transport, commercial and residential property, technology, communications, manufacturing, retail, services, leisure, agricultural and natural resources. The Company expects to experience significant costs arising from compliance with fire and safety requirements, environmental regulations, land use restrictions and taxes. If the Company's properties or development plans do not comply with any relevant requirements, the Company may incur governmental fines or private damage awards. In the future, the Company may incur substantial unanticipated costs and liabilities associated with complying with more stringent or comprehensive requirements imposed under new or amended laws, rules, regulations or ordinances. Amendments to applicable laws may also impose restrictions on the development, construction or sale of properties. Such laws, rules, regulations or ordinances may impact the Company's ability to develop or resell properties and have a material adverse effect on the Company's business, operating results and financial condition.

The Zimbabwean statutory restrictions on repatriating investments by foreign investors may negatively affect the Company's ability to exit investments or pay dividends and may adversely affect the Company's ability to have such capital investment returned in the currency converted.

If the Company wishes to divest through sale or transfer of its interest in a Zimbabwean registered company to a local or foreign investor, the Company must seek permission from RBZ both to proceed with the transfer or sale and for any repatriation of the proceeds outside Zimbabwe, prior to the transaction taking place. Any repatriation is also subject to the availability of foreign currency. RBZ does not permit payment to be made onshore where two foreign parties are involved. In addition, if a Zimbabwean registered company or resident individual wishes to acquire the shares of another Zimbabwean registered company by utilising a foreign loan, RBZ approval is required.

Investment capital may only be repatriated to foreign investors at such time as the investor disinvests from Zimbabwe. Although as at the date of this document, foreign investors have been given an undertaking by the Zimbabwean Government that initial foreign denominated investment capital will be permitted to be remitted upon application to disinvest, repatriation of any future capital profit will be subject to the prevailing rules at the time of the disinvestment. The current rules require that, in order to be recognised by the ZIA as having disinvestment rights, all investment capital must be remitted into Zimbabwe via normal banking channels or in the form of capital equipment that has customs clearance documentation. Applications for disinvestments must include up to date financial statements, a valuation of any shares involved or details of how a price was arrived at, proof of the original foreign investment approvals and receipt of funds, details of the new investors, an explanation of the reasons for the sale and a demonstration that the disinvestment would benefit Zimbabwe to a foreign investor, as opposed to a local investor, is also required by law.

In the event of a Zimbabwean company obtaining a listing on the Zimbabwean stock exchange, shares bought with foreign currency remitted into Zimbabwe through normal banking channels would be permitted to be remitted to foreign investors upon sale of those shares. Such shares are endorsed as being held by non-residents for easy identification. Shares held by foreign investors at the time of the listing will not necessarily have the same rights unless specific authority is given for the shares to be thus endorsed.

The Company cannot guarantee that the Company will be permitted to have its investment capital returned outside Zimbabwe, or converted into its currency, Pounds Sterling, upon divestment of an interest in a Zimbabwean company or, in the event such repatriation is permitted, that the investment capital will be returned in the currency in which the original investment was made or whether enough foreign currency will be available to fulfil the repatriation.

There is no assurance as to the level, frequency or ability of the Company to distribute dividends. The procedure for dividend remittances involves a submission within 12 months of the company's year end to the RBZ via the company's bankers with supporting information from the company's auditors verifying that the dividend is from current after tax profits, and that the company has sufficient of its own resources to pay a dividend. Companies are not permitted to borrow to pay a dividend. With the current shortage of foreign currency, companies are also required to indicate what foreign funds they have in their foreign currency accounts (these are allowed subject to certain conditions) as these are expected to be utilised before access to the general interbank funds is permitted. Once approval is received, a 20 per cent. withholding tax is due within twenty days (regardless of whether foreign currency is available to make the distribution). The approval remains valid even if foreign currency is not immediately available. Payment can be made on application when foreign currency can be sourced. Dividends are denominated in Zimbabwe Dollars and are thus subject to exchange rate fluctuations.

The current severe shortage of foreign currency has prevented Zimbabwean companies from distributing dividends unless a company can do so from foreign currency earned from the exportation of services or goods at the official rate, which is significantly lower than the parallel rate. However, a current RBZ directive may affect a Zimbabwean company's ability to hold enough foreign currency to effect such a distribution. The RBZ directive requires a Zimbabwean company to immediately convert 35 per cent. of all foreign currency received from the exportation of goods or services. The remaining 65 per cent. may be held by a Zimbabwean company in the foreign currency for an indefinite period which can therefore be accumulated to facilitate the payment of a dividend.

In the event the Company has accumulated distributable profits and assuming the RBZ has approved such distribution, the Directors intend to achieve an appropriate balance between reinvesting capital for future growth in accordance with the Company's investment strategy and declaring dividends to Shareholders. The Company also cannot guarantee that the level of dividends will be maintained or will increase over time or that returns on the Company's investments will increase the Company's cash available for dividends to shareholders. The failure to pay or maintain dividends could adversely affect the price of the Company's Ordinary Shares.

US holders of Ordinary Shares and the Company may be subject to sanctions imposed by the US government if the Company decides to pursue operations in countries subject to US economic sanctions.

US economic sanctions may be imposed on US holders of Ordinary Shares or the Company in connection with future operations in countries subject to US economic sanctions, such as Zimbabwe.

Certain regulations administered by the OFAC of the US Treasury Department, apply to US Persons as well as any activities otherwise subject to US jurisdiction and thus would not generally apply to the Company.

However, the regulations may apply to US holders of Ordinary Shares. The Company has taken steps it feels are sufficient to mitigate the risk to US holders but there can be no guarantee that such steps will be successful. If the OFAC takes a different view of these steps and pursues enforcement of such regulations, US holders may be subject to a range of civil and criminal penalties. The imposition of such penalties may have a material adverse effect on the price of the Ordinary Shares.

The Company may in the future invest sufficient money in activities in Zimbabwe that may trigger such regulations and cannot predict future interpretation of these regulations by the US government regarding any such future activities. It is possible that the US President may determine that these future activities constitute violations of these regulations and subject the Company to sanctions. The imposition of sanctions could have an adverse impact on the Company's financial condition, results of operations or share price.

The Company and Shareholders may be subject to changes in sanctions imposed by the European Union.

The European Union and the United States have implemented sanctions against certain political leaders in Zimbabwe and such persons' associates and affiliated entities. If the situation in Zimbabwe deteriorates, broader sanctions could be implemented by the European Union and the United States. Failure by the Company to abide by these sanctions could give rise to the imposition of civil or criminal penalties on both the Company and holders of the Ordinary Shares, and may adversely impact the Company's financial condition, results of operations or share price.

The Company's investments may be affected by shortages in raw materials and skilled employees.

Zimbabwe is currently experiencing critical shortages in the supply of raw materials and skilled labour. Such shortages may impact investments or acquisitions made by the Company in Zimbabwe. The inability to obtain sufficient amounts of raw materials and to retain, recruit or adequately compensate skilled employees may result in delays in projects, costs exceeding the project's budget or the project being abandoned and, consequently, may have a material adverse effect on the Company's financial condition, results of operations and share price.

Zimbabwe's infrastructure is in a poor state and there are numerous interruptions to power and communication systems.

The state of Zimbabwean infrastructure falls considerably below the standard of more developed countries. Zimbabwean roads are in a poor state of repair. The Zimbabwean power and communications sectors are subject to frequent and prolonged outages, have numerous problems such as poor infrastructure, low connection rates, inadequate power generation capacity, lack of capital for investment, and inappropriate industry and market structure. In particular, the lack of foreign currency has left both the communication and power sectors without capacity to remunerate existing service providers, purchase additional resources and improve or maintain supporting infrastructure.

The periodic and routine maintenance of the poor Zimbabwean infrastructure, especially in the power sector, has led to an increase in the cost of doing business in Zimbabwe, as most organisations incur high costs investing in the acquisition of power facilities which are used to ensure a steady supply of electricity, in an attempt to minimise the losses resulting from the frequent power outages. Consequently, the Company may incur costs to maintain and secure the infrastructure necessary to invest in portfolio companies operating in Zimbabwe, which may impact negatively on the Company's financial condition, results of operations and share price.

HIV/AIDS poses risks to the Company in terms of productivity and costs.

Approximately 1.7 million of the 13.01 million Zimbabweans currently live with HIV. The incidence of HIV/ AIDS in Zimbabwe, which is forecast to increase over the next decade, poses risks to the Company in terms of potentially reduced productivity and increased medical and other costs. The Company expects that significant increases in the incidence of HIV/AIDS infection and HIV/AIDS-related diseases among the workforce over the next several years may adversely impact the Company's operations and the viability of businesses in which it invests. Furthermore, the average life expectancy at birth for males and females in Zimbabwe is 37 and 34 respectively. The low life expectancy in Zimbabwe poses risks to the Company in terms of potentially reduced productivity and increased medical and other costs.

Zimbabwe's legal system is less developed than other countries in the region and, accordingly, it may be difficult to obtain swift and equitable enforcement of rights or obtaining swift and equitable enforcement.

Zimbabwe has a less developed legal system than more established economies, which may result in risks such as:

(i) potential difficulties in obtaining effective legal redress in their courts, whether in respect of a breach of law or regulation, or in an ownership dispute;

(ii) inability to conduct an efficient or comprehensive search of threatened, pending, or past suits against any entity (as searches require a manual search of the records or docket of each court individually);

(iii) a higher degree of discretion on the part of governmental authorities;

(iv) the lack of judicial or administrative guidance on interpreting applicable rules and regulations;

(v) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions;

(vi) new laws may be applied retroactively or retrospectively;

(vii) the enactment of new laws or directives is often unpredictable;

(viii) the courts have broad discretion in dealing with violations of law and regulations, including levying fines, revoking business and other licences; or

(ix) relative inexperience of the judiciary and courts in certain matters.

In addition, the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business which may be susceptible to revision or cancellation, as a result of which legal redress may be uncertain or delayed. There can be no guarantee that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

Crime and governmental or business corruption could significantly disrupt the Company's ability to conduct its business and could materially adversely affect the Company's financial condition, results of operations and share price.

The Company intends to operate and conduct business in Zimbabwe and the Beira Corridor of Mozambique which have in the past and are currently experiencing high levels of corruption and other criminal activity. Businesses may be subject to the influences of criminal elements or other forms of corruption. The Company may have to cease or alter certain activities or liquidate certain investments as a result of criminal threats or activities. Legal rights may be difficult to enforce in the face of corruption. Prospective counterparties to the Company may seek to structure transactions in an irregular fashion, to evade fiscal or legal requirements. They may also deliberately conceal information from the Company and its advisers or provide inaccurate or misleading information. Further, it is possible that permits, authorisations, re-zoning approvals or similar matters may have been obtained in breach of legal requirements (often on the basis of illegal payments having been made). Such matters would be susceptible to subsequent challenges as *ultra vires*, and it will be difficult, or impossible, for the Company to monitor such events or provide assurance against such corruption.

The Company may in the future be the subject of press speculation, government investigations and other accusations of corrupt practices or illegal activities, including improper payments to individuals of influence. Although the Company's policy mandates strict compliance with internal policies and applicable laws which prohibit corrupt payments to government officials or other businesses or persons, there is no guarantee that such internal policies and procedures will be adhered to by its future employees or agents. Alleged or actual involvement by the Company, its Directors or officers in corruption or other illegal activity by such persons, could significantly damage the Company's reputation and its ability to do business and could materially adversely affect its financial condition, results of operations and share price.

There is a risk that the Company or one or more of its portfolio companies will be directly or indirectly affected by reason of force majeure events or a terrorist attack.

There is a risk that the Company or one or more of its investments will be, directly or indirectly, affected by reason of events such as war, civil war, riot or armed conflict, guerrilla activity, radioactive, chemical or biological contamination, pressure waves and acts of terrorism which are outside their control and generally not covered by insurance. In particular, the political situation in Zimbabwe is deteriorating and precarious. Such events could have a variety of adverse consequences for the Company, including risks and costs related to the destruction of an asset owned or used by a portfolio company in which it has invested, inability to use one or more such assets for their intended uses for an extended period, decline in income or asset (and therefore investment) value, and injury or loss of life, as well as litigation related thereto.

More widely, terrorist attacks and ongoing military and related action in Iraq and elsewhere could have significant adverse effects on the world economy, securities, bond and infrastructure markets and the availability and cost of maintaining insurance.