
FEES AND EXPENSES

The Company will pay the fees of the Investment Manager and the Custodians. In addition, the Company will pay certain other costs and expenses incurred in its operation, including capital duty, stamp duty, taxes, foreign exchange costs, bank charges, registration fees relating to the Company and its investments, insurance and security costs, any cost of obtaining or maintaining a listing for the Shares and Warrants on the Stock Exchange, the fees and expenses referred to in the paragraph headed "Placing Arrangements and Expenses" in appendix IV, expenses for legal, auditing and consulting services and promotional expenses. The Company is also responsible for the costs of preparing, printing and distributing all statements, accounts and reports and for any costs incurred as a result of any change of law or the introduction of any new law.

Management Fees and Expenses

The Company will pay to the Investment Manager an annual management fee, payable quarterly in arrears, equal to the aggregate of:

- 2.25 percent of the value of the invested portion of the Company's assets; and
- 0.75 percent of the uninvested portion of the Company's assets;

in each case as at the end of each quarter.

The Company will also pay to the Investment Manager an annual performance fee equivalent to 15 percent of the amount by which the Net Asset Value ("NAV") of the Company at the end of each accounting period exceeds 115 percent of the NAV of the Company for the immediately preceding accounting period. This is expressed by the formula below:

$$\text{Performance Fee} = (\text{Current Accounting Period's NAV} - (115\% \times \text{Previous Accounting Period's NAV})) \times 15\%$$

No performance fee will be payable if the NAV per Share of the Company is less than US\$1.00.

The Management Agreement makes provision for certain adjustments to be made to NAV for the calculation of the performance fee, including adjustments for any dividend or other distribution and the issue of additional Shares (whether by way of exercise of the subscription rights attaching to the Warrants or otherwise). In addition, the NAV will be calculated without taking into account the fees payable to the Investment Manager.

All fixed operating costs of the Investment Manager in providing its services to the Company, relating specifically to the rental of office premises of the Investment Manager, salaries of the Investment Manager's employees and related administrative costs, will be borne by the Investment Manager. The Company will reimburse the Investment Manager for all other expenses including, but not limited to, brokerage commissions, finders' fees, travelling and other related expenses and professional fees, including legal, accountancy and financial advisory fees incurred by the Investment Manager in connection with the performance of its duties under the Management Agreement.

Custodian fees

The Company will pay to the Custodians quarterly in arrears (i) to each Custodian which settles a transaction for the sale and purchase of listed securities on behalf of the Company during each quarter a quarterly transaction fee of 0.1 percent of the value of such transaction; and (ii) for each Custodian which holds listed securities for safekeeping on behalf of the Company during each month, a monthly administration and safekeeping fee of one twelfth of 0.2 percent of the value of such securities held by that Custodian on the last Business Day of the month in question (the value of such securities being calculated in accordance with the provisions relating to the calculation of the Net Asset Value). The Company will also reimburse the Custodians' out-of-pocket expenses.