

Tuesday
18 August 2009

TO: ALL KING GROUP INVESTORS

Dear Sir / Madam

1. King Financial Holdings Limited (also known as Biz Africa 1332 (Pty) Limited) - "*King Holdings*" was provisionally wound up by order of the Western Cape High Court, Cape Town, on 21 July 2009. The undersigned were appointed jointly as provisional liquidators by the Master of the Western Cape High Court, Cape Town.
2. The provisional winding up order against King Holdings was granted at the instance of certain investors and with the support of the Financial Services Board ("*FSB*").
3. Allegations of a serious nature are contained in a report issued by the FSB on 9 July 2009. This report can be viewed on the website of Independent Trustees (www.corprecover.co.za). Upon their appointment, the undersigned immediately commissioned the services of Price Waterhouse Coopers to back up and secure all the information contained on the King Group's computer network. This to safeguard the interests of investors and creditors.
4. Subsequent to the provisional winding-up of King Holdings, a number of the subsidiary companies were also provisionally wound up pursuant to applications brought by one of the banks involved and also by the provisional liquidators themselves. These steps were deemed necessary for a number of reasons including the exercise of control over the King Group assets and, in respect of income producing properties, to ensure that the value of such assets is conserved and maintained. In conjunction with the bondholders concerned, the provisional liquidators of the various property owning income-producing subsidiaries have appointed well-respected property administrators, Hermans and Roman Property Solutions (Pty) Limited, to administer the various properties and collect the rentals payable by tenants.
5. Investors would appear to hold shares in and have loan claims against King Holdings and many of its subsidiary companies. The undersigned are presently engaged in an exercise to determine, as accurately as possible, against which of the companies investors hold their interests. The undersigned together with the other provisional liquidators being appointed within the group are in the process of taking control of the group's assets whereafter negotiations will commence with the many parties interested in acquiring the assets.

6. There are also parties interested in proposing schemes of arrangement for consideration by creditors and investors. All these avenues will be explored.
7. It is, at this stage, impossible for the undersigned to comment on the prospects of a return to investors. In any event, certain investors may be better invested than others. The undersigned will, from time to time, communicate with investors as and when there is anything further to report.
8. Claim forms will, within the next month or so, be circularised to investors to enable them to complete their claims against the companies in which they have loan claims. At this stage, investors who hold shares should retain such share certificates until further notice.
9. Should investors have any particular query or question they would like answered at this stage, then the undersigned have arranged a dedicated line for this purpose and investors may call [021] 864-2136. If the question posed cannot immediately be answered, then someone will revert to the investor concerned with a response as soon as possible.

**T P GLAUM
SANEK TRUST RECOVERY
SERVICES (PTY) LIMITED**

**R PIETERS
INDEPENDENT TRUSTEES (PTY)
LIMITED**