

TO: ALL KING GROUP INVESTORS

31st MARCH 2011

Dear Sir/Madam

KING GROUP

Further to our circular to investors dated 2 February 2011 which was posted on www.corprecover.co.za, in response to the uncertainty that continues to exist regarding the claims of investors and in terms of our estimate that the exercise referred to in paragraph 1 of our circular of 2nd February would be completed by 31st March 2011, we advise as follows:

1. Our legal team, aided by PriceWaterhouseCoopers, has now completed its investigation into the status and effect of the agreements entered into between the various companies in the King Group and investors, as well as the allocation of investments by the King Group.
2. As we have previously advised you, in the process of the investigations referred to above it has become evident that the King Group contravened various legislation designed to protect investors. In the circumstances criminal proceedings are pending against certain individuals, and the liquidators are working closely with the authorities in order to ensure successful prosecutions.
3. We have been advised that grounds exist for setting aside the agreements entered into between the various companies in the King Group and investors, and the pending criminal proceedings are likely to have an impact on this process. In particular, the criminal proceedings should remove some of the complexities involved in identifying the companies against which investors have claims, and may expedite the claim process. It is increasingly likely that investors' claims will lie against the companies within the King Group with whom they contracted (and from whom they purchased shares) rather than against the companies to whom their respective investments were allegedly allocated.
4. It is also likely that the conversion of investments to shares in some companies in the King Group are also capable of being set aside and that such investors claims will lie against the company with whom the investor originally contracted (prior to the conversion).
5. As soon as the outcome of the criminal proceedings is clear, investors will be advised as to the process to be followed for claims to be lodged and admitted to proof.

Yours faithfully

JOINT LIQUIDATORS