

TO: ALL KING GROUP INVESTORS

Dear Sir/Madam

KING GROUP

Further to our circular to investors dated 5 November 2010 which was posted on www.corprecover.co.za, and in response to the uncertainty that continues to exist regarding the claims of investors, we advise as follows:

1. Our legal team is continuing to investigate the validity 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. This has proved to be a complex and time-consuming exercise which, we have been advised, should be completed by approximately 31 March 2011.
2. In the process of the investigations referred to above it has become evident that the King Group contravened various legislation designed to protect investors. This has various implications and one of the likely consequences is 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.
3. Investors will be advised as soon as the investigations referred to above are complete and a final determination made in regard to where investors' claims lie.
4. Most of the assets in the King Group have now been realized. To date dividends have only been paid to creditors who hold mortgage bonds over immovable properties that have been sold. This will prevent further interest accruing in relation to those secured claims to the detriment of other creditors. Surplus funds have been invested pending finalization of the process whereby investors' claims will be proved.

Yours faithfully

JOINT LIQUIDATORS