We would like to clarify the liquidators' position regarding the sale of properties in the King Group of companies particularly in the light of certain Media reports by the Alliance Group over the last few days.

The liquidators, in conjunction with certain major creditors, resolved to dispose of two non income producing properties by Public Auction.

These properties are owned by Kingvest 3 (Pty) limited (in liquidation) and Rzt Zelpy 4619 Pty Limited in (liquidation) and are situated in Polokwane (Northen Province) and RZT Zelpy 4619 (Pty) Limted and comprise vacant land and partially developed land respectively.

They are to be sold by by Alliance Group on 2nd December 2009 at the Sandton Sun Hotel at 12pm.

Neither Kingvest 3 not RZT Zelpy 4619 owe money directly to investors. The proceeds of the sale of the two properties will firstly accrue to the respective bondholders and the anticipated surpluses will in due course accrue to those associated companies in the King Group which enjoy claims against these companies by virtue of inter company loans. Investors will therefore benefit indirectly from these sales.

The rationale behind these proposed sales is to avoid the unnecessary incurring of further costs and the interest on the mortgage bonds.

Other than the instruction to sell these tow properties no further instructions have been given to any parties.

Decisions relating to the further sale of properties by public auction will be taken as when appropriate and in the best interest of creditors and investors. It is not envisaged that any further auction sales will take place before the end of this year.