

To:
The Known (as at 1 February 2013) Shareholders
Pakiri Investments Limited (In Liquidation)

**PAKIRI INVESTMENTS LIMITED (IN LIQUIDATION)(PAKIRI) – INTERIM UPDATE DATED 9 JULY 2013 ON
PROGRESS OF LIQUIDATION AND INFORMATION SOUGHT FROM SHAREHOLDERS**

DATED 15 JULY 2013

1. The liquidators of Pakiri have had regular enquiries from shareholders regarding the progress of the liquidation. The liquidator's second report is due out in September, refer to the last paragraph, however the liquidators do require further documents and information from shareholders and therefore take the opportunity to provide an interim update in order to reduce speculation and inform.
2. As far as the Liquidators are concerned we are unsure of the status of Pakiri shareholders. Documents available to the liquidators indicate that all Pakiri shareholders had their shareholding transferred to TIME3 Global Limited as part of the restructuring undertaken earlier this year. All shares were transferred in the 2 weeks or so leading up to the commencement of Pakiri's liquidation to Mr Ravikulan and Read ostensibly in trust. Therefore in this update the term shareholders means either current and/or ex-shareholders in Pakiri.
3. Since the commencement of the liquidation various parties, particularly Mr Read and Sutich have been advising shareholders by email that they have no obligation to and are not to provide the Liquidators of Pakiri with any information or documents. This is incorrect, the liquidators have the right to contact you and seek information and documents and shareholders have a legal obligation to the Liquidators to provide documents and information. Documents include documents related to each shareholders shareholding, investment in and what shareholders believed they were investing in and any other document from or about Pakiri's affairs. The liquidators also have an obligation to report to shareholders on the progress of the liquidation.
4. Shareholders should not feel intimidated by various emails. Any confidentiality agreements you had with Pakiri are now agreements with the Liquidators so you can freely and quite rightly provide documents and information to the Liquidators.
5. The Liquidators currently have a number of Court actions against certain persons in respect to their dealings with Pakiri.
6. As part of the process of those Court actions, an affidavit (sworn document) has been filed by one of the directors of Pakiri.
7. Contained within that affidavit are statements that to the Liquidators minds raise significant concerns in respect to shareholders and their investments in Pakiri and events surrounding the apparent transfer of your shareholding in Pakiri. The sworn statements of concern state amongst other things:
 - (a) Pakiri has never owned intellectual property rights to its software; and

- (b) All intellectual property rights are owned by the Read Family Trust; and
- (c) No assets were transferred from Pakiri to TIME3 Global Limited.

8. The above statements contradict the following communications given to shareholders in Pakiri:

Letter to Pakiri shareholders dated 14 December 2012

9. A letter from Mr Read under the heading restructuring (italics added):

“Due to the requirements for the Cayman Islands Trust investment and for the benefit of our dealings with the strategic partners, governments, etc. along with suggestions from the organisations performing our branding revamp, we have decided to restructure the companies to better align with the TIME3 products and provide a clean vehicle for the next phase of the project.”

“To this end the Directors will be shortly sending out share transfer forms to transfer your existing shareholding into TIME3 Global Limited (at no cost), which will replace Pakiri Investments limited as the Intellectual Property holding company and owner of the ONE Global Limited group, and subsidiary companies. Effectively there is no change to your shareholding percentages, nor any change in management or structure, but there will be some changes to operational and marketing components.”

Letter to Pakiri shareholders dated 28 December 2012

10. A letter from Mr Sutich under the heading “The salient points of the restructure are:” (italics added):

“You will receive 100 (\$NZ\$0.01 value) shares in TIME3 Global Ltd from the Read Family Trust for every 1 share you currently hold in Pakiri Investments” – (a) “This will ensure your new shares are fully paid up”

“All assets of the Pakiri Group are being transferred to the Time3 Group”

Shareholders Position

- 11. In intellectual property development companies, investors normally invest into the intellectual property owning entity because that is where the financial benefits from various licensing and other agreements flow to and the value of a group exists.
- 12. If the statements in the affidavit referred to are correct then:
 - (a) Your investment in Pakiri was essentially worthless; you invested into a company that owned nothing.
 - (b) The Read Family Trust owns all intellectual property rights and the money accruing from licensing and other agreements in respect to that intellectual property and any benefit that you may have received from your investment in Pakiri was or would be by grace and favour.
 - (c) If you have a shareholding in TIME3 Global Limited then it has the same value as your investment in Pakiri.

The Read Family Trust

13. The liquidators have no view on the Read Family Trust but point out certain documented facts known to the liquidators:

- (a) On 20 March 2013 Mr Read invited shareholders of Pakiri to make a donation to the “legal fighting fund” The bank account details given were:

The Read Family Trust
Account 01-0194-0284012-00

14. In respect to this bank account the liquidators know that:

- (a) Some shareholders did make donations to The Read Family Trust bank account; and
- (b) The bank account given, i.e. The Read Family Trust that some shareholders deposit funds into in response to Mr Reads request, was not in the name of The Read Family Trust, it was in the personal name of Mr Read; and
- (c) Whilst in Russia Mr Read subsequently made regular EFTPOS/Cash withdrawals from this account draining most if not all of the funds.

Police & Hacking Charge

15. On 29 April 2013 Mr Read advised shareholders that charges would be laid by the NZ Police against the liquidators leading to a conviction.

16. The complaint has been investigated and dismissed upon the grounds that the complaint was baseless and the liquidator’s broke no laws.

TIME3 Global Limited – Assets Transferred In Restructure

17. As a result of actions taken by the liquidators of Pakiri any transfer of property from Pakiri to TIME3 Global Ltd made under the restructure commenced late last year has now been set aside and on 29 August the High Court will determine the outcome of those transactions being set aside.

What the Liquidators Would Like From You

18. If you believe that:

- (a) you invested into Pakiri on the reasonably held belief that you were investing into a company that held the intellectual property rights to software solutions that Pakiri had designed or built; or
- (b) that the statements made in the affidavit referred to in paragraph 6 are incorrect; or
- (c) you believe that you hold some documents or information that may be relevant to Pakiri; or

then it is in your best interests to contact the liquidator’s and to provide the liquidator’s with documentation and/or information that is in your possession.

19. The liquidators give no assurances whatsoever however it is likely that the best outcome for shareholders will be to provide whatever assistance they can to the liquidators.

20. Correspondence from Mr Read infers that the liquidators have passed on or released the names of certain shareholders who have provided documents or information to the liquidators. This is **categorically incorrect**, the liquidators have not released nor will the liquidators release the names of any person who provides documents and/or information to the liquidators under any circumstances except if ordered to so by a Court.
21. I stress to you that the confidentiality agreements that you entered into with Pakiri are voided and do not apply, in no way can any person or entity be held liable to any other person for providing to the liquidators any information or documents in respect to Pakiri and business affairs.

How do I contact the Liquidator's?

Email: admin@norrie.co.nz
Tel: +649 551 3631

Future Reports

22. The liquidators of Pakiri have a legal obligation to keep shareholders informed. To date the liquidators have not been able to obtain the Share Register of Pakiri, instead a register has been built by the liquidator's from Company Office records. The Company Office records in many cases are out of date and contain incorrect names and/or addresses. This has resulted in returned mail. For this and reason of limiting the costs of the liquidation all future reports will be available on the Companies Office website at:

<http://www.business.govt.nz/companies/app/ui/pages/companies/1671845/documents>

Summary

23. The information included is probably not what you want to hear. The Liquidators believe that the best outcome for you as a shareholder in Pakiri is for you and all other shareholders is to assist the Liquidators by providing as much information as possible. Thank you.

Yours faithfully

Pakiri Investments Limited (In Liquidation)



Mark Norrie

Joint & Several Liquidator