

From: "Karl Cini - Nexia BT" <karl.cini@nexiabt.com>,
Subject: RE: TILLGATE INC./ 2438957/ HEARNVILLE INC./
2438996/ LQ/ jcm.
Date: 29 August 2015 at 15:11:25 GMT+2
Cc: "Leydelises de Mossack - LTS Consultant"
<lmossack@mossfon.com>,

Dear Daniel

Below please find my comments in relation to the questions put forward by the Trustees.

Negative publicity regarding the amount of remuneration for KM's wife

As you might expect, there will always be 'attacks' made on ministers by the opposition party. The appointment of Ms. Mizzi, which was made by the Prime Minister, was confirmed by Malta Enterprise, which is the Maltese entity responsible for inward investment into Malta. In a statement, Malta Enterprise said that Sai Mizzi is an Envoy of the Maltese Government with responsibility for promoting Asian investment in Malta and Maltese exports to the same region. She was engaged on August 26 for a definite period by Malta Enterprise. The countries she will target include China, Japan, South Korea, Indonesia, Malaysia, Thailand, Vietnam and Singapore.

She operates mainly from Shanghai. She is not involved in any energy related projects "Envoys are not appointed through public calls. This is in fact not the first time that a Maltese government has appointed a special envoy with a specific mission related to investment promotion, nor is it the first time that these envoys were contracted through Malta Enterprise. Her salary and conditions are in line with those applicable in Malta's foreign service," Malta Enterprise said.

It said that Mrs Mizzi, who is a Maltese citizen, holds a first degree in International Trade from Dalian, China, pursued postgraduate studies at the Beijing Foreign Language University and has a Master's degree in Investment and Finance from the University of Nottingham.

She specialises in business development, international investment and trade promotion, market research and project management.

She has in the past developed business plans in various industrial sectors to access the Asian markets and also supported the development of tourism promotion.

A few years ago, Mrs. Mizzi had also project managed the first version of the Visit Malta websites for the Japanese and Chinese markets. She also carried out market analysis for international companies pursuing opportunities in China and in Asia. She worked with Big Four audit companies for a number of years as well as with international export firms in Asia and Europe.

There were no enquiries made in this regard, but simply political references made by the opposition party. Mrs. Mizzi still holds such a post with Malta Enterprise.

Source of funds for Rotorua Trust

As also explained in the CV of KM, he was for many years involved in professional services both locally and abroad, as a partner in a firm. As a point of clarification, the underlying entity of the Trust is still non-trading and hence no major funds are expected to be directly 'put' into the trust, but only funds generated by this underlying entity will be eventually channeled into the Trust.

Negative coverage regarding the tender process for supply of paper to the government shortly after the settlor's appointment as Chief of Staff

As you may see in the CV submitted for KS, he is a shareholder in the largest paper wholesaler on the island with over 75% of the market. He has been in this business since 1995, a business

which generates over Eur10million in turnover per annum. His company has been winning tenders for the supply of paper way before the recent change in Government (2013) when he became chief of staff. While he has of course, for political reasons, stepped down from any director position, he still holds his shareholding in this group of companies.

It is hence expected and justifiable that such a leading company would win such a tender. The strength of the business also amply justifies the source of funds that will be put into the Trust). As a point of clarification, the underlying entity of the Trust is still non-trading and hence no major funds are expected to be directly 'put' into the trust, but only funds generated by this underlying entity will be eventually channeled into the Trust.

Activities of the underlying entities

Both KS and KM will be involved as shareholders in a structure that is totally not related to their areas of work. The underlying entities of the Trusts will hence act as a vehicle of extracting the profits from this venture, since from a commercially sensitive perspective they cannot appear as direct shareholders, either personally or via holding entities. I want to stress the fact that under our legislation, PEPs are openly allowed to hold shareholdings in other businesses, as I believe is also the case in most modern jurisdictions. I am currently compiling a more detailed structure of the activities of the mentioned structure and the relative flow of funds up to the Trust.

While I hope that the above provides the required clarifications please do not hesitate to contact me if you require anything else.

Regards

Karl Cini

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