



Charter Pacific Corporation Limited Company Update

Integrity Systems Inc. Acquisition:

On 9 October 2015 Charter Pacific Corporation Limited executed a binding agreement to acquire 100% of the issued capital in Integrity Systems Inc. a New York, USA based company.

Integrity Systems Inc. is a leader in the anti-counterfeiting industry, Integrity's two levels of anti-counterfeit solutions can be applied to almost any fabrication and substrate, to any part of a product, large or small. It provides multi levels of brand protection layered with client/consumer data integration via the use of a mobile phone app.

Integrity custom designs, manufacture and distribute labels incorporating its leading edge patented GenuineThread™ and GenuineQR Code™ to ISO 9001:2008 international standards. The application for Integrity's technology is versatile for almost any industry including pharmaceutical, apparel and accessories, food and beverage, cosmetics, electronics and automotive.



Label

Guarantees Authenticity of every product.



QR Code

Our QR Code is patented and provides big data capability.



Thread

Our Patented GenuineThread woven into every label.

Tracked with visible and invisible protection, Integrity's patented technology is applied with labels, packaging and directly to the actual product itself to provide multi levels of brand protection.

Integrity in Action:

QR CODE BY INTEGRITY



The 2D matrix code can be printed on any material and attached to any apparel or product. Using The combination of a Security Thread with taggant and 2D Matrix code gives your brand the protection of authenticity that you and your customers deserves.

1. Item identification
2. Product info
3. Track & Trace
4. Smart Phone App
5. Other customer service





About Integrity:

- current annual revenue **US\$12.5 million** with all revenue earned in US\$
- 2016 expected to produce strong revenue growth
- operating for over 15 years globally, the company manufactures ex-China with sales offices in the US, Hong Kong, China, and Australia.
- a global company manufacturing and distributing leading edge patented anti-counterfeiting technology ISO 9001:2008 compliant to 2017,
- protecting the integrity of leading brands and products worldwide,
- delivering the capability for brands to connect with their customers in real-time.

The Integrity Solution:

Integrity Systems manufactures and sells labels – woven, printed, metal & tagless- hang tags, and patches for global brands. Available in many materials, designs, sizes, patterns, finishes, cuts, and folds. Integrity helps brand owners strengthen and market their brands by incorporating their patented production process to integrate newest technologies and quality to give an excellent presentation of the brand name and logo on any product. Integrity helps consumers to purchase with confidence and ease.

Integrity empowers companies to protect their brand and engage their customers directly through its product authentication, item identification and customer engagement process available through the labels and the 3 levels of patented technology.

The 3 levels of Integrity's patented technology are:

- GenuineThread™
- GenuineQR Code™
- Taggart™

GenuineThread™:

Integrity has developed a unique production process that allows printing of any form of information, logo or visual identity recognition into a small thread or fibre that can be woven into a brand label.

To the naked eye this thread appears like a simple gold or metallic ribbon threaded into to the brand label. With a simple and economically efficient reader unit, this thread can be read, verifying the integrity of the genuine article. This gives consumers the confidence of buying the authentic article or brand of their choice.

Consumers can be confident about what they are paying for and ensure they are getting an authentic product. As an added feature, companies can also utilise the GenuineThread™ to inform customers with additional product information embedded directly into the label. These units can be economically attached to a product for a consumer to keep post purchase from a retail environment or an online store.

GenuineQR Code™:

Every individual product item has its own unique identification (UID) number in the form of 2D matrix code called GenuineQR Code™ integrated with GenuineThread™. This is the basic concept of item identification. The GenuineQR Code™ is protected by the patented security thread which guarantees the authenticity of the 2D matrix code itself.

GenuineQR Code™ can also be utilised as an opt-in information portal for consumers who scan the product. The consumer is able to conduct product verification, registration and other product information retrieval through a simple mobile phone application. Marketing applications and consumer purchase behavioural habits can be developed around this information and data. Data fields are virtually limitless and are read from GenuineQR Code™ directly. This data capability can be seamlessly integrated into any range of applications where the only requirement is a data reader in a retail/commercial environment or mobile device cameras. Marketing and research can also be performed based on its GenuineQR Code™.

Taggart™

Utilising rare earth DNA, Taggart™ is a proprietary taggart developed exclusively by Integrity. Covert taggart are forensic particles embedded in the security thread and can be applied to almost any surface and material. It is not visible by consumers without specific excitation tools. When proper excitation frequencies fall on the security thread, it will glow with designed colours. Virtually unalterable, Taggart™ allows a brand owner to forensically test and enforce their brand or trademark, policing the counterfeit market that erodes a brand's value and equity by using a simple handheld tool. Integrity has developed and manufactured laboratory/ forensic grade authentication instruments that have also been developed to support taggart type identification.



The Market:

Label and packaging material solutions is a trillion dollar industry. Counterfeiting is also in itself a trillion dollar industry..

US\$80bn: Total value spent on anti-counterfeit technology by food and pharmaceutical industry in 2014 (YPB)

US\$128.6bn: Total value of anti-counterfeiting market for packing by 2019 (Markets & Markets)

US\$1.74bn: US Customs value of good seized based on MSRP in 2013 (CSP Fiscal Year 2013 in Review)

US\$1.7 Trillion: Total value of counterfeit products globally by 2015 (International Chamber of Commerce)

The Integrity App:



Integrity Systems has built a robust and easy-to-use technology platform around the Smartphone as a path for authenticating genuine products via an app. Integrity has also developed GenuineMag™, a truly simple device which makes any Smartphone smarter, by enabling the camera to magnify and capture the GenuineThread™ image.

This will allow users an immediate way to easily determine the authenticity of the product they are viewing.

Examples:



Security thread on label



View under microscope



Integrity Systems Authentication Technology Platform:

GenuineThread™

Integrity Systems has pioneered the development of GenuineThread™, a 1mm wide secure thread which can be customized to your product and specifications and incorporated into a variety of labelling formats for inclusion into your products. GenuineThread has proven to be an easy, economical, yet robust authentication technology.

Customizable labels

Once your GenuineThread™ microthread has been developed, Integrity Systems can incorporate it into pressure-sensitive or woven garment labels. The GenuineThread™ is highly secure, yet does not interfere or detract from your Brand image. Pressure-sensitive labels can be tamper evident, and woven labels are fully durable for in garment use

GenuineMag™

Integrity Systems patent pending and proprietary GenuMag™ is the key to utilizing the capabilities of GenuineThread™. GenuMag™ easily attaches to any Smartphone camera and enables the magnification, reading and capture of the GenuineThread™ image.

Brands include:

Abercrombie & Fitch	Adidas	American Eagle Outfitters	Billabong
Calvin Klein Jeans	Cabela's	Chaps	Columbia
Diesel	Ducati	GAP	Honda
Hong Kong Police	Hyundai	Lamborghini	Manchester United
Marks Spencer	Mercedes Benz	NFL	Nordstrom
Oakley	Ralph Lauren	Reebok	Star Wars
Spiderman	Target	Timberland	Victoria Beckham

Some examples of labels:

