

Continuation Investments Limited

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Manager of Company Announcements

ASX Limited

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By E-Lodgement

Continuation Investments Ltd to acquire PLUKKA™

Continuation Investments Limited (COT or the **Company**) is pleased to announce that it has entered into a binding term sheet (**Agreement**) with the major shareholder and board of Treasure Castle Holdings Limited (**Treasure Castle**), the owner of fine jewellery retailer **PLUKKA**, to acquire 100% of Treasure Castle (**Transaction**).

PLUKKA is a Hong Kong based award-winning global omni-channel fine jewellery retailer founded by Joanne Ooi and Jai Waney in 2011. **PLUKKA** is the only global 'bricks & clicks' platform specialising in designer branded fine jewellery and aims to disrupt the highly localised, fragmented and disorganized global jewellery industry.

PLUKKA Highlights

- First **global omni-channel** retailer which offers exclusive, very creative, fine designer jewellery through a disruptive online business model which eliminates middlemen and delivers high margins without stocking inventory.
- First plug-and-play **retail distribution solution for independent designers** all over the world seeking to access both online and offline markets internationally.
- **PLUKKA** is targeting an overlapping portion of two segments within the greater than US\$100 billion global jewellery industry, namely branded jewellery, a US\$20 billion segment, and online jewellery, a US\$5 billion segment (*Mckinsey, 2013*). The estimated overlap of these two segments is US\$1 billion. **PLUKKA is well poised to assert leadership and capture growth** in this US\$1 billion industry sector which has an annual expected growth rate in excess of 15%.
- **The fine jewellery industry is extremely fragmented and localized**, and ripe for disruption, with only 12% of the global market dominated by big brands such as Tiffany and Cartier (*Mckinsey, 2013*).
- **PLUKKA's** base in Hong Kong, the epicentre of the jewellery industry's trade and manufacturing, provides a **major durable, competitive advantage in terms of unrivalled access to new designs and products from around the world and close proximity to manufacturers**. Wherever a designer is based, 90% of the time, they are manufacturing in **PLUKKA's** backyard.
- **PLUKKA's** leadership team possesses the track record and deep experience across sourcing, marketing and customer engagement, critical to successful execution. Founder and CEO **Joanne Ooi is the former creative director of Richemont-owned Chinese chic brand, Shanghai Tang**, and is largely credited with the turn-around of that business in the mid-2000s. Business Development Director, **Elle Hill, has over 20 years of sourcing, manufacturing and sales experience in the fine jewellery industry**.

- Winner of the **JNA Industry Innovation of the Year - Retail Award in 2012** and **JNA E-Retailer of the Year Award in 2013**, and nominated for E-Tailer of the Year again in 2014, Plukka's products have been featured in **Vogue, Elle and InStyle** magazines among many other publications.

Commenting on the transaction, Joanne Ooi, Co-Founder and CEO of PLUKKA, said:

"I am thrilled to be embarking on this transaction. We are going to disrupt the US\$100 billion jewellery industry by creating a global platform for the plethora of talented designers who seek access to consumers craving ever more creative and fabulous fine jewellery. Women are the fastest-growing segment of fine jewellery purchasers these days and they demand efficiency in their purchasing as well as superb quality and innovative gorgeous designs. Plukka is the future of the jewellery industry."

About PLUKKA

PLUKKA is a Hong Kong based award-winning global omni-channel multi-brand fine jewellery retailer founded by Joanne Ooi and Jai Waney in 2011. **PLUKKA** is the only global "bricks & clicks" platform specialising in designer branded fine jewellery and aims to disrupt the high localised, fragmented and disorganized jewellery industry.

The **PLUKKA** "bricks & clicks" model comprises an online, made-to-order platform (www.plukka.com) which is complemented by a boutique located in the exclusive luxury Landmark shopping mall in Hong Kong.

The website (www.plukka.com) features over 2,000 exclusive fine designer jewellery products from over 40 designers, ships internationally and predominantly targets the United States market. A total of six **PLUKKA** boutiques are planned to be opened globally by the end of 2017. Both the website and boutique are stocked with consignment goods meaning **PLUKKA** bears no up-front inventory costs.

Term Sheet

COT has executed a binding termsheet with the major shareholder and board of Treasure Castle that, subject to the satisfaction of a number of conditions precedent outlined below, will result in COT acquiring 100% of the issued capital of Treasure Castle.

Under the terms of the Agreement, COT will acquire 100% of Treasure Castle for the issue of 65.86 million (post consolidation) ordinary fully paid shares in COT (**Consideration Shares**). An indicative post-Transaction capital structure is set out below.

Conditions Precedent

The Transaction is subject to a number of conditions being satisfied, including:

- i) Completion of a capital raising by Treasure Castle of at least A\$0.4 million;
- ii) Execution of formal share sale and purchase documentation;
- iii) 100% acceptance of the offers made by COT to Treasure Castle shareholders and convertible noteholders;

- iv) COT raising a minimum of A\$8.0 million under a full form prospectus in conjunction with re-complying with Chapters 1 & 2 of the ASX Listing Rules; and
- v) COT shareholder approval.

Share Consolidation and Capital Raising

In conjunction with the Transaction COT will undertake a share consolidation (**Consolidation**) on a 3-for-4 basis and a capital raising of up to A\$10,000,000 at A\$0.20 per share (post Consolidation). All funds raised pursuant to the capital raising will be applied towards the business development of **PLUKKA**.

Re-compliance with Chapters 1 & 2 of the ASX Listing Rules

The acquisition of Treasure Castle will result in a change in the Company's nature and scale of activities, and will require shareholder approval under Chapter 11 of the ASX Listing Rules as well as require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules (**Re-compliance**). The Company will despatch a notice of meeting to shareholders seeking the relevant approvals to undertake this process, as well as a share consolidation, with such notice to contain detailed information relating to the Transaction.

Name Change

As part of the Transaction, the Company will seek the approval of shareholders to change its name to **PLUKKA** Limited.

Board Changes and Management

Treasure Castle will be entitled to nominate three persons to the Board of Directors on completion of the Transaction whilst one COT nominee will remain. One of Treasure Castle's nominees will be the current CEO and founder of **PLUKKA**, Joanne Ooi.

Prior to founding **PLUKKA** in 2011, Ms Ooi co-founded environmental NGO, Clean Air Network, which quickly became one of the fastest-growing and most prominent environmental NGOs in Asia. Ms Ooi was nominated to Time's "100 Most Influential" list in 2011, for CAN's impact on environmental policy-making and awareness.

Prior to CAN, Ms Ooi was the creative director of Richemont-owned Chinese chic brand, Shanghai Tang. Largely credited with the turn-around of Shanghai Tang in the mid-2000s, Ms Ooi was profiled in the *New York Times*, *Time*, *Good Morning America* and appeared on the cover of *Fast Company*. In addition to Shanghai Tang, Ms Ooi has extensive marketing experience across a number of sectors ranging from FMCG to fine art.

Ms Ooi graduated from Columbia University and has a law degree from the University of Pennsylvania.

Indicative Capital Structure on Completion

COT Capital Structure	Securities
Current Issued Capital	20,524,033
Consideration Shares	65,860,000
Capital Raising Shares	50,000,000
Facilitation Shares	7,040,000
Total Shares on Issue following Completion	143,424,033
<i>Business Performance Shares</i>	<i>21,000,000</i>
<i>Director Options</i>	<i>3,000,000</i>
<i>Advisor & Facilitation Options</i>	<i>11,500,000</i>

Notes:

1. The above table reflects the indicative capital structure of COT at completion of the Transaction and is on a post Consolidation basis.
2. Assumes that COT raises A\$10.0m at A\$0.20 per share.
3. Facilitation Shares to be subject to ASX escrow rules and issued to advisers, management and associates for services in connection with origination and completion of the Transaction.
4. Business Performance Shares shall be issued to key management and consultants which will convert to fully paid ordinary shares on a one-for-one basis upon the achievement of business milestones as outlined below:

Milestone	Number of Business Performance Shares
Milestone 1: Achievement of sales revenue by PLUKKA during any 3 month reporting period that ends on or prior to the date 2 years after completion of the Transaction that equals or exceeds AU\$2.5 million	7.0 million
Milestone 2: 20-day volume weighted average price of PLUKKA shares on the ASX equals or exceeds AU\$0.50 at any time within 2 years from the date of completion of the Transaction	7.0 million
Milestone 3: Achievement of consolidated EBIT by Plukka during any 3 month reporting period that ends on or prior to the date 3 years after completion of the Transaction that equals or exceeds A\$1.25 million	7.0 million

5. All options exercisable \$0.20 and on or before 3 years after the date that COT is re-admitted to the official list of the ASX.

Indicative Timetable

An indicative timetable for the Transaction is set out below. The timetable may be subject to change.

Event	Date (2015)
Announcement of Acquisition	2 July
Despatch Notice of Meeting	20 July
Lodgement of Prospectus and Offer Open	20 August
Shareholder Meeting to Approve Acquisition	24 August
Suspension from Trading	24 August
Offer Close	10 September
Re-admission to the ASX Official List	8 October

Advisers

Azure Capital Ltd and Patersons Securities Ltd will act as Joint Lead Managers to the Transaction. Azure Capital Ltd is Corporate Adviser to the Transaction.

For further information please contact:

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