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**CONTINUATION INVESTMENTS LIMITED**

**(TO BE RENAMED PLUKKA LIMITED)**

**ABN 91 106 854 175**

**NOTICE OF GENERAL MEETING**

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**TIME:** 9.00 am (WST)

**DATE:** 15 September 2015

**PLACE:** 945 Wellington Street, West Perth, WA

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 7600.*

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at 9.00 am (WST) on 15 September 2015 at:

945 Wellington Street  
West Perth WA

### Your vote is important

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The business of the Meeting affects your shareholding and your vote is important.

### Voting eligibility

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5pm (WST) on 13 September 2015.

### Voting in person

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To vote in person, attend the Meeting at the time, date and place set out above.

### Voting by proxy

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to each of the other Acquisition Resolutions being passed, for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, the Company is authorised to make a significant change to the scale and nature of its activities on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 2. RESOLUTION 2 – APPROVAL OF THE ACQUISITION OF TREASURE CASTLE HOLDINGS LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to each of the other Acquisition Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 72,735,000 Shares (on a post-Consolidation basis) (**Consideration Shares**) to the Vendors as consideration for the Acquisition on the terms and conditions set out in the Explanatory Statement.*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by the Vendors and any person who might obtain a benefit, (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 3. RESOLUTION 3 – ISSUE OF SHARES UNDER PROSPECTUS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to each of the other Acquisition Resolutions being passed, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 50,000,000 Shares (on a post-Consolidation basis) each at an issue price of \$0.20 under the Prospectus and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 4. RESOLUTION 4 – APPROVAL OF SHARE CONSOLIDATION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to each of the other Acquisition Resolutions being passed, for the purposes of section 254H of the Corporations Act, and for all other purposes, Shareholders approve and authorise the Directors to consolidate the issued capital of the Company on the basis that every 4 Shares be consolidated into 3 Shares on issue in accordance with the Listing Rules on the terms and conditions set out in the Explanatory Memorandum."*

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#### 5. RESOLUTION 5 – CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*"That, subject to each of the other Acquisition Resolutions being passed, with effect from the date that ASIC alters the details of the Company's registration in accordance with section 157 of the Corporations Act, the name of the Company be changed to Plukka Limited."*

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#### 6. RESOLUTION 6 – APPOINTMENT OF DIRECTOR – MS JOANNE OOI

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to each of the other Acquisition Resolutions being passed, for the purpose of clause 6.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Ms Joanne Ooi, being eligible and having consented to act, be elected as a director of the Company on and from the successful completion of the Acquisition."*

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#### 7. RESOLUTION 7 – APPOINTMENT OF DIRECTOR – MR FRANCIS GOUTEN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to each of the other Acquisition Resolutions being passed, for the purpose of clause 6.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Francis Gouten, being eligible and having consented to act, be elected as a director of the Company on and from the successful completion of the Acquisition."*

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#### 8. RESOLUTION 8 – APPOINTMENT OF DIRECTOR – MS CECILE CROCHU

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to each of the other Acquisition Resolutions being passed, for the purpose of clause 6.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Ms Cecile Crochu, being eligible and having consented to act, be elected as a director of the Company on and from the successful completion of the Acquisition."*

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#### 9. RESOLUTION 9 – APPOINTMENT OF DIRECTOR – MS CHARLY DUFFY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to each of the other Acquisition Resolutions being passed for the purpose of clause 6.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Ms Charly Duffy,*

*being eligible and having consented to act, be elected as a director of the Company on and from the successful completion of the Acquisition."*

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**10. RESOLUTION 10 – AUTHORITY TO GRANT ADVISOR OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to each of the other Acquisition Resolutions being passed, for the purpose of Listing Rule 7.1, Shareholders approve and authorise the Directors to grant up to 6,500,000 New Options (on a post-Consolidation basis) to advisors of the Company on the terms and conditions set out in the Explanatory Memorandum:*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**11. RESOLUTION 11 – AUTHORITY TO GRANT FACILITATION SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to each of the other Acquisition Resolutions being passed, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to grant up to 5,770,000 Facilitation Shares (on a post-Consolidation basis) to advisors and management of PLUKKA on the terms and conditions set out in the Explanatory Memorandum:*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**12. RESOLUTION 12 – AUTHORITY TO GRANT FACILITATION SHARES TO MS JOANNE OOI**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to each of the other Acquisition Resolutions being passed, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue up to 1,270,000 Facilitation Shares (on a post-Consolidation basis) to Ms Joanne Ooi (or her nominee) on the terms and conditions in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Ms Joanne Ooi (or her nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**13. RESOLUTION 13– AUTHORITY TO GRANT DIRECTOR OPTIONS TO MR JEREMY KING**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue up to 1,250,000 Director Options (on a post-Consolidation basis) to Mr Jeremy King (or his nominee) on the terms and conditions in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Jeremy King (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**14. RESOLUTION 14 – AUTHORITY TO GRANT DIRECTOR OPTIONS TO MR DAVID CHURCH**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue up to 875,000 Director Options (on a post-Consolidation basis) to Mr David Church (or his nominee) on the terms and conditions in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr David Church (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**15. RESOLUTION 15 – AUTHORITY TO GRANT DIRECTOR OPTIONS TO MR ANDREW WORLAND**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue up to 875,000 Director Options (on a post-Consolidation basis) to Mr Andrew Worland (or his nominee) on the terms and conditions in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Andrew Worland (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**16. RESOLUTION 16 – AUTHORITY TO GRANT DIRECTOR OPTIONS TO MR FRANCIS GOUTEN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue up to 1,500,000 Director Options (on a post-Consolidation basis) to Mr Francis Gouten (or his nominee) on the terms and conditions in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Francis Gouten (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**17. RESOLUTION 17 – AUTHORITY TO ISSUE PERFORMANCE RIGHTS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to each of the other Acquisition Resolutions being passed, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 12,000,000 Performance Rights comprising 4,000,000 Tranche 1 Performance Rights , 4,000,000 Tranche 2 Performance Rights and 4,000,000 Tranche 3 Performance Rights (on a post-Consolidation basis) to advisers and management of the Plukka Group on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**18. RESOLUTION 18– APPROVAL TO GRANT PERFORMANCE RIGHTS TO MS JOANNE OOI**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to each of the other Acquisition Resolutions being passed, for the purposes of Listing Rule 10.11, and for all other purposes, approval be given to the Company to grant up to 9,000,000 Performance Rights comprising 3,000,000 Tranche 1 Performance Rights , 3,000,000 Tranche 2 Performance Rights and 3,000,000 Tranche 3 Performance Rights (on a post-Consolidation basis) to Ms Joanne Ooi (and/or her nominee) on the terms and conditions set out in the Explanatory Statement”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Ms Joanne Ooi and her nominees and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**19. RESOLUTION 19– REPLACEMENT OF CONSTITUTION**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”*

**Dated: 17 August 2015**

**By order of the Board**

**Sarah Smith**  
**Company Secretary**



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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. SUMMARY OF THE ACQUISITION

#### 1.1 Background

Continuation Investments Limited is a public company that is 'listed investment company' under the ASX Listing Rules. In recent years the Company's principal activities have been evaluating high quality and value adding investment opportunities and consideration of its investment strategies.

On 2 July 2015, the Company announced that it had entered into a binding term sheet (**Term Sheet**) with Treasure Castle pursuant to which it will acquire 100% of the issued capital of Treasure Castle, subject to the satisfaction of the conditions precedent (**Acquisition**). Treasure Castle owns and operates the fine jewellery business "PLUKKA."

As announced on 18 August 2015 the Term Sheet was amended and the consideration payable by the Company to the Treasure Castle security holders pursuant to the Acquisition is set out in Section 1.5 of this Explanatory Statement and a summary of the material terms of the Acquisition pursuant to the Term Sheet is set out in Section 1.6 of this Explanatory Statement.

#### 1.2 Treasure Castle Overview

##### (a) Background and Overview

Plukka was launched in December 2011 as a value-driven pure play e-tailer offering designer fine jewellery through an innovative made-to-order, reverse auction flash sale accessible exclusively through its newsletter. It was established by Joanne Ooi, the former creative director of Shanghai Tang, and fellow luxury veteran, Jai Waney, the president, CEO, and founder of Tillsonburg, a garment manufacturer for some of the best-known apparel brands in the U.S. Both Ooi and Waney had identified a market opportunity to offer high-end designer jewellery at competitive prices through a business model which eliminated middlemen and took advantage of Plukka's proximity to the majority of the world's jewellery manufacturers in Hong Kong.

In June 2012, Plukka launched an online catalogue of approximately 200 products, available on a made-to-order basis, to provide consumers more choice and to supplement its flash sales newsletters. In addition, Plukka began conducting trunk shows in November 2012 to boost visibility and introduce customers to its website. Trunk show sales generated higher average transaction values than online sales and demonstrated that in-person sales presented a major commercial opportunity. This in-person sales activity culminated in the opening of a Plukka popup boutique in April 2014, in Hong Kong's most prestigious shopping centre, the Landmark.

The opening of the first boutique signalled a change in Plukka's business model as it began to focus increasingly on creativity and originality. In October 2014, Plukka retired its reverse auction flash sale newsletters in order to grow its customer base of higher lifetime value customers through its business model based on stringent curation of full priced high-end designer fine jewellery offered through its exclusive "bricks and clicks" platform. Plukka found that having a brick and mortar presence assists in boosting both online and offline sales, customer acquisition and brand visibility, due to the fact that fine jewellery is a "high sensory involvement" category.

The Landmark boutique is now a permanent boutique and has enabled Plukka to become recognized as a leader in designer fine jewellery retail in Hong Kong. Plukka is also in

negotiations to lease a permanent boutique in London's Burlington Arcade which connects Piccadilly to Old Bond Street as well as a pop up boutique in the Upper East Side of Manhattan during the last quarter of 2015.

Plukka currently sells over 3,000 fine jewellery products made of 18K gold, sterling silver, gemstones and diamonds and launches approximately 45 designers per year through its international ecommerce site, [www.plukka.com](http://www.plukka.com). It sells a subset of these products at its Landmark boutique, pop-up boutiques and trunk shows around the world. Items sold on [www.plukka.com](http://www.plukka.com) are available on a made-to-order basis and shipped within a month of purchase or delivered immediately if Plukka holds consignment stock of the ordered item. Plukka's boutiques are stocked with merchandise consigned to it by designers and manufacturers.

iPlukka is headquartered in Hong Kong, one of the leading fine jewellery trade and Plukka is headquartered in Hong Kong, one of the leading fine jewellery trade and manufacturing centres in the world, enabling it to create, launch and retail creative fine jewellery with speed and efficiency.

## (b) Plukka Group Structure

Treasure Castle is the holding company of PLUKKA Group and operates via its three wholly owned subsidiaries, Plukka (HK) Limited, Plukka (UK) Limited and Plukka (USA) Inc.

Set out below is an overview of the current corporate structure:

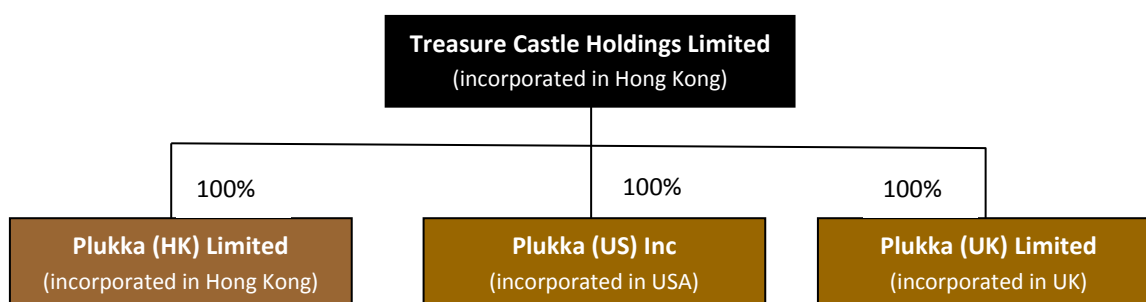


Figure 1: Plukka Group corporate structure

Plukka HK's principal activities are trading fine jewellery with all online and offline customer sales currently reported through this entity. Plukka USA employs the business' customer relations staff to assist with orders and online inquiries. It is also responsible for US marketing and public relations costs. Plukka UK was recently incorporated ahead of the proposed opening of a permanent boutique in London.

## (c) Business Model and Strategy

Plukka operates a multi-brand, omni-channel fine jewellery platform connecting designers of fine jewellery with sophisticated consumers all over the world. Many independent jewellery designers lack the marketing capabilities and scale to compete in the global fine jewellery market. Plukka provides a one-stop marketing and distribution solution to independent designers seeking access to online and offline markets internationally. Plukka's innovative made-to-order business allows it to offer some of the most highly creative and innovative jewellery in the world and gives consumers access to difficult-to-find, cutting edge designs.



Figure 2: Plukka connects designers of fine jewellery with sophisticated consumers

Plukka generates revenues from jewellery sales to new and returning customers both online through its website, [www.plukka.com](http://www.plukka.com), and offline through its permanent Hong Kong boutique and pop-up boutiques and trunk shows around the world. Plukka's products are priced from US\$200 to US\$150,000, both online and offline. Plukka plans to open up to six permanent boutiques by the end of 2017 to drive both online and offline sales and boost brand visibility and authority.

Plukka operates an inventory-less business model which eliminates the costly up front capital outlay required to hold stock allowing the business to be scaled with minimum working capital.

Designers provide Plukka with either physical samples or white background still life images of their products, together with detailed product specifications, for photography and marketing purposes. The product samples are then returned to the designers and these items are sold on a "made to order" basis on its website. Unless a supplier imposes a mandatory retail price, Plukka has the discretion to determine retail pricing. The average gross margin for both online and offline sales for the year to date 2015 is 40%.

All Plukka designers and products are personally curated by Plukka. Curation and consistent brand presentation are central to Plukka's strategy of building high repeat custom and, as a result, lifetime value. Plukka offers designer branded products as well as its own collection of products branded "Plukka", which are developed independently by its in-house designers or in collaboration with manufacturers. Exclusivity is key to customer loyalty and strong margins. The vast majority of Plukka's online products are exclusive to [www.plukka.com](http://www.plukka.com).

Designers are responsible for the manufacture and delivery to Plukka of all online made-to-order purchases. Once an order is received, it is packaged in Plukka branded packaging and shipped to the customer. Generally, customers receive made-to-order items within one month of purchase whereas "in stock" items ship immediately. Plukka currently pays the cost of freight for deliveries to customers in the U.S. and Hong Kong while other customers are charged for international freight at a set rate. Plukka offers online customers a return policy and manages any customer returns directly. Plukka has a relatively low return rate with only 10% of sales being returned in the year ended 2014.

Some designers and manufacturers give Plukka inventory on consignment to sell at its boutiques and trunk shows. These products are kept in Plukka's possession and available "in stock" on its website for immediate shipment or purchase at trunk shows or at its Landmark boutique. All boutique and trunk show sales are final with no returns offered.

Designers are paid for all final sales one month in arrears. Plukka is responsible for the cost of all marketing. Plukka targets and acquires new customers through the use of paid and unpaid marketing channels as outlined further in Section 1.2(e).

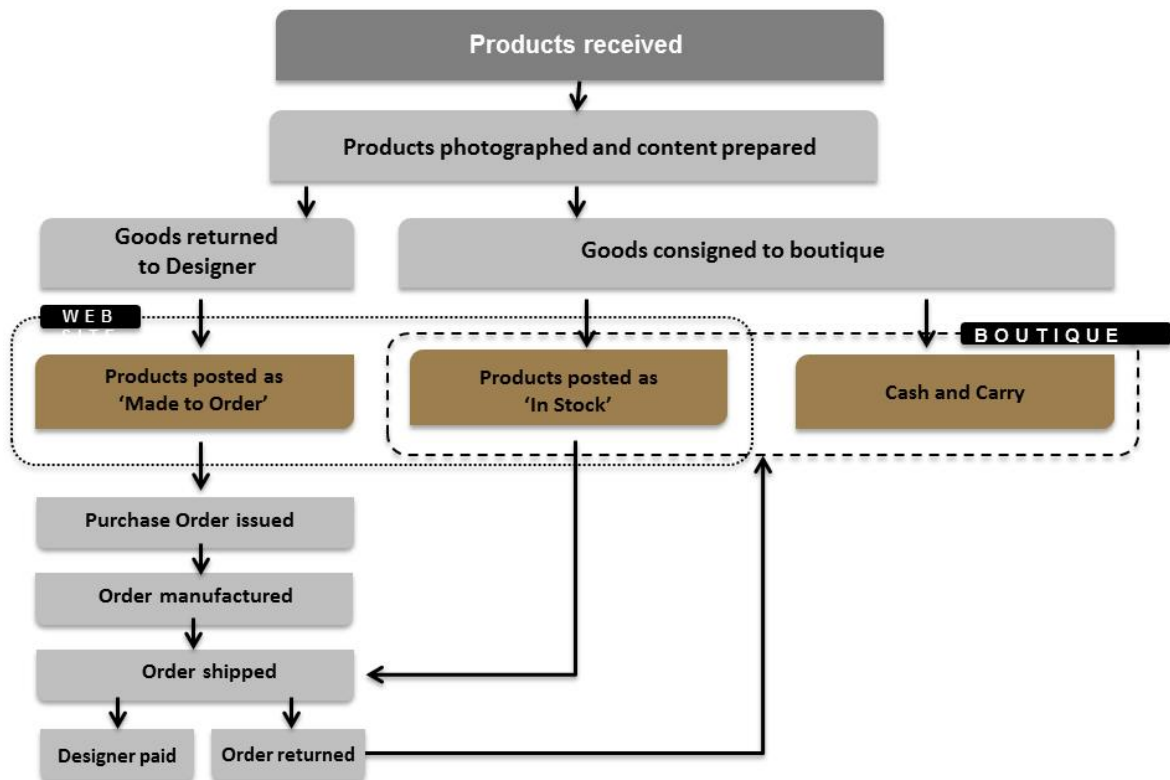


Figure 3: The 'bricks and clicks platform'

Plukka's business model has been singled out by the fine jewellery industry several times. Highlights have included the awards for Most Innovative Retailer of 2012 and Best Etailer of 2013 from the owner of the world's largest jewellery fair, UBM. Plukka's business model was also lauded by the International Diamond Exchange (IDEX), the industry's biggest and most authoritative news outlet, in an article entitled, Wake Up & Smell the Paradigm Shift, in November 2012.

#### (d) Product and Designer Curation

Plukka currently offers through its online site over 3,000 products from more than 45 designers and launches one new designer per week approximately. Designers are based all over the world, with a significant majority of those selling on Plukka, manufacturing their products in Asia. This provides Plukka with easy access to designers' products, facilitates photography plus consignment and exchange of inventory.

Plukka sources designer products from trade shows, referrals and solicitation. Whether emerging or firmly established, designers are selected because they represent best-of-breed originality and creativity within their chosen aesthetic. Plukka prides itself on providing a very filtered editorial vision which is kaleidoscopic yet fastidious.

Curation and a commitment to uncompromising creativity engender strong loyalty and account for Plukka's high repeat online customer rate (38% of customers in 2014 bought again) and engagement rate (12-15% current newsletter open rate). Plukka prefers to work with an unknown rather established designer if the former is more genuinely original and talented. Plukka always promotes its own brand name, rather than individual designers, in order to reinforce the perception that it is a trusted and authoritative go-to resource for inimitably creative jewellery, no matter how well known the creator.

Plukka's online product catalogue is comprised of 40% of its own products and 60% external designers' products. Plukka's own brand products are priced similarly to its designers'.

(e) **Marketing and Brand Management**

Plukka operates a “bricks and clicks” marketing framework which takes into account consumers’ desire to touch and feel fine jewellery in person and markets its products through public relations, digital advertising and print advertising. All marketing activity is aimed at reinforcing online customer acquisition.

Plukka’s boutiques and aggressive trunk show activity are crucial to driving online brand visibility, prestige and authority. In-person encounters with the brand provide consumers with sensory verification of Plukka’s products and reinforce their confidence about the brand’s ecommerce site. This is one of the primary rationales behind the intended roll-out of up to six international boutiques within the next two years.

In addition to Plukka’s thrice-weekly newsletters to its subscriber base of 35,000, Plukka is engaged in a continuous marketing effort which comprises designer appearances, marketing collaborations, public relations vis a vis fashion and lifestyle media, social media, print advertising and digital advertising. It also sponsors many charity events and sales events in private venues. All of these activities boost brand visibility and many of them drive sales.

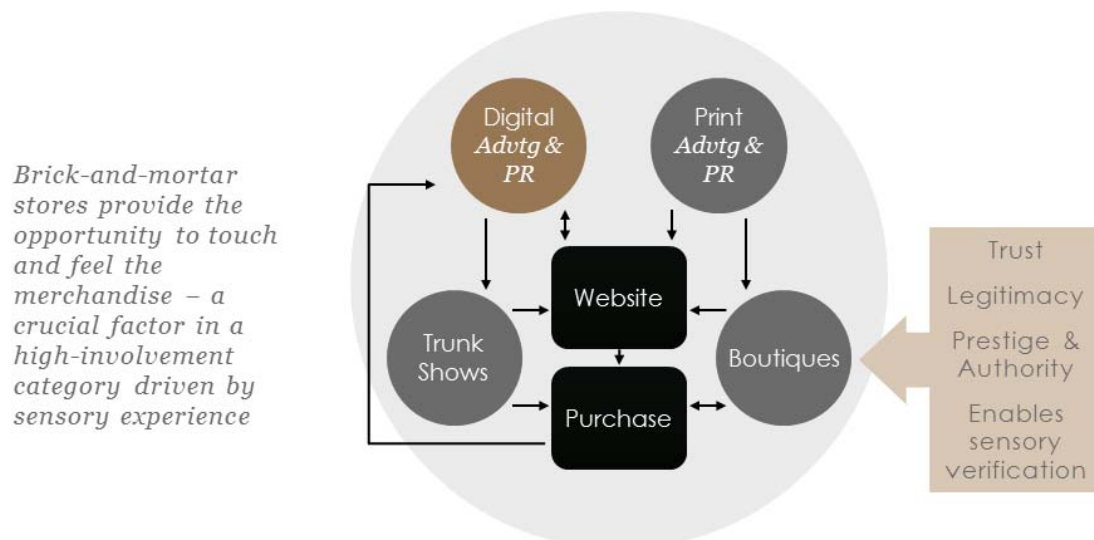


Figure 4: “Bricks and click” marketing

Plukka acts as a global brand builder for its designers providing designers with marketing, editorial and merchandising expertise and resources including:

- Photography of their products, inclusive of art direction, styling and retouching, on models, in Plukka’s signature style;
- Descriptions of all of their products plus all marketing texts required to launch and sell their products on Plukka’s website;
- Newsletters dedicated to their launch on Plukka’s website and announcements about new collections and products transmitted to Plukka’s subscriber base of over 35,000;
- A permanent presence in the “Designer” section of Plukka’s website and inclusion of their products on each relevant category page;
- Exposure in trunk shows;
- Exposure in Plukka’s brick and mortar locations:
  - Personal appearances and trunk shows at Plukka’s boutique;
  - Local PR campaigns tailored around their visits to brick and mortar retail locations or events;

- Potential inclusion of their products in Plukka's online and offline advertising;
- Product placement in Plukka's world class network of fashion and lifestyle media and press.

Plukka products have been featured in the following publications, amongst others, Vogue, W, Women's Wear Daily, Instyle, Marie-Claire, Cosmopolitan, Glamour and the Financial Times.

**(f) Customers**

The United States is currently the core, target market for Plukka. The American luxury market has been one of the most globally resilient in the past ten years and consumers are comfortable with shopping for luxury goods online. Online sales were the vast majority of sales in 2013 (83%), with the majority of those sales coming from the US (66%). Sales to consumers outside of the United States grew from 49% in 2013 to 69% in 2014.

Average transaction size per customer is approximately US\$1,600 (online) and US\$4,900 (offline). Both margins and average transaction value have steadily increased since Plukka's inception due to business model evolution, i.e., the introduction of in-person retail, elimination of reverse auction flash sales and increased brand recognition.

Customer retention rates were approximately 38% (online) and 24% (offline) in 2014.

**(g) Technology Platform**

Plukka has invested significantly to ensure its technology platform is scalable, adaptable, and capable of accepting and processing orders from around the world in various currencies. Its proprietary online platform is specific to fine jewellery and reflects the customs and logistical requirements of moving and shipping merchandise between jurisdictions with different regulatory and customs regimes. The proprietary system also reflects Plukka's inventory in real time in different locations so that online and offline transactions can be performed seamlessly, whether by retail customers or retail staff, at any location where Plukka's jewellery is sold.

**1.3 Board and Executive Team**

Following completion of the Acquisition, the Company will seek changes to its Board of Directors, with all existing Directors stepping down from their positions. It is proposed, subject to Shareholder approvals (which is being sought pursuant to Resolutions 6 to 9) that the outgoing Directors will be replaced by:

- (a) Mr Francis Gouten -Non-executive Chairman

Refer to Section 7.3 of the Explanatory Memorandum for a brief profile of Mr Gouten.

- (b) Ms Joanne Ooi -Managing Director/ Chief Executive Officer

Ms Joanne Ooi is a founder and creative director of the PLUKKA, and from completion, will become Managing Director and chief executive officer of the Company.

Refer to Section 7.2 of the Explanatory Memorandum for a brief profile of Ms Ooi.

- (c) Ms Cecile Crochu -Non-executive Director; and

Refer to Section 7.4 of the Explanatory Memorandum for a brief profile of Ms Crochu.

- (d) Ms Charly Duffy - Non-executive Director and Company Secretary.

Refer to Section 7.5 of the Explanatory Memorandum for a brief profile of Ms Duffy.

In addition the following key management personnel of PLUKKA (who will become key management personnel of the Company following completion of the Acquisition) are as follows:

- (a) Ms Elle Hill – International Business Development Manager

Ms Hill has 20 years' experience in fine jewellery manufacturing and wholesaling.

Prior to joining PLUKKA she was Head of Global Sales, Dalumi Jewellery, the largest diamond cutting house in Israel and Vice President of Fabrikant & Sons one of the largest jewellery manufacturers and wholesalers in the USA.

#### 1.4 Budget

Following completion of the Acquisition and Capital Raising the Company intends to apply the funds as follows:

Source of Funds	
Cash on hand	\$1,000,000
Proceeds from Capital Raising	\$10,000,000
<b>Total Cash on completion of re-compliance</b>	<b>\$11,000,000</b>
Use of Funds	
Marketing	\$5,000,000
Retail store fitout	\$2,500,000
Systems development	\$500,000
Working capital and overheads	\$2,000,000
Costs of the Capital Raising	\$1,000,000
<b>Total</b>	<b>\$11,000,000</b>

#### 1.5 Acquisition Consideration

On completion of the Acquisition, the Company will issue 72,735,000 Shares to the Vendors on a pro rata basis as consideration for the Acquisition (**Consideration Shares**).

The Consideration Shares will be subject to any applicable escrow restrictions under the ASX Listing Rules.

#### 1.6 Term Sheet- Terms and Conditions

The key conditions of the Term Sheet (as amended) pursuant to which the Company has agreed to acquire 100% of the issued capital in Treasure Castle are as follows:

- (a) (**Consideration**): On completion of the Acquisition, the Company will issue 72,735,000 Shares in consideration for the acquisition of 100% of the shares and preference shares in Treasure Castle.
- (b) (**Consolidation and name Change**) In connection with the Acquisition the Company will undertake a 3 for 4 Share consolidation (**Consolidation**) and subject to completion of the Acquisition change its name to Plukka Limited.
- (c) (**Conditions Precedent**): The Acquisition is subject to satisfaction of certain conditions precedent, including :
- (i) mutual due diligence;
  - (ii) the Company obtaining Shareholder approval;

- (iii) 100% acceptance of the offers made by the Company to the Vendors;
- (iv) re-compliance with Chapters 1 and 2 of the ASX Listing Rules;
- (v) successful completion of the PLUKKA Raising and the Capital Raising; and
- (vi) Value Train Investments Limited shall forgive any indebtedness that is owed by Treasure Castle or any of its subsidiaries owe to Value Train Investments Limited.

(together the **Conditions Precedent**).

- (d) **(Business Performance Rights)** In connection with the Acquisition the Company will issue 21,000,000 Performance Rights to reward and incentivise key management and consultants of Treasure Castle. The Performance Rights will be issued in three tranches and convert into Shares on a one for one basis on achievement of the Performance Milestones as outlined below:

Performance Rights	Number	Performance Milestone
Tranche 1 Performance Rights	7,000,000	The achievement of sales revenue by the Company during any 3 month reporting period that ends on or prior to the date 2 years after completion of the Acquisition that equals or exceeds \$2,500,000 (as set out in a certificate (in a form to be agreed) provided by the Company's auditors following the release of the audited annual accounts or auditor reviewed half-yearly accounts)
Tranche 2 Performance Rights	7,000,000	The 20-day volume weighted average price of the Company's Shares on the ASX equals or exceeds \$0.50 at any time within 2 years from the date of completion of the Acquisition.
Tranche 3 Performance Rights	7,000,000	The achievement of consolidated EBIT by the Company during any 3 month reporting period that ends on or prior to the date 3 years after completion of the Acquisition that equals or exceeds \$1,250,000 (as set out in a certificate (in a form to be agreed) provided by the Company's auditors following the release of the audited annual accounts or auditor reviewed half-yearly accounts).

- (e) **(Facilitation Shares)** – In connection with the Acquisition 7,040,000 Shares will be issued to Gold Resources Ltd, Ms Joanne Ooi and Ms Elle Hill for their collective services in originating and completing the Acquisition.
- (f) **(Capital Raising)** As part of re-complying with Chapter 1 and 2 of the ASX Listing Rules, the Company will issue a Prospectus pursuant to which it will seek to raise a up to 10,000,000 at a minimum issue price of \$0.20 per Share.
- (g) **(PLUKKA Raising)** Treasure Castle will seek to raise a minimum of \$800,000 via convertible notes which will convert into fully paid ordinary shares in Treasure Castle (prior to the Acquisition).
- (h) **(Advisor Options)** Azure Capital Limited may be appointed corporate advisor to the



Capital Raising. The Company has agreed issue up to 4,000,000 New Options exercisable at \$0.20 within three years of the issue date of the New Options to Azure Capital Limited (or its nominee) for its corporate advisory services in connection with the Capital Raising. In addition the Company will issue 2,500,000 New Options exercisable at \$0.20 within three years of the issue date of the New Options to Mr Jay Waney of his nominee for introduction and facilitation services provided in respect of the Acquisition.

- (i) **(Board and Management)** At completion of the Acquisition and re-compliance with Chapters 1 and 2 of the ASX Listing Rules, the Existing Directors being Mr Jeremy King, Mr David Church and Mr Andrew Worland will resign and be replaced by a minimum of three new Directors including Ms Joanne Ooi who will act as Managing Director/Chief Executive Officer.
- (j) **(Formal Agreement)** Notwithstanding the Term Sheet is binding on the parties, the parties agree to enter into a formal sale and purchase agreement to more fully document these terms and conditions.

## 1.7 Pro-forma balance sheet

An unaudited pro-forma balance sheet of the Company following completion of the Acquisition and other matters is set out at Schedule 1 to this Notice of Meeting.

## 1.8 Pro-forma capital structure

The pro-forma capital structure of the Company (on a post-Consolidation basis) following completion of Acquisition is set out below:

	Shares	Options	Performance Rights
Securities currently on issue <sup>1</sup>	20,524,033	-	-
Consideration Shares	72,735,000	-	
Facilitation Shares	7,040,000	-	
Capital Raising Shares	50,000,000	-	
Performance Rights <sup>2</sup>		-	21,000,000
Advisor Options <sup>3</sup>		6,500,000	
Director Options <sup>3</sup>		4,500,000	
<b>Total</b>	<b>150,299,033</b>	<b>11,000,000</b>	<b>21,000,000</b>

**Notes:**

- Existing Options on issue are proposed to be cancelled as part of the Acquisition.
- Comprising 7,000,000 Tranche 1 Performance Rights, 7,000,000 Tranche 2 Performance Rights and 7,000,000 Tranche 3 Performance Rights on the terms set out in Schedule 2.
- New Options proposed to be issued to advisors and directors exercisable at \$0.20 within three years of issue of the New Options. Refer to Schedule 3 for further details on the term and conditions of the New Options
- Assumes completion of the Acquisition that no Options are exercised and no Shares are issued other than as contemplated by this Notice.

## 1.9 Indicative Timetable

	Indicative Timing*
Despatch this Notice of Meeting	18 August 2015
Lodgement of the Prospectus	14 September 2015
Shareholder meeting to approve the Acquisition (and associated matters)	15 September 2015
Completion of Acquisition	Early October 2015
Reinstatement to official quotation on ASX	Mid October 2015

\* The Directors reserve the right to change the above indicative timetable without requiring any disclosure to Shareholders or Option holders.

## 1.10 Advantages and disadvantages to the Acquisition

### (a) Advantages

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Acquisition Resolutions:

- (i) The Acquisition represents an investment opportunity for the Company to change its business focus to that of a global fine jewellery omni-channel retailer and allows Shareholders to share in the future prospects of the PLUKKA Business.
- (ii) The Company will be managed by Directors and executives with significant sourcing, marketing and customer engagement experience with a view to creating a significant player in the global fine jewellery industry.
- (iii) The ability to raise funds and attract expertise will be improved.
- (iv) The Acquisition and Capital Raising will result in a larger market capitalisation and enhanced Shareholder base and may encourage new investors in the Company because the Company is pursuing a new strategic direction. This improvement in the attractiveness of an investment in the Company may lead to increased liquidity of Shares and greater trading depth than currently experienced by Shareholders.

### (b) Disadvantages

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Acquisition:

- (i) The Acquisition involves the introduction into the Company of new assets in a sector separate from the Company's existing assets, and therefore may not be consistent with all Shareholders investment objectives when they elected to invest in the Company.
- (ii) The Acquisition will result in the issue of a significant number of Shares which will have a dilutionary effect on the current holdings of existing Shareholders. The Company's existing Shareholders voting powers will be reduced and as such their ability to influence decisions including the composition of the Board or the acquisition and disposal of assets will be reduced accordingly.

- (iii) There are many risk factors associated with the Acquisition and PLUKKA business. A non-exhaustive list of these risks is set out in Section 1.11 below.

## **1.11 Risk factors**

### ***Introduction***

There are a number of specific risks involved for the Company, and consequently for its Shareholders associated with the Acquisition including risks specific to the business and assets of Treasure Castle, which include the risk factors set out below.

### ***Specific risks***

#### **(a) Conditional Acquisition**

The Acquisition remains subject to the satisfaction of the conditions precedent set out in Section 1.6(c) of this Explanatory Statement which include (but are not limited to) completion of the Capital Raising, re-compliance with Chapters 1 and 2 of the Listing Rules and Shareholder approval of the Acquisition Resolutions. Trading in the Company's securities will be suspended following the General Meeting and will continue to be suspended until the Company satisfies the requirements of Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that one or more of these conditions may not be achieved and the Acquisition may not be successfully completed. If this was to occur, the Company would continue operating its current business but may continue to seek new opportunities if it considers those opportunities more beneficial to Shareholders.

Further there is a risk that the Company may be unable to meet the requirements of ASX for re-quotations of its Shares on ASX. Should this occur, the Shares will not be able to be traded until such time as these requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

#### **(b) Limited Operating History**

Treasure Castle was incorporated in June 2011 and since this time has generated only limited revenues and has not achieved operational profitability.

Given the limited trading history there is uncertainty in relation to the PLUKKA Business and future growth prospects. There is no guarantee that PLUKKA will be able to successfully generate revenues or achieve profitability in the future. Consequently there can be no forecast or confirmation as to the Company's future financial and operating performance following the Acquisition.

#### **(c) Growth Dependent on Active Customer Base**

As noted above historically and presently the PLUKKA Business has not achieved operational profitability. In order to achieve and maintain profitability, PLUKKA must continue to attract new customers and retain existing customers.

It is intended that part of the Capital Raising funds will be utilised to increase online and offline marketing and sales and business development in order to expand its customer base to grow revenues and improve profitability. There can be no assurances that the marketing, sales and business development strategies implemented will be successful in increasing the PLUKKA customer base, growing revenue and/or improving profitability.

(d) **Reliance on Key Personnel**

The PLUKKA Business has a number of key personnel including its founder and creative director Ms Joanne Ooi and current managing director, Ms Elle Hill. Whilst these key management will be entering into service agreements with the Company, there may be a detrimental impact on the Company and the PLUKKA Business if they cease their employment or involvement with the Company.

The future success of the Company and the PLUKKA Business also depends upon its continuing ability to attract and retain highly qualified personnel. Generally, the failure to attract and retain the necessary personnel could have a material effect on the Company's business, results or operations and financial condition.

(e) **Brand Reputation and Customer Service**

The PLUKKA Business depends on the strength of its brand name, which is built through global marketing and advertising, high quality and exclusive designs and a strong and loyal customer base. Failure to maintain a strong brand name may have an adverse impact on the PLUKKA customer base and sales.

(f) **Designer Relationships and Exclusivity**

PLUKKA operates in the global fine jewellery market specialising in providing multi-designer branded jewellery, which is offers for sale through online and offline channels. The business therefore relies on attracting and curating independent highly skilled and talented designers.

Failure to attract and retain highly skilled and talented designers may have an adverse impact on the quality and innovation of the jewellery it offers for sale which may negatively impact the financial performance of the business.

In addition product exclusivity is key to building customer loyalty and strong gross margins being achieved. Whilst currently the vast majority of Plukka's products are sold exclusively online through [www.plukka.com](http://www.plukka.com) there can be no guarantee that in the future designers will continue to sell their products exclusively through Plukka. An inability to offer exclusive products and designers could have an adverse impact on the Plukka brand, customer loyalty and the financial performance of the business.

(g) **Precious Metal and Gemstone Price Fluctuations**

Increases in the price of precious metals and gemstone in particular gold can result in a significant increase in the price of Plukka's products. Significant and sustained increases in the price of precious metals, diamonds and/or gemstones may have an adverse impact on customer sales volumes, gross margins achieved and the financial performance of the business.

(h) **Management of Growth**

The PLUKKA Business has the potential to grow rapidly. There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Acquisition. If that occurs and the Company fails to properly manage that growth, then that failure could harm its business. Any failure to meet customer demand properly and manage growth could adversely affect the business.

(i) **Competition**

The global fine jewellery industry in which the Company will be involved following completion of the Acquisition is a mature industry which is highly competitive. While the Company will undertake all reasonable due diligence in its business decisions and operations it will have no influence or control over the activities or actions of its competitors whose activities or actions may positively or negatively affect the operating and financial performance of the Company and PLUKKA Business.

(j) **Security and Privacy Risk**

PLUKKA collects, transmits and stores personnel and financial information provided by its customers. Some of PLUKKA's third party service providers such as identification verification and payment processing providers also regularly have access to customer data. In an effort to protect sensitive information, PLUKKA relies on a variety of security measures. However advances in computer capabilities, increasingly sophisticated tools and methods used by hackers or other developments may result in PLUKKA's failure or inability to adequately protect its sensitive information, which would have an adverse impact on the Company's operations. The preventive measures implemented by PLUKKA to address this risk are costly and may become more costly in the future.

(k) **Hackers**

PLUKKA's business model is to build a global omni-channel fine jewellery business offering fine jewellery sales via the internet and retail stores. PLUKKA is therefore reliant on the availability of web services to attract and retain customers. Hackers could render the website unavailable through a disruptive denial of service or other disruptive attacks

Whilst the Company will take reasonable precautions to minimise such attacks, these strategies may not be successful. Unavailability of the website could lead to a loss of revenues whilst PLUKKA is able to sell any products. Further it could hinder PLUKKA's ability to retain existing customers and attract new customers, which would have a material adverse impact on growth of the business.

**General Risks**

(l) **Additional requirements for capital**

The funds to be raised under the Acquisition are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(m) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and

Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(n) **Foreign exchange rate risk**

PLUKKA's revenue will be predominantly in US dollars and the Company's operating expenses will be incurred principally in Hong Kong and Australian dollars. Movements in the foreign exchange rates may adversely or beneficially affect the Company's results or operations and cash flows.

(o) **Equity market conditions**

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(p) **Change in government policy and legislation**

PLUKKA operates in a number of jurisdictions. Any material adverse changes in relevant government policies or legislation may affect the viability and profitability of the PLUKKA business and the Company, and consequent returns to investors. The activities of the Company (following completion of the Acquisition) will subject to various international, federal, state and local laws governing taxes, labour standards and occupational health and safety, and other matters.

**1.12 What if the Acquisition does not succeed?**

If the conditions to the Acquisition are not satisfied or waived, the Acquisition will not proceed and the Company will seek alternative investment opportunities which will build Shareholder value.

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**2. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES**

**2.1 General**

This Resolution seeks approval from Shareholders for a change to the nature and scale of the activities of the Company by the Acquisition. The Acquisition will change the nature and scale of the Company's activities.

A detailed description of the Acquisition and the likely effect that the Acquisition will have on the Company is set out above at Section 1 of the Explanatory Statement.

Resolution 1 is an ordinary resolution. Resolution 1 is subject to the approval of each of the other Acquisition Resolutions.

## **2.2 ASX Listing Rule 11.1**

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the Official List of ASX.

Given the change in the nature and scale of the Company's activities upon completion of the Acquisition, the Company has been required by ASX to obtain Shareholder approval.

ASX has advised the Company that the proposed Acquisition will trigger a need to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

Accordingly, the Company is seeking Shareholder approval pursuant to this Resolution for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.3.

A voting exclusion is included in the Notice.

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## **3. RESOLUTION 2 – ACQUISITION OF TREASURE CASTLE**

### **3.1 General**

As outlined in Section 1 of the Explanatory Memorandum the Company is proposing to acquire all the issue capital of Treasure Castle from the Vendors. This Resolution seeks Shareholder approval to allow the Company to issue up to 72,735,000 Shares (on a post-Consolidation basis) to the Vendors in consideration for the Acquisition.

The Acquisition is subject to the Conditions set out in 1.6(c) above, including the requirement to obtain Shareholder approval. A detailed description of the proposed Acquisition and the Treasure Castle business is outlined in Section 1 of the Explanatory Memorandum.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Given the Consideration Shares to be issued under Resolution 2 will exceed the 15% threshold set out in Listing Rule 7.1 and none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required under Listing Rule 7.1. Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 to issue the Consideration Shares to the Vendors as consideration for the Acquisition.

Resolution 2 is an ordinary resolution. Resolution 2 is subject to the approval of each of the other Acquisition Resolutions.

### **3.2 Specific information required by Listing Rule 7.3**

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of securities the Company will issue under Resolution 2 is 72,735,000 Shares (on a post-Consolidation basis).
- (b) The Consideration Shares will be issued to the Vendors, none of whom is a related party of the Company.
- (c) The Consideration Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the Consideration Shares will be issued on the same date, being the date of completion of the Acquisition.
- (d) The Consideration Shares will be issued for nil cash consideration as they are being issued as part of the consideration for the Acquisition. Accordingly no funds will be raised from the issue of the Consideration Shares.
- (e) The Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (f) A voting exclusion statement is included in the Notice.

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#### **4. RESOLUTION 3 – ISSUE OF SHARES UNDER A PROSPECTUS**

##### **4.1 General**

This Resolution seeks Shareholder approval for the issue of up to 50,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$10,000,000 under a Prospectus (**Capital Raising Shares**).

It is a condition precedent of the Acquisition that the Company undertaken the Capital Raising.

A summary of Listing Rule 7.1 is provided in Section 3.1 of the Explanatory Memorandum.

Given the Capital Raising Shares to be issued under this Resolution will exceed the 15% threshold set out in Listing Rule 7.1 and none of the exceptions in Listing Rule 7.2 apply, Shareholder approval is required under Listing Rule 7.1.

Resolution 3 is an ordinary resolution and is subject to the passing of the other Acquisition Resolutions.

##### **4.2 Specific information required by ASX Listing Rule 7.3**

The following information is provided for the purposes of Listing Rule 7.3:

- (a) the maximum number of securities to be issued is 50,000,000 Shares (on a post-Consolidation basis);
- (b) the Capital Raising Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Capital Raising Shares will occur on the same date;
- (c) the issue price of the Capital Raising Shares will be \$0.20 per Share;
- (d) the Shares will be issued to investors who subscribe for the Shares under the Prospectus. None of these subscribers will be related parties of the Company;
- (e) the Capital Raising Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;



- (f) the Company intends to use the funds raised from the Capital Raising Shares towards marketing and advertising, retail store fit out, systems development, costs of the Capital Raising and general working capital as outlined in Section 1.4 of the Explanatory Memorandum;
- (g) A voting exclusion is included in the Notice.

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## 5. RESOLUTION 4 – APPROVAL OF SHARE CONSOLIDATION

Resolution 4 seeks Shareholder approval for the Company to undertake a consolidation of the number of Shares on issue on the basis that every 4 Shares held be consolidated into 3 Shares (**Consolidation**).

The result of the Consolidation is that each Security holding will be reduced by 0.75 times its current level. Each Shareholder's proportional interest in the Company's share capital will remain unchanged as a result of the Consolidation. Any fractional entitlements of Security holders as a consequence of the Consolidation will be rounded up.

The change in capital structure of the Company following the Consolidation, which is subject to adjustments for rounding, is as follows:

Class of Security	Number on Issue (Pre- Consolidation)	Number on Issue (Post-Consolidation)
Shares	27,365,377	20,524,033

The Consolidation will take effect from the second Business Day after Shareholder approval is received pursuant to the Notice of Meeting (**Effective Date**).

As from the day that is four Business Days after the Effective Date, the Company may not register transfers on a pre-Consolidation basis. In the case of certificated holdings, this is the last day for the Company to accept transfers accompanied by certificates issued before the Consolidation.

The Company will send a notice to all Security holders not earlier than the fifth Business Day after the Effective Date and not later than the ninth Business Day after the Effective Date advising of the number of Securities held by each Security holder both before and after the capital Consolidation.

Uncertificated security holding statements or certificates (as applicable) for the Securities will be sent to Security holders not earlier than the fifth Business Day after (but not including) the Effective Date and not later than the ninth Business Day after (but not including) the Effective Date.

The Company will, from the date that is five Business Days after the Effective Date, reject transfers accompanied by a certificate or holding statement that was issued before the Consolidation.

Where a Security holder has sold his or her Securities in the Company prior to the Consolidation of ordinary Shares or Consolidation of Options and the Company receives a valid transfer executed by the Security holder together with a certificate (if applicable) for those Shares or options, the Company will send an uncertificated security holding statement or certificate (as applicable) for the new securities (in respect to the Shares or Options) to the transferee named in the transfer.

Resolution 4 is an ordinary resolution. Resolution 4 is subject to the passing of each of the other Acquisition Resolutions.

Based upon the above, an indicative timetable assuming Shareholder approval is obtained will be as follows:

Date	Event
15 September 2015	Following shareholder approval Company announces shareholder approval of capital Consolidation.
16 September 2015	Last day for trading pre-capital Consolidation securities.
17 September 2015	Ex Date.
21 September 2015	Record Date. Last day to register transfers on a pre-capital Consolidation basis.
22 September 2015	First day to register transfers on a post-capital Consolidation basis.
28 September 2015	Latest date for Company to send notice to each security holder of pre and post capital Consolidation holdings.

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## 6. RESOLUTION 5– CHANGE OF COMPANY NAME

As part of the Acquisition, the Directors have determined to change the Company name to Plukka Limited. Resolution 6 seeks Shareholder approval for the change of name in accordance with section 157 of the Corporations Act.

Resolution 5 is a special resolution. Resolution 5 is subject to the passing of each of the other Acquisition Resolutions.

If the proposed change of name is available, that change of name will take effect from when ASIC alters the details of the Company's registration.

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## 7. RESOLUTIONS 6 TO 9– APPOINTMENT OF DIRECTORS

### 7.1 General

Resolutions 6 to 9 seek approval for the election of Ms Joanne Ooi, Mr Francis Gouten, Ms Cecile Crochu and Mr Charly Duffy, having consented to act, as Directors, with effect from successful completion of the Acquisition, in accordance to clause 6.2 of the Constitution of the Company and Section 201E of the Corporations Act.

Clause 6.2 of the Constitution provides that Shareholders at a general meeting may appoint a person as a Director in addition to the existing Directors.

The qualifications and experience of the proposed Directors are set out below.

Resolutions 6 to 9 are ordinary resolutions and are subject to the passing of the other Acquisition Resolutions.

### 7.2 Candidate Director Profile – Ms Joanne Ooi (Resolution 6)

Prior to founding PLUKKA in 2011, Ms Ooi co-founded environmental non-governmental organisation (NGO), Clean Air Network (CAN), 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 fast moving consumer goods to fine art.

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

### **7.3 Candidate Director Profile – Mr Francis Gouten (Resolution 7)**

Mr Gouten has over 35 years' experience in the business of luxury good and has a well-established network with major players in the luxury market.

Mr Gouten was part of the team that developed Cartier in the 1970's taking it from an unknown brand with just a few boutiques to the well-known brand it is today. He was formerly Marketing Manager Cartier International, CEO Cartier Asia, General Manager Cartier France.

In 2000, Mr Gouten was appointed CEO of Richemont Asia Pacific where he worked closely with some prestigious names in the business including Cartier, Van Cleef & Arpels, Piaget, Vacheron Constantin, Alfred Dunhill and Jaeger-LeCoultre. In 2006, he retired from Richemont and established Gouten Consulting, to help luxury brands with their marketing and strategic development in Asia-Pacific and luxury real estate developers to position their new development within Greater China.

Francis Gouten is the currently, the Chairman of the Luxury Steering Committee of The French Chamber of Commerce and Industry in Hong Kong. He is also the Independent Non-Executive Director at three Hong Kong listed public companies: I.T. Limited, Natural Beauty Bio-Technology Limited and Louis XIII Holdings Limited.

### **7.4 Candidate Director Profile – Ms Cecile Crochu (Resolution 8)**

Ms Crochu has worked for 17 years in investment banking based in London, Tokyo and then Hong Kong. Most recently, she was a managing director at Goldman Sachs' Securities Division, responsible for commodities and equities marketing for Asia Pacific. Her experience has spanned the interest rate, credit, commodities and equities markets, with a focus on derivatives. Her client base has ranged from sovereign wealth funds, institutional investors, corporates to private investors throughout Europe and the Asia Pacific region.

Ms Crochu has taken a keen interest in Plukka since the inception of the business as a customer and supporter of the brand.

### **7.5 Candidate Director Profile – Ms Charly Duffy (Resolution 9)**

Ms Duffy is a qualified and practicing corporate and commercial lawyer with over eight years experience practicing with renowned law firms in Western Australia, New South Wales and Victoria. Having worked with a broad range of clients, Ms Duffy brings extensive legal experience to the Board, with a particular focus on equity capital markets, mergers and acquisitions, corporate governance, initial public offerings, secondary capital raisings, business and share sale transactions, takeovers, Takeovers Panel proceedings, financing, ASIC and ASX compliance and all aspects of general corporate and commercial law. Ms Duffy is also currently completing the Graduate Diploma in Applied Corporate Governance at the Governance Institute of Australia.

Ms Duffy is the director and principal of SecPlus Corporate & Legal Services, a company secretarial and legal services business based in Melbourne, with clients in Perth, Sydney, Melbourne and Hong Kong. Given Ms Duffy's in-depth experience with ASX compliance, she acts as company secretary for a range of clients, many of which are either listed, or seeking listing, on ASX. As Ms Duffy will also act company secretary of the Company on completion of the Acquisition, she will not be deemed to be independent for the purposes of the ASX Corporate Governance Principles and Recommendations

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## **8. RESOLUTION 10 - AUTHORITY TO GRANT ADVISOR OPTIONS**

### **8.1 General**

This Resolution seeks Shareholder approval pursuant to Listing Rule 7.1 for the grant of up to 6,500,000 New Options (on a post-Consolidation basis) to advisers of the Company as consideration for introduction and facilitation services provided in connection with the Acquisition and Capital Raising (**Advisor Options**).

A summary of Listing Rule 7.1 is provided in Section 3.1 of the Explanatory Memorandum.

This Resolution is an ordinary resolution and is subject to the passing of each of the other Acquisition Resolutions.

### **8.2 Specific information required by Listing Rule 7.3**

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of securities to be issued under this Resolution is 6,500,000 Advisor Options (on a post-Consolidation basis) as follows
  - (i) Up to 4,000,000 Advisor Options to Azure Capital Limited and or its nominees; and
  - (ii) Up to 2,500,000 Advisor Options to Mr Jay Waney and or his nominee.
- (b) The Company will grant the Advisor Options no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Advisor Options will be granted for nil cash consideration as part of the fee for introduction and facilitation services provided in connection with the Acquisition and Capital Raising. Accordingly no funds will be raised from the grant of the Advisor Options.
- (d) The Advisor Options will each be exercisable at \$0.20 (on a post-Consolidation basis) on or before the date which is 3 years after the date on which the Company's securities are reinstated to trading on ASX and otherwise have the terms and conditions as set out in Schedule 3.
- (e) It is expected that the Advisor Options will be issued on the one date.
- (f) A voting exclusion statement is included in the Notice.

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## **9. RESOLUTION 11 – AUTHORITY TO ISSUE FACILITATION SHARES**

### **9.1 General**

The Company is seeking to grant up to 7,040,000 Facilitation Shares to advisors and management for their services in connection with the origination and completion of the Acquisition. It is proposed that 5,770,000 Facilitation Shares will be issued to issue to non-related parties of the Company and 1,270,000 issued to Ms Joanne Ooi, a proposed Director.

This Resolution seeks Shareholder approval pursuant to Listing Rule 7.1 for the grant of up to 5,770,000 Facilitation Shares (on a post-Consolidation basis) to non-related party advisers and management of PLUKKA as consideration for services provided in connection with the origination and completion of the Acquisition.

It is anticipated that the Facilitation Shares will be subject to ASX escrow for up to 24 months from the date on which quotation of securities re-commences.

A summary of Listing Rule 7.1 is provided in Section 3.1 of the Explanatory Memorandum.

This Resolution is an ordinary resolution and is subject to the passing of each of the other Acquisition Resolutions.

## **9.2 Specific information required by Listing Rule 7.3**

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of securities to be issued under this Resolution is 5,770,000 Facilitation Shares (on a post-Consolidation basis).
- (b) The Facilitation Shares will be issued to the following parties.
  - (i) Up to 4,500,000 to Gold Resources Ltd (or its nominee); and
  - (ii) Up to 1,270,000 to Ms Elle Hill (or her nominee).
- (c) The Company will issue the Facilitation Shares no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue of the Facilitation Shares will occur on the same date.
- (d) The Facilitation Shares will be granted for nil cash consideration as part of a fee for services provided in connection with the origination and completion of the Acquisition. Accordingly no funds will be raised from the grant of the Facilitation Shares.
- (e) The Facilitation Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (f) A voting exclusion statement is included in the Notice.

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## **10. RESOLUTION 12- AUTHORITY TO GRANT FACILICATION SHARES TO A MS JOANNE OOI**

### **10.1 General**

It is proposed subject to Shareholder approval, that Ms Joanne Ooi be appointed as a Director of the Company with effect from completion of the Acquisition. Refer to Section 7 for further details.

As outlined above the Company proposes to issue 7,040,000 Facilitation Shares to advisers and management of PLUKKA in connection with the origination and completion of the Acquisition. Of these Facilitation Shares the Company proposes to issue 1,270,000 Facilitation Shares to Ms Joanne Ooi (or her nominee).

This Resolution is an ordinary resolution and is subject to the passing of each of the other Acquisition Resolutions.

### **10.2 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to a related party. Ms Joanne Ooi is considered to be related party of the Company by virtue of the fact that she is a proposed Director of the

Company. Therefore the Company is seeking Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of the Facilitation Shares to Ms Joanne Ooi.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Facilitation Shares to Ms Joanne Ooi as approval is being obtained under ASX Listing Rule 10.11. The issue of the Facilitation Shares will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

### **10.3 Specific information required by ASX Listing Rule 10.13**

Pursuant to an in accordance with ASX Listing Rule 10.13, the following information is provided in respect to Resolutions 12

- (a) The Facilitation Shares will be granted to Ms Joanne Ooi (or her nominees).
- (b) The maximum number of securities to be issued is 1,270,000 Facilitation Shares.
- (c) The Company has sought a waiver from ASX in respect to Listing Rule 10.13.3 to permit it to issue the Facilitation Shares to Ms Joanne Ooi no later than 3 months after the date of the Meeting. At the time of this Notice of Meeting ASX has not formally granted the waiver. The Company will make an announcement once the result of ASX's final decision is notified to the Company.

Subject to the decision on the waiver application, will issue the Facilitation Shares no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules, including the grant of the waiver currently being considered by ASX) and it is intended that the issue of the Facilitation Shares will occur on the same date.

- (d) The Facilitation Shares will be issued for nil cash consideration, accordingly no funds will be raised.
- (e) The Facilitation Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (f) A voting exclusion statement is included in the Notice.

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## **11. RESOLUTIONS 13 TO 16 - AUTHORITY TO GRANT DIRECTOR OPTIONS TO RELATED PARTIES**

### **11.1 General**

The Company intends, subject to obtaining Shareholder approval, to issue a total of 4,500,000 New Options to Messrs King, Worland and Church (or their respective nominees), being Directors of the Company and to Mr Francis Gouten a Proposed Director on the terms and conditions set out below (**Director Options**).

Resolutions 13 to 16 are ordinary resolution and are subject to the passing of each of the other Acquisition Resolutions.

### **11.2 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities (including an option) to a related party. Messrs Jeremy King, David Church and Andrew Worland (**Current Directors**) are considered to be related parties of the Company by virtue of the fact that they are Directors of the Company. It is proposed, subject to Shareholder approval, that Mr Francis Gouten be appointed as a Director

with effect from completion of the Acquisition. Refer to Section 7 of the Explanatory Memorandum for further details.

Therefore the Company is seeking Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of the Director Options to the Current Directors and Mr Francis Gouten a Proposed Director.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Director Options to the Current Directors and the Proposed Director as approval is being obtained under ASX Listing Rule 10.11. The issue of the Director Options will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

### **11.3 Specific information required by ASX Listing Rule 10.13**

Pursuant to an in accordance with ASX Listing Rule 10.13, the following information is provided in respect to Resolutions 13 to 16:

- (a) The Director Options will be granted to Messrs King, Church, Worland and Gouten (or their respective nominees).
- (b) The maximum number of securities to be issued is 4,500,000 Director Options as follows:
  - (i) up to 1,250,000 Director Options to Jeremy King (or his nominee);
  - (ii) up to 875,000 Director Options to David Church (or his nominee);
  - (iii) up to 875,000 Director Options to Andrew Worland (or his nominee); and
  - (iv) up to 1,500,000 Director Options to Francis Gouten (or his nominee).
- (c) The Company has sought a waiver from ASX in respect to Listing Rule 10.13.3 to permit it to issue the Director Options no later than 3 months after the date of the Meeting. At the time of this Notice of Meeting ASX has not formally granted the waiver. The Company will make an announcement once the result of ASX's final decision is notified to the Company.

Subject to the decision on the waiver application, will issue the Director Options no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules, including the grant of the waiver currently being considered by ASX) and it is intended that the issue of the Director Options will occur on the same date.
- (a) Mr Francis Gouten is a proposed Director of the Company and the grant of the Performance Rights is subject to her appointment as a Director.
- (d) The Director Options will be issued for nil cash consideration, accordingly no funds will be raised.
- (e) The terms and conditions of the Director Options are set out in Schedule 3.
- (f) Voting exclusion statements are included in the Notice.

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## **12. RESOLUTION 17 – AUTHORITY TO ISSUE PERFORMANCE RIGHTS**

### **12.1 General**

The Company intends to issue 21,000,000 Performance Rights on a post Consolidation basis (comprising 7,000,000 Tranche 1 Performance Rights, 7,000,000 Tranche 2 Performance Rights and 7,000,000 Tranche 3 Performance Rights) to advisers and management of the Plukka Group as a long term reward and incentive in connection with their appointment and services provided to the PLUKKA business. Of these Performance Rights the Company proposes to issue a total of 12,000,000 Performance Rights (comprising 4,000,000 Tranche 1 Performance Rights, 4,000,000 Tranche 2 Performance Rights and 4,000,000 Tranche 3 Performance Rights) to non-related parties of the Company and 9,000,000 Performance Rights (comprising 3,000,000 Tranche 1 Performance Rights, 3,000,000 Tranche 2 Performance Rights and 3,000,000 Tranche 3 Performance Rights) to Ms Joanne Ooi (and/or her nominee).

This Resolution seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 12,000,000 Performance Rights to the non-related parties of the Company.

This Resolution is an ordinary resolution and is subject to the passing of the other Acquisition Resolutions.

### **12.2 Specific information required by ASX Listing Rule 7.3**

The following information is provided in relation to the Performance Rights for the purpose of Listing Rule 7.3:

- (a) The maximum number of securities to be issued (on a post-Consolidation basis) pursuant to this Resolution is as follows:
  - (i) 4,000,000 Tranche 1 Performance Rights which are convertible into 4,000,000 Shares on satisfaction of Milestone 1,
  - (ii) 4,000,000 Tranche 2 Performance Rights which are convertible into 4,000,000 Shares on satisfaction of Milestone 2; and
  - (iii) 4,000,000 Tranche 3 Performance Rights which are convertible into 4,000,000 Shares on satisfaction of Milestone 3.
- (b) The Performance Rights will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) The Performance Rights will be issued for nil cash consideration. Accordingly no funds will be raised from the issue of the Performance Rights;
- (d) The Performance Rights will be issued to executives and advisors to Treasure Castle none of whom are related parties.
- (e) The Performance Rights have the terms and conditions outlined in Schedule 2.
- (f) A voting exclusion statement is included in the Notice.



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**13. RESOLUTIONS 18 - AUTHORITY TO GRANT PERFORMANCE RIGHTS TO MS JOANNE OOI****13.1 General**

It is proposed, subject to Shareholder approval, that Ms Joanne Ooi be appointed as a Director with effect from completion of the Acquisition. Refer to Section 7 for further details.

As outlined in Section 12.1 of the Explanatory Memorandum the Company intends to issue a total of 21,000,000 Performance Rights (comprising 7,000,000 Tranche 1 Performance Rights, 7,000,000 Tranche 2 Performance Rights and 7,000,000 Tranche 3 Performance Rights (on a post Consolidation). Of these up to 9,000,000 Performance Rights (comprising 3,000,000 Tranche 1 Performance Rights, 3,000,000 Tranche 2 Performance Rights and 3,000,000 Tranche 3 Performance Rights) will be issued to Ms Joanne Ooi (and/or her nominee).

This Resolution is an ordinary resolution and is subject to the passing of the other Acquisition Resolutions.

**13.2 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to a related party. Ms Joanne Ooi is considered to be related party of the Company by virtue of the fact that she is a proposed Director of the Company. Therefore the Company is seeking Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of the Performance Rights to Ms Joanne Ooi.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of the Performance Rights to the Proposed Directors will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

This Resolution is an ordinary resolution and is subject to the passing of the other Acquisition Resolutions.

**13.3 Specific information required by Listing Rule 10.13**

Pursuant to an in accordance with ASX Listing Rule 10.13, the following information is provided in respect to Resolutions 18:

- (a) The maximum number of securities to be issued to Ms Joanne Ooi (and/or her nominees) pursuant to this Resolution is as follows:
  - (i) 3,000,000 Tranche 1 Performance Rights, which are convertible into 3,000,000 Shares on achievement of Milestone 1;
  - (ii) 3,000,000 Tranche 2 Performance Rights which are convertible into 3,000,000 Shares on achievement of Milestone 2; and
  - (iii) 3,000,000 Tranche 3 Performance Rights which are convertible into 3,000,000 Shares on achievement of Milestone 3.
- (b) the Company has sought a waiver from ASX in respect to Listing Rule 10.13.3 to permit it to issue the Performance Rights to Ms Joanne Ooi no later than 3 months after the date of the Meeting. At the time of this Notice of Meeting ASX has not formally granted the waiver. The Company will make an announcement once the result of ASX's final decision is notified to the Company.

Subject to the decision on the waiver application, will issue the Performance Rights no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules, including the

grant of the waiver currently being considered by ASX) and it is intended that the issue of the Performance Rights will occur on the same date.

- (c) Ms Joanne Ooi is a proposed Director of the Company and the grant of the Performance Rights is subject to her appointment as a Director.
- (d) The Performance Rights will be issued for nil cash consideration, accordingly no funds will be raised.
- (e) The terms and conditions of the Performance Rights are outlined in Schedule 2.
- (f) A voting exclusion statement is included in the Notice.

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## **14. RESOLUTION 19 – REPLACEMENT OF CONSTITUTION**

### **14.1 General**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 19 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating the name of the Company;
- updating references to bodies of legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution will be available for review by Shareholders prior to the Meeting at the Company's website [www.continuationinvestments.com](http://www.continuationinvestments.com) and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9322 7600). Shareholders are invited to contact the Company if they have any queries or concerns.

## **14.2 Summary of material proposed changes**

### **Minimum Shareholding (clause 3)**

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an “unmarketable parcel” of shares, being a shareholding that is less than \$500 based on the closing price of the Company’s Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with “unmarketable parcels” outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

### **Fee for registration of off market transfers (clause 8.4(c))**

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to “off-market transfers”.

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

### **Dividends (clause 22)**

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (i) the company’s assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (ii) the payment of the dividend is fair and reasonable to the company’s shareholders as a whole; and
- (iii) the payment of the dividend does not materially prejudice the company’s ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

### **Partial (proportional) takeover provisions (new clause 36)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

#### Information required by section 648G of the Corporations Act

##### *Effect of proposed proportional takeover provisions*

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

##### *Reasons for proportional takeover provisions*

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

##### *Knowledge of any acquisition proposals*

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company, other than as a result of the Acquisition.

##### *Potential advantages and disadvantages of proportional takeover provisions*

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 19.

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## GLOSSARY

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**\$** means Australian dollars.

**Acquisition** means the proposed acquisition by the Company of 100% of the issued capital of Treasure Castle.

**Acquisition Resolutions** means each of the Resolutions 1-18 outlined in this Notice of Meeting.

**Advisor Options** means the 6,500,000 New Options proposed to be issued to Azure Capital Limited and Mr Jay Waney and/or their nominee for introduction and facilitation services provided in respect of the Acquisition and Capital Raising.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Capital Raising** means the proposed issue of up to 50,000,000 Shares at an issue price of \$0.20 to raise up to \$10,000,000.

**Chair** means the chair of the Meeting.

**Company** means Continuation Investments Limited (ABN 91 106 854 175).

**Constitution** means the Company's constitution.

**Consolidation** has the meaning set out in Section 5 of the Explanatory Memorandum.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Director Options** means the 4,500,000 New Options proposed to be issued to existing and proposed Directors.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Facilitation Shares** has the meaning set out in Section 1.6(e) of the Explanatory Memorandum.

**General Meeting** or **Meeting** means the meeting convened by this Notice.

**Milestone 1** has the meaning set out in Schedule 2

**Milestone 2** has the meaning set out in Schedule 2

**Milestone 3** has the meaning set out in Schedule 2

**New Options** means the options proposed to be issued to advisors and directors on the terms and conditions set out in Schedule 3 and includes the Advisor Options and Director Options.

**Notice or Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Performance Right** means the performance rights proposed to be issued on the terms and conditions outlined in Schedule 2 and includes the Tranche 1 Performance Rights, Tranche 2 Performance Rights and Tranche 3 Performance Rights.

**PLUKKA or PLUKKA Business** means the onmi-channel fine jewellery business operated by Treasure Castle and its subsidiaries outlined in Section 1.2 of the Explanatory Memorandum.

**Plukka Group** means Treasure Castle and its wholly owned subsidiaries.

**PLUKKA Raising** has the meaning set out in Section 1.6(g) of the Explanatory Memorandum

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Treasure Castle** means Treasure Castle Holdings Limited a company incorporated in Hong Kong under the Hong Kong Companies Ordinance.

**Value Train** means Value Train Investments Limited

**Vendors** means ordinary shareholders and preference shareholders of Treasure Castle.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## SCHEDULE 1 – PRO FORMA BALANCE SHEET

	Treasure Castle	Treasure Castle	COT Reviewed as at	COT	Treasure Castle	Pro-forma Adjustments	Pro-forma After Offer
	Unaudited 31-Dec-14 HKD	Unaudited 31-Dec-14 \$	31-Dec-14 \$	Subsequent events \$	Subsequent events \$	\$10 million raising \$	\$10 million raising \$
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	3,514,443	555,282	1,160,563	586,000	685,000	9,000,000	11,986,845
Trade and other receivables	1,244,537	196,637	395,179				591,816
Inventories	232,744	36,774					36,774
<b>TOTAL CURRENT ASSETS</b>	<b>4,991,724</b>	<b>788,692</b>	<b>1,555,742</b>	<b>586,000</b>	<b>685,000</b>	<b>9,000,000</b>	<b>12,615,434</b>
<b>NON CURRENT ASSETS</b>							
Property, plant and equipment	431,960	68,250	-				68,250
<b>TOTAL NON CURRENT ASSETS</b>	<b>431,960</b>	<b>68,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,250</b>
<b>TOTAL ASSETS</b>	<b>5,423,684</b>	<b>856,942</b>	<b>1,555,742</b>	<b>586,000</b>	<b>685,000</b>	<b>9,000,000</b>	<b>12,683,684</b>
<b>CURRENT LIABILITIES</b>							
Trade and other payables	1,124,059	177,601	207,738				385,339
Borrowings - Value Train	8,328,454	1,315,896				(1,315,896)	-
Borrowings - Other	117,034	18,491					18,491
<b>TOTAL CURRENT LIABILITIES</b>	<b>9,569,547</b>	<b>1,511,988</b>	<b>207,738</b>	<b>-</b>	<b>-</b>	<b>(1,315,896)</b>	<b>403,831</b>
<b>TOTAL LIABILITIES</b>	<b>9,569,547</b>	<b>1,511,988</b>	<b>207,738</b>	<b>-</b>	<b>-</b>	<b>(1,315,896)</b>	<b>403,831</b>
<b>NET ASSETS</b>	<b>(4,145,863)</b>	<b>(655,046)</b>	<b>1,348,004</b>	<b>586,000</b>	<b>685,000</b>	<b>10,315,896</b>	<b>12,279,853</b>
<b>EQUITY</b>							
Issued capital	30,460,000	4,812,680	23,148,894	586,000	700,000	8,538,400	18,155,887
Reserves						1,269,400	1,269,400
Accumulated losses	(34,605,863)	(5,467,726)	(21,800,890)		(15,000)	508,096	(7,145,433)
<b>TOTAL EQUITY</b>	<b>(4,145,863)</b>	<b>(655,046)</b>	<b>1,348,004</b>	<b>586,000</b>	<b>685,000</b>	<b>10,315,896</b>	<b>12,279,853</b>

The pro-forma statement of financial position has been prepared based on the unaudited Treasure Castle financial statements as at 31 December 2014 (which have been converted from HKD to A\$ assuming an exchange rate of 1HKD = A\$0.158) and the reviewed Company financial statements as at 31 December 2014, assuming the following transactions and events:

- a) During the period following 31 December 2014,
  - a. the issue by Treasure Castle of two tranches of convertible notes with a face value of \$800,000 and a coupon rate of 10% per annum repayable on conversion or redemption;
  - b. The issue by the Company of 7,500,000 Shares at \$0.08 to raise \$600,000 (**Placement**);
  - c. The payment of capital raising fees associated Placement of \$14,000.
- b) The issue of 72,735,000 Consideration Shares to the Vendors in consideration for the Acquisition.
- c) The issue of 50,000,000 Shares at an issue price of \$0.20 to raise \$10,000,000 before Capital Raising costs.
- d) Cash costs of the Capital Raising are estimated to be \$1,000,000 which are to be offset against the contributed equity.
- e) The Company completing the Consolidation.
- f) The forgiveness by Value Train of the Treasure Castle loan payable to Value Train.



- g) The issue of 7,040,000 Facilitation Shares to advisors and management for their services in connection with the origination and completion of the Acquisition and Capital Raising.
- h) The issue of 6,500,000 Advisor Options to advisors who assisted with introduction and facilitation services in connection with the Acquisition and Capital Raising. Of these 4,000,000 Advisor Options are considered costs of the Capital Raising and have been offset against contributed equity.
- i) The issue of 4,500,000 Director Options to the current and proposed Directors.
- j) The issue of 21,000,000 Performance Rights comprising 7,000,000 Tranche 1 Performance Rights, 7,000,000 Tranche 2 Performance Rights and 7,000,000 Tranche 3 Performance Rights to executives and advisors of Treasure Castle as a long term incentive in connection with their appointment and services provided in connection with the PLUKKA business.

The Performance Rights will vest and become convertible into Shares on the date the Milestone relating to that Performance Rights has been satisfied (as outlined in Schedule 2). Currently there are no reasonable grounds to assess the likelihood of the Milestones being satisfied and resulting in the issue of 21,000,000 Shares to executives and advisors of Treasure Castle. Therefore no adjustments have been made to the pro-forma statement of financial position.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

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The terms of the Performance Rights are set out as follows:

- (a) **(Milestones):** The Performance Rights will have the following milestone attached to them:
- (i) **(Tranche 1 Performance Rights)** – Tranche 1 Performance Rights will convert into Shares on a one (1) for one (1) basis on the achievement of sales revenue by the Company during any 3 month reporting period that ends on or prior to the date two (2) years after completion of the Acquisition that equals or exceeds \$2,500,000 (as set out in a certificate (in a form to be agreed) provided by the Company's auditors following the release of the audited annual accounts or auditor reviewed half-yearly accounts) **(Milestone 1)**;
  - (ii) **(Tranche 2 Performance Rights)** – Tranche 2 Performance Rights in will convert into Shares on a one (1) for one (1) basis in the event that the 20-day volume weighted average price of the Company's Shares on the ASX equals or exceeds \$0.50 at any time within 2 years from the date of completion of the Acquisition **(Milestone 2)**; and
  - (iii) **(Tranche 3 Performance Rights)** – Tranche 3 Performance Rights will convert into Shares on a one (1) for one (1) basis on the achievement of consolidated EBIT by the Company during any 3 month reporting period that ends on or prior to the date 3 years after completion of the Acquisition that equals or exceeds \$1,250,000 (as set out in a certificate (in a form to be agreed) provided by the Company's auditors following the release of the audited annual accounts or auditor reviewed half-yearly accounts) **(Milestone 3)**;
- (each referred to as a **Milestone**).
- (b) **(Notification to holder):** the Company shall notify the holder in writing when the relevant Milestones have been satisfied.
- (c) **(Vesting):** The Performance Rights will vest on the date the Milestone relating to that Performance Right has been satisfied.
- (b) **(Conversion of Performance Rights):** Upon the relevant Milestone being achieved that respective tranche of Performance Rights, on election of the holder, will convert into Shares on a one (1) for one (1) basis in satisfaction of the Milestone.
- (c) **(No Conversion if Milestone not Achieved):** Any Performance Share not converted into a Shares in accordance with any relevant Milestone will lapse.
- (d) **(After Conversion):** The Shares issued on conversion of the Performance Rights will, as and from 5.00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (e) **(Conversion procedure):** The Company will issue the holder with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Rights into Shares.
- (f) **(Ranking of Shares):** The Shares into which the Performance Rights will convert will rank pari passu in all respects with the Shares on issue at the date of conversion.
- (d) **(General Meetings):** The Performance Rights shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to the Company's shareholders. Holders have the right to attend general meetings of the Company's shareholders.

- (e) **(No Voting Rights):** The Performance Rights do not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company's shareholders, subject to any voting rights under the Corporations Act 2001 (Cth) or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (f) **(No Dividend Rights):** The Performance Rights do not entitle the Holder to any dividends.
- (g) **(No Rights on Winding Up):** Upon winding up of the Company, the Performance Rights may not participate in the surplus profits or assets of the Company.
- (h) **(Transfer of Performance Rights):** The Performance Rights are not transferable.
- (i) **(Reorganisation of Capital):** In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (j) **(Application to ASX):** The Performance Rights will not be quoted on ASX. Upon conversion of the Performance Rights into Shares in accordance with these terms, the Company must within seven (7) days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.
- (k) **(Participation in Entitlements and Bonus Issues):** Subject always to the rights under item (i) (Reorganisation of Capital), Holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (l) **(Amendments required by ASX):** The terms of the Performance Rights may be amended as necessary by the board of directors of the Company in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (m) **(No Other Rights):** The Performance Rights give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

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### SCHEDULE 3 – TERMS AND CONDITIONS NEW OPTIONS

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The terms and conditions of the New Options are set out as followings

- (a) Each New Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) The New Options have an exercise price of \$0.20 (**Exercise Price**) and an expiry date of the date which is 3 years after the date on which the Company's securities are reinstated to trading on ASX (**Expiry Date**).
- (c) The New Options are exercisable at any time on or prior to the Expiry Date.
- (d) The New Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (e) Shares issued on exercise of the New Options will rank equally with the then shares of the Company.
- (f) Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Options.
- (g) After an New Option is validly exercised, the Company must, within, 15 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the New Option:
  - (i) issue the Share; and
  - (ii) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Shares.
- (h) There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options. However, the Company will give the holders of New Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- (i) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
  - (iii) the number of Shares which must be issued on the exercise of an New Option will be increased by the number of Shares which the New Optionholder would have received if the New Optionholder had exercised the New Option before the record date for the bonus issue; and
  - (iv) no change will be made to the Exercise Price.
- (j) If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an New Option will be reduced according to the following formula:

$$\text{New exercise price} = \frac{O - E[P-(S+D)]}{N+1}$$

N+1

O = the old Exercise Price of the New Option.

- E = the number of underlying Shares into which one New Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.
- (k) If there is any reconstruction of the issued share capital of the Company, the rights of the New Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (l) The Company will not apply to ASX for quotation of the Options.
- (m) The Options are not transferable
- (n) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

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## PROXY FORM

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