

# Continuation Investments Limited

31 August 2015

Manager of Company Announcements  
ASX Limited  
Level 6, 20 Bridge Street  
SYDNEY NSW 2000

*By E-Lodgement*

## Continuation Investments

### APPENDIX 4E – PRELIMINARY FINAL REPORT

#### Results for Announcement to the Market

The operating results for the year to 30 June 2015 are shown with comparisons to the previous corresponding period, being the year ended 30 June 2014.

	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$	Percentage increase/(decrease)over previous corresponding period
Revenue from ordinary activities	127,107	64,976	95.6%
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	(204,586)	(240,201)	(14.8)%
Loss from ordinary activities after tax attributable to members	(204,586)	(240,201)	(14.8)%
Loss for the period attributable to members	(204,586)	(240,201)	(14.8)%

#### Dividends

No dividends were paid during the financial year. The Board advises that it does not intend to declare a final dividend for the financial year, and it will consider reinstating the dividend policy in the future, subject to performance.

#### CAPITAL STRUCTURE

**Shares:** 27.36m  
**Options:** 2.25m  
**Cash:** \$1.22m (June 2015)  
**Debt:** Nil

#### BOARD & MANAGEMENT

Mr Jeremy King  
**Chairman**

Mr Andrew Worland  
**Non-Executive Director**

Mr David Church  
**Non-Executive Director**

Ms Sarah Smith  
**Company Secretary**

#### REGISTERED OFFICE

945 Wellington Street  
West Perth  
WA 6005

#### CONTACT DETAILS

Tel: +61 8 9322 7600  
Fax: +61 8 9322 7602

#### SHARE REGISTRY

Automic Registry Services  
7 Ventnor Avenue  
West Perth  
WA 6005

#### ASX CODE

COT

## Net Tangible Assets / Earnings Per Share

	30 June 2015	30 June 2014
Net tangible assets per ordinary share	6.80 cents	7.45 cents
Basic earnings per ordinary share	(1.0) cents	(1.2) cents

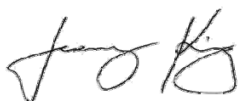
## Independent Audit Report

The information outlined above is presented in accordance with ASX Listing Rule 4.3A and the *Corporations Act 2001 (Corporations Act)*. The Appendix 4E is based on the audited Annual Financial Report for the year ended 30 June 2015. The Independent Audit Report is included in the Annual Financial Report attached.

## Accounting Policies, Estimation Methods and Measurements

The accounting policies, estimation methods and measurement bases used in the Appendix 4E is the same as those used in the previous annual report and half-year report.

Yours faithfully



**Jeremy King**  
Chairman

**Continuation Investments Limited**

ABN 91 106 854 175

**Annual Report**

**For the year ended 30 June 2015**

## Contents

Corporate Information .....	1
Directors Report .....	2
Auditor's Independence Declaration.....	14
Independent Auditor's Report.....	15
Statement of Comprehensive Income.....	17
Statement of Financial Position.....	18
Statement of Cash Flows .....	19
Statement of Changes in Equity .....	20
Notes to the Financial Statements .....	21
Corporate Governance Statement .....	38
ASX Additional Information .....	49
Members Information .....	50

## Corporate Information

### Directors

Jeremy King – Non-executive Chairman  
Andrew Worland – Non-executive Director  
David Church – Non-executive Director

### Company Secretary

Sarah Smith  
Tel: (08) 9322 7600

### Registered Office

945 Wellington Street  
West Perth WA 6005

### Postal Address

PO Box 1263  
West Perth WA 6872

### Share Registry

Automic Share Registry  
Level 1, 7 Ventnor Avenue  
West Perth WA 6872  
Tel: 08 9324 2099

### Auditors

RSM Bird Cameron Partners  
8 St Georges Terrace  
Perth WA 6000  
Telephone: (08) 9261 9100

### Bankers

Westpac Banking Corporation  
Level 9, 109 St Georges Terrace  
Perth WA 6000

### Solicitors

Steinepreis Paganin  
Level 4, Next Building  
16 Milligan Street  
Perth WA 6000

### Stock Exchange

Australian Securities Exchange Limited  
Exchange Plaza  
2 The Esplanade  
Perth WA 6000

### ASX Code COT

### Country of Incorporation

Australia

## Directors Report

Your Directors present their report on Continuation Investments Limited (COT) for the financial year ended 30 June 2015.

### Directors

The names of the Directors in office during the financial year and until the date of this report are as follows. All Directors were in office for the entire period unless otherwise stated:

Mr. Jeremy King – (Non-executive Chairman)  
Mr. Andrew Worland – (Non-executive Director)  
Mr. David Church – (Non-executive Director)

### Principal Activities

COT is a 'listed investment company' under the listing rules of the Australian Securities Exchange. The Company's principal activities during the year involved the review of new investment opportunities and consideration of its investment strategies.

### Dividends

No dividend has been paid or recommended by the Directors since the commencement of the financial year.

### Review of Operations

The Statement of Comprehensive Income shows a net loss attributable to members of \$204,586 (2014: \$240,201) for the year ended 30 June 2015. Basic and diluted earnings per share was a loss of 1.00 cents, compared with earnings per share of a loss of 1.21 cents for the previous financial year.

The net assets of the Company have increased by \$381,414 since 30 June 2014 to \$1,861,822 as at 30 June 2015. The net tangible asset backing of the Company as at 30 June 2015 was 6.80 cents per share (2014: 7.45 cents per share).

During the year the Company's principal activities comprised of the review of new investment opportunities and consideration of its investment strategies. Investments during the financial year were held in cash, term deposits as the most stable form of liquid investment, and low/medium risk equity trading accounts. COT also reviewed various unlisted investment opportunities with a focus on higher yielding debt or hybrid instruments.

In December 2014, the Company converted its US\$300,000 equity investment into the The Biofusionary Company, Inc. (a Denver based medical technology company with an FDA approved electromagnetic tissue tightening device), into a 12 month promissory note debt instrument bearing interest at 8% per annum from January 2015.

In June 2015, the Company conducted a share placement to professional and sophisticated investors of 7,500,000 ordinary shares at \$0.08 per share to raise A\$600,000 before costs (Placement). The Placement was conducted in two tranches with the first tranche raising A\$390,000 through the issue of 4,875,000 ordinary shares under the Company's 15% placement capacity and additional 10% placement capacity.

## **Directors Report (continued)**

Tranche 2, being 2,625,000 ordinary shares issued at \$0.08 per share was subject to shareholder approval which was obtained at a General Meeting held 2 June 2015, where shareholder approval was received to conduct a share placement of up to A\$3,000,000.

### **Significant Changes in State Of Affairs**

There were no significant changes in the Company's state of affairs occurred during the financial year.

### **Events Subsequent to Balance Date**

Subsequent to year end, the Company entered into a binding term sheet (Agreement) with the major shareholder and board of Treasure Castle Holdings Limited (Treasure Castle), the owner of fine jewellery retailer PLUKKA, to acquire 100% of Treasure Castle (Transaction).

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

Under the terms of the Agreement, the Company will acquire 100% of Treasure Castle for the issue of 65.86 million (post consolidation) ordinary fully paid shares in COT. In conjunction with the Transaction COT will undertake a share consolidation on a 3-for-4 basis and a capital raising of up to A\$10,000,000 at A\$0.20 per share (post Consolidation). All funds raised pursuant to the capital raising will be applied towards the business development of PLUKKA.

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

Other than the above, no matter or circumstance has arisen since the end of the financial year which has significantly affected or may significantly affect the Company's operations or results in future years, or the company's state of affairs in future years.

### **Environmental Issues**

The Company's operations are not subject to any significant environmental regulations under the law of the Commonwealth and State.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

### **Likely Developments and Expected Results of Operations**

The Company's activities going forward will depend upon the successful completion of the acquisition of PLUKKA, and will be consistent with the new business meeting its objectives. The acquisition will result in a change in the Company's nature and scale of activities, and re-compliance with the ASX Listing Rules.

## Directors Report (continued)

### Information on Directors

<b>Director Name &amp; Title</b>	- Jeremy King ( <i>appointed 8 March 2012</i> ) Non-executive chairman
<b>Qualifications</b>	- LLB
<b>Experience</b>	<p>- Mr King is a director of Grange Consulting Group Pty Ltd where he specialises in corporate advisory, strategic advice and managing legal issues associated with Grange's clients. Mr King is a corporate lawyer with over 12 years' experience in domestic and international legal, financial and corporate matters.</p> <p>He spent several years in London where he worked with Allen and Overy LLP and Debevoise &amp; Plimpton LLP and has extensive corporate experience, particularly in relation to cross border private equity, leveraged buy-out acquisitions and acting for banks, financial institutions and corporate issuers in respect of various debt and equity capital raisings.</p>
<b>Direct Interest in Shares and Options</b>	- 445,240 Ordinary Shares 1,250,000 Unlisted Options (\$0.20; 31 December 2015)
<b>Indirect Interest in Shares and Options</b>	- 2,039,171 Ordinary Shares
<b>Current Directorships</b>	- Smart Parking Limited (ASX:SPZ), DTI Group Limited (ASX:DTI)
<b>Former Directorships held in past three years</b>	- Glory Resources Limited (ASX:GLY), Orca Energy Limited (ASX:OGY)



## Directors Report (continued)

### Information on Directors (cont'd)

<b>Director Name &amp; Title</b>	- Andrew Worland ( <i>appointed 8 March 2012</i> ) Non-executive Director
<b>Qualifications</b>	- B.Com (UWA), Grad Diploma of Applied Corporate Governance
<b>Experience</b>	- Mr Worland has 20 years' experience in the resources industry working in corporate, finance, project development and operations roles in exploration, development stage and producing ASX and TSX listed mining companies across base and precious metals, bulk commodities and strategic minerals. Mr Worland is currently General Manager for ASX listed Toro Energy Limited.
<b>Direct Interest in Shares and Options</b>	- 757,888 Ordinary Shares 1,000,000 Unlisted Options (\$0.20; 31 December 2015)
<b>Indirect Interest in Shares and Options</b>	- 931,962 Ordinary Shares
<b>Current Directorships</b>	- None
<b>Former Directorships held in past three years</b>	- None

<b>Director Name &amp; Title</b>	- David Church ( <i>appointed 2 April 2013</i> ) Non-executive Director
<b>Qualifications</b>	- LLB
<b>Experience</b>	- Mr Church has over 17 years' experience in Australia with Clayton Utz, and in the UK and Hong Kong, with Linklaters, advising corporates and investment banks alike on cross border mining and financial services transactions across Europe and Asia. Mr Church is currently head of Mergers and Acquisitions and General Counsel for Regent Pacific Group Limited, a Hong Kong listed mining investment house. He has led and advised on a variety of international mining and mining related acquisitions and divestments since joining Regent Pacific in 2008.
<b>Direct Interest in Shares and Options</b>	- 1,944,872 Ordinary Shares
<b>Indirect Interest in Shares and Options</b>	- Nil
<b>Current Directorships</b>	- None
<b>Former Directorships held in past three years</b>	- None

## Directors Report (continued)

### Director Meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the period are:

	Number of Meetings Eligible to Attend	Number of Meetings Directors' attended
<b>Number of Meetings Held<sup>1</sup></b>	2	2
<b>Number of Meetings Attended</b>		
<b>Director</b>		
Mr. Jeremy King	2	2
Mr. Andrew Worland	2	2
Mr. David Church	2	2

<sup>1</sup> During the financial year, the Directors met regularly on an informal basis to discuss all matters associated with investment strategy, review of opportunities, and other Company matters.

### Retirement, election and continuation in office of Directors

In accordance with the Constitution, one Director will at the annual general meeting and, being eligible, offer himself for re-election.

### Company Secretary

Ms Sarah Smith is an employee of Grange Consulting Group Pty Ltd which provides a range of corporate and financial services to listed and unlisted companies.

## Directors Report (continued)

### Shares under Option

Unissued ordinary shares of COT under option at the date of this report are as follows:

Date Options Granted	Expiry Date	Issue Price of Shares	Number Under Option
30 November 2012	31 December 2015	\$0.20	2,250,000
<b>Total</b>			<b>2,250,000</b>

### Shares Issued on the Exercise of Options

There were no options exercised during the financial year.

### Insurance of Officers

During the financial year, the Company paid a premium of \$15,125 to insure the Directors and officers of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

### Proceedings on Behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

## **Directors Report (continued)**

### **Officers of the Company who are former audit partners of RSM Bird Cameron Partners**

There are no officers of the company who are former audit partners of RSM Bird Cameron Partners.

### **Non Audit Services**

The Board has considered the non-audit services provided during the year by the auditor (as disclosed in note 8 of the financial statements) and is satisfied that the provision of those non audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

### **Auditor's independence declaration**

The auditor's independence declaration for the year ended 30 June 2015 has been received and is included within this financial report.

This report is made in accordance with a resolution of the Directors of the Company.

## Directors Report (continued)

### Remuneration Report (Audited)

#### A Principles used to determine the nature and amount of remuneration

The Board has elected not to establish a remuneration committee based on the size of the organisation. The Directors did not receive any remuneration during the financial year. Should the Company's activities change such that they require further consideration of remuneration, the following items would be considered in Board meetings at that appropriate junction:

- specific recommendations to the Board on remuneration of Directors and senior officers;
- recommendations in relation to the terms and conditions of employment for the Executive Director;
- undertake a review of the Executive Director's performance, at least annually, including setting with the Executive Director goals for the coming year and reviewing progress in achieving those goals;
- consider and report to the Board on the recommendations of the Executive Director on the remuneration of all direct reports; and
- develop and facilitate a process for Board and Director evaluation.

#### **Non-executive Directors**

Non-executive Directors' fees and payments are reviewed regularly by the Board in light of demands of the Directors from time to time and the financial condition of the Company.

#### **Directors' Fees**

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$250,000 per annum.

The following fees have applied:

#### **Base fees for period 1 July 2014 – 30 June 2015**

Non-executive Directors and key management personnel received total remuneration of \$Nil (2014: Nil) during the financial year.

#### **Additional fees**

A Director may also be paid fees or other amounts as the Directors determines if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. No additional fees were paid during the financial period.

A Director may also be reimbursed for out of pocket expenses incurred as a result of their Directorship or any special duties.

## Directors Report (continued)

### Remuneration report (cont'd)

#### A Principles used to determine the nature and amount of remuneration (cont'd)

##### **Executive pay**

The Company does not currently employ any Executives. As a policy, in determining executive remuneration, the Board would endeavour to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

Executive remuneration would be comprised of base pay and benefits, including superannuation.

##### **Base pay**

There are currently no Executives employed by the Company.

##### **Benefits**

No benefits other than noted above are paid to Directors or management except as incurred in normal operations of the business.

##### **Long term incentives**

Options are issued at the Board's discretion. Other than options disclosed in section D of the remuneration report, no options have been issued in the current financial year and to the date of this financial report to Directors, employees or consultants.

##### **Remuneration consultants**

No remuneration consultants were used by the Company during the year.

## Directors Report (continued)

### Remuneration report (cont'd)

#### B Details of remuneration

##### **Amounts of remuneration**

Details of the remuneration of the Directors and the key management personnel of the Company are found below:

Mr Jeremy King  
Mr Andrew Worland  
Mr David Church

Remuneration of the Directors and key management personnel for the financial year totalled \$Nil (2014: Nil).

##### Performance based remuneration

As provided above, there was no fixed or performance related remuneration paid or payable to key management personnel during the year.

#### C Service agreements

On appointment to the Board, all Non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the Director.

#### D Share-based compensation

##### **Options**

Options over shares in the Company are granted at the Directors' discretion.

##### 2015

No shares or option were granted during the year.

##### 2014

No shares or options were granted during the year.

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

## Directors Report (continued)

### Remuneration report (cont'd)

#### E Shareholdings of key management personnel

The number of shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

Name	Balance at the start of the year	Additions	Disposals	Received as remuneration	Balance as at the end of the year
Jeremy King	1,800,021	684,390	-	-	2,484,411
Andrew Worland	1,314,850	375,000	-	-	1,689,850
David Church	694,872	1,250,000	-	-	1,944,872
	3,809,743	2,309,390	-	-	6,119,133

#### F Option holdings of key management personnel

The number of unlisted options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

Name	Balance at the start of the year	Granted	Exercised	Expired/other	Balance at the end of the year
Jeremy King	1,250,000	-	-	-	1,250,000
Andrew Worland	1,000,000	-	-	-	1,000,000
David Church	-	-	-	-	-
	2,250,000	-	-	-	2,250,000

#### G Other transactions with key management personnel and their related parties

In connection with ongoing company secretarial assistance and administrative assistance which included assistance in preparing and lodging ASX and ASIC documents, financial management services, corporate advisory services in relation to the entitlement issue, Board minutes, notice of meetings, organising shareholder meetings, other shareholder communications and other administrative assistance, Grange Consulting Group Pty Ltd (Grange) is employed under a monthly contract for \$9,450 (plus GST) per month for these services (2014: \$120,883 in total).

In addition, Grange were paid fees totalling \$37,000 excluding GST for specific mandated work supporting transactions including due diligence, notice of meeting preparation and management of placements.

Jeremy King is a Director of Grange Consulting. These transactions have been entered into on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.



## Directors Report (continued)

### H Additional information

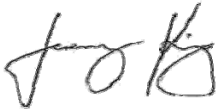
#### **Voting and comments made at the Company's 2014 Annual General Meeting**

In accordance with Listing Rule 3.13.2, it is confirmed that the following resolutions put to the AGM of Continuation Investments Limited shareholders, held on 26 November 2014, were unanimously passed on a show of hands:

- |               |  |
|---------------|--|
| Resolution 1: | Adoption of Remuneration Report          |
| Resolution 2: | Approval of 10% Placement Capacity       |
| Resolution 3: | Re-election of Director – Mr Jeremy King |

#### **End of Remuneration Report**

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors.



**Jeremy King**  
**Non-executive Chairman**

Dated: 31 August 2015  
Perth

**RSM Bird Cameron Partners**  
8 St George's Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844  
T +61 8 9261 9100 F +61 8 9261 9101  
www.rsmi.com.au

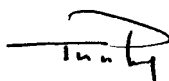
## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Continuation Investments Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

*Rsm Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 31 August 2015

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
CONTINUATION INVESTMENTS LIMITED**

**Report on the Financial Report**

We have audited the accompanying financial report of Continuation Investments Limited, which comprises the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Continuation Investments Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### *Opinion*

In our opinion:

- (a) the financial report of Continuation Investments Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

### **Report on the Remuneration Report**

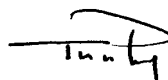
We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### *Opinion*

In our opinion, the Remuneration Report of Continuation Investments Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

*Rsm Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 31 August 2015

## Statement of Comprehensive Income

### For the year ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Revenue from continuing operations</b>	7	127,107	64,976
<b>Expenses</b>			
Administration fees		(30,124)	(32,892)
Corporate fees		(156,530)	(114,826)
Legal fees		(40,946)	(51,708)
Other expenses		(104,093)	(105,751)
<b>Loss before income tax from continuing operations</b>		(204,586)	(240,201)
Income tax expense	9	-	-
<b>Loss after income tax from continuing operations</b>		<b>(204,586)</b>	<b>(240,201)</b>
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive loss for the year</b>		<b>(204,586)</b>	<b>(240,201)</b>
<b>Earnings per share from continuing operations attributable to owners of Continuation Investment Limited</b>			
Basic earnings per share (cents)	10	(1.00)	(1.21)
Diluted earnings per share (cents)	10	(1.00)	(1.21)

The above statement of comprehensive income is to be read in conjunction with the accompanying notes.

## Statement of Financial Position

### As at 30 June 2015

	Note	2015 \$	2014 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	1,226,315	1,694,530
Trade and other receivables	3	841,083	18,323
Total current assets		2,067,398	1,712,853
<b>Total assets</b>		2,067,398	1,712,853
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4	205,576	232,445
Total current liabilities		205,576	232,445
<b>Total liabilities</b>		205,576	232,445
<b>Net assets</b>		1,861,822	1,480,408
<b>Equity</b>			
Issued capital	6	23,734,894	23,148,894
Retained profits		(21,873,072)	(21,668,486)
<b>Total equity</b>		1,861,822	1,480,408

The above statement of financial position is to be read in conjunction with the accompanying notes.

## Statement of Cash Flows

### For the year ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Interest received		69,598	64,976
Payments to suppliers & employees (inclusive of GST)		(352,977)	(305,441)
Net cash used in operating activities	11	(283,379)	(240,465)
<b>Cash flows from investing activities</b>			
Payments for investments		(822,247)	-
Net cash used in investing activities		(822,247)	-
<b>Cash flows from financing activities</b>			
Capital return payment		-	(22,313)
Proceeds from issue of shares		600,000	-
Proceeds from borrowings		51,411	-
Share issue transaction costs		(14,000)	-
Net cash provided by / (used in) financing activities		637,411	(22,313)
Net decrease in cash and cash equivalents held		(468,215)	(262,778)
Cash and cash equivalents at beginning of financial year		1,694,530	1,957,308
Cash and cash equivalents at end of financial year	2	1,226,315	1,694,530

The above statement of cash flows is to be read in conjunction with the accompanying notes.

## Statement of Changes in Equity

### For the year ended 30 June 2015

	Issued Capital	Retained Profits	Total
	\$	\$	\$
<b>2015</b>			
<b>Balance at 1 July 2014</b>	23,148,894	(21,668,486)	1,480,408
Total comprehensive income for the year	-	(204,586)	(204,586)
<i>Transactions with owners in their capacity as owners:</i>			
Contribution of equity, net of transaction costs	586,000	-	586,000
<b>Balance at 30 June 2015</b>	23,734,894	(21,873,072)	1,861,822
<b>2014</b>			
<b>Balance at 1 July 2013</b>	23,148,894	(21,428,285)	1,720,609
Total comprehensive income for the year	-	(240,201)	(240,201)
<b>Balance at 30 June 2014</b>	23,148,894	(21,668,486)	1,480,408

The statement of changes in equity is to be read in conjunction with the accompanying notes.



## Notes to the Financial Statements

The financial report was authorised for issue on 31 August 2015 by the Directors of the Company. The following significant accounting policies have been adopted in the preparation of the financial statements for the year ended 30 June 2015.

### 1. Statement of Significant Accounting Policies

#### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001, as appropriate for for-profit orientated entities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards means that the financial statements and notes also comply with International Financial Reporting Standards.

The financial statements cover Continuation Investments Limited which is a listed public company, incorporated and domiciled in Australia. The financial statements have been prepared on an accruals basis and are based on historical costs with the exception of the revaluation of financial assets and financial liabilities for which the fair value basis of accounting has applied.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

## Notes to the Financial Statements (continued)

### 1. Statement of Significant Accounting Policies (continued)

#### Financial Instruments

##### Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately.

##### Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

## Notes to the Financial Statements (continued)

### Financial Instruments (cont'd)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(iv) Available-for-sale investments

They are subsequently measured at fair value with any re measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

### Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits.

## Notes to the Financial Statements (continued)

### 1. Statement of Significant Accounting Policies (cont'd)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

#### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

#### Revenue and other income

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

#### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

## Notes to the Financial Statements (continued)

### 1. Statement of Significant Accounting Policies (cont'd)

#### *Other revenue*

The realised gains or losses on the sale of the trading portfolio represent the difference between the net proceeds and the net fair value of the investments at the prior year end or cost if acquired during the year.

#### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

#### **Trade and Other Receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

#### **Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

## Notes to the Financial Statements (continued)

### 1. Statement of Significant Accounting Policies (cont'd)

#### Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

#### Earnings per Share

##### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Continuation Investments Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

##### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### Functional and Presentation Currency

The functional and presentation currency of the Company is Australian Dollars.

#### Operating Segments

The Company operated in Australia only and the principal activity is investment.

#### Critical Accounting Estimates and Judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. In the opinion of the Directors, there are no critical accounting estimates and judgements in this financial report.

#### New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## Notes to the Financial Statements (continued)

### 1. Statement of Significant Accounting Policies (cont'd)

#### **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2015. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

#### *AASB 9 Financial Instruments*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Company.

## Notes to the Financial Statements (continued)

### 2. Cash and Cash Equivalents

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2015	2014
	\$	\$
Cash at bank	1,226,315	694,530
Cash on deposit	-	1,000,000
Balance as per statement of cash flows	<b>1,226,315</b>	<b>1,694,530</b>

The credit risk of the company in relation to cash is the carrying amount and any unpaid interest.

#### *Reconciliation to cash and cash equivalents at the end of the financial year*

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	1,226,315	694,530
	-	1,000,000
Balance as per statement of cash flows	<b>1,226,315</b>	<b>1,694,530</b>

### 3. Trade and Other Receivables

	2015	2014
	\$	\$
Interest receivable	3,166	12,738
Loan receivable – Biofusionary Corporation	337,917 <sup>1</sup>	-
Loan receivable - Plukka	500,000 <sup>2</sup>	-
Other receivable	-	5,585
	<b>841,083</b>	<b>18,323</b>

#### *Terms of Loans*

<sup>1</sup>Loan receivable from The Biofusionary Corporation is a 12 month Promissory Note bearing 8% interest per annum. Monthly payments of US\$10,000. Full repayment due on 15 December 2015.

<sup>2</sup> Loan receivable from Plukka is a 12 month loan bearing 12% interest per annum. Monthly payments of A\$5,000. Full repayment due on 11 May 2016.

The credit risk of the Company in relation to receivables is the carrying amount.



## Notes to the Financial Statements (continued)

### 4. Trade and Other Payables

	2015 \$	2014 \$
Unpresented cheques from past distributions **	198,062	206,862
Trade creditors and other payables	7,514	25,583
	<b>205,576</b>	<b>232,445</b>

\*\* The Company holds cash which it is not entitled, being unpresented cheques from past distributions which are held until they are claimed or passed to the relevant authorities, after an appropriate period, as unclaimed monies.

### 5. Tax

Unrecognised carried forward tax losses

	2015 \$	2014 \$
Tax losses (Taxation Benefit)	7,268,161	7,063,575

Carried forward tax losses have not been recognised because it is presently not considered probable that future taxable profit will be available against which the company can utilise the benefits therein.

### 6. Issued Capital

	2015 Shares	2014 Shares	2015 \$	2014 \$
Ordinary shares – fully paid	27,365,377	19,865,377	23,734,894	23,148,894

#### *Movements in ordinary share capital*

Details	Date	No of Shares	Issue Price	\$
Balance	1 July 2013	<u>19,865,377</u>		<u>23,148,894</u>
Balance	30 June 2014	19,865,377		23,148,894
Share issue costs	29 May 2015	-	-	(14,000)
Issue of shares	29 May 2015	4,875,000	0.08	390,000
Issue of shares	2 June 2015	375,000	0.08	30,000
<i>Issue of shares to key management personnel</i>				
	2 June 2015	2,250,000 <sup>1</sup>	0.08	180,000
Balance	30 June 2015	<u>27,365,377</u>		<u>23,734,894</u>

<sup>1</sup>Shares issued to Directors as part of Placement to raise A\$600,000 on the same terms and conditions as all other Placement participants

## Notes to the Financial Statements (continued)

### 6. Issued Capital (continued)

#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### Share buy-back

There is no current on-market share buy back.

#### Capital Management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company's capital includes ordinary share capital and financial liabilities supported by financial assets.

The net working capital position of the Company as at 30 June 2015 was \$1,861,822 (2014: \$1,480,408).

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

As at 30 June 2015, the Company has \$1,226,315 of cash and cash equivalents and no debt. The Board believes this is sufficient working capital to allow it to identify and pursue investment opportunities as they arise.

### 7. Revenue

	2015 \$	2014 \$
<b>From continuing operations</b>		
<i>Other revenue</i>		
Interest revenue	60,026	64,976
Gain on foreign exchange	67,081	-
	<b>127,107</b>	<b>64,976</b>

## Notes to the Financial Statements (continued)

### 8. Auditors' Remuneration

During the financial year, the following fees were paid or payable for services provided by RSM Bird Cameron Partners, the auditor of the company.

	2015 \$	2014 \$
<i>Audit Services : RSM Bird Cameron Partners</i>		
- Audit and review of the financial statements	21,250	19,050
Other services		
- Tax compliance	1,950	1,800
	<b>23,200</b>	<b>20,850</b>

### 9. Income Tax Expense

The prima facie tax on profit loss before income tax is reconciled to the income tax expense as follows:

	2015 \$	2014 \$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2014: 30%)	(61,376)	(72,060)
Add:		
Tax effect of:		
- temporary differences	2,872	5,439
- non-deductible expenses	18,407	20,606
	(40,097)	(46,015)
Less:		
Tax effect of:		
- temporary differences	3,521	3,521
Tax losses not brought to account	(43,618)	(49,536)
Income tax expense	-	-

The applicable weighted average effective tax rates are as follows:

0%                      0%

## Notes to the Financial Statements (continued)

### 10. Earnings per Share

- a) Weighted average number of ordinary shares outstanding during the year used in calculating basic earnings per share.

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares outstanding during the year used in calculating basic earnings per share	20,491,952	19,865,377

- b) Diluted earnings per share is equivalent to basic earnings per share. Options on issue are not dilutive as the company has made a loss for the year.

### 11. Cash Flow Information

Reconciliation of result for the year to cash flows from operating activities:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax expense for the year	(204,586)	(240,201)
Change in operating assets and liabilities:		
- trade and other receivables	(57,508)	12,546
- trade and other payables	(21,285)	(12,810)
Cash flow from operations	<b>(283,379)</b>	<b>(240,465)</b>

### 12. Related Party Information

#### a) Key management personnel

The names of the persons who were key management personnel of the Company during the financial year were:

Mr Jeremy King  
Mr Andrew Worland  
Mr David Church

The aggregate compensation made to Directors and other members of key management personnel of the entity during the year was Nil (2014: Nil).

## Notes to the Financial Statements (continued)

### 12. Related Party Information (cont'd)

#### b) Other transactions with key management personnel and their related parties

In connection with ongoing company secretarial assistance and administrative assistance which included assistance in preparing and lodging ASX and ASIC documents, financial management services, board minutes, notice of meetings, organising shareholder meetings, other shareholder communications and other administrative assistance, Grange Consulting Group Pty Ltd (Grange) is employed under a monthly contract for \$9,450 (plus GST) per month for these services (2014: \$120,883 in total).

In addition, Grange were paid fees totalling \$37,000 excluding GST for specific mandated work supporting transactions including due diligence, notice of meeting preparation and management of capital raisings.

Jeremy King is a Director of Grange Consulting. These transactions have been entered into on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

### 13. Segment Information

The Company has only one reportable segment. The Company operates predominantly in Australia and in one industry being the securities investment industry, deriving revenue from dividend income, interest income and from the sale of its portfolio.

### 14. Financial Risk Management

The Company's financial instruments comprise mainly of deposits with banks, trading portfolio, other receivables and trade payable.

The Company's activities expose it to a variety of financial risks: market risk (including price risk), credit risk and liquidity risk.

Risk management is carried out by the company secretary under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the entity and appropriate procedures, controls and risk limits.

## Notes to the Financial Statements (continued)

### 14. Financial Risk Management

#### a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the entity.

The maximum exposure to credit risk excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

There are no other material amounts of collateral held as security at 30 June 2015.

Credit risk is managed as provided in Note 3 with respect to receivables and Note 2 with respect to cash assets. None of these assets are overdue or considered to be impaired.

#### b) Liquidity risk

Vigilant liquidity risk management requires the entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Board continuously monitor the cash flow requirements daily in relation to the trading account taking into account upcoming dividends, tax payments and trading activity.

The Company's inward cash flows depend upon the level of dividend and distribution revenue received. Should these decrease by a material amount, the Company would amend its outward cash flows accordingly. As the Company's major cash outflows are the purchase of securities and payments to suppliers, the level of both of these is managed by the Board.

Furthermore, at reporting date, the Company holds predominately cash assets which can be used to settle any financial liabilities that fall due.

The following table detail the Company's remaining contractual maturity for its financial instrument liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

2015	Weighted Average Interest Rate	1 year or less \$	Between 1 & 2 years \$	Between 2 & 5 years \$	Total \$
<b>Non Derivatives</b>					
<i>Financial Assets</i>					
Trade and Other Receivables	10%	841,083	-	-	841,083
<i>Financial Liabilities</i>					
Trade Payables	-%	(750)	-	-	(750)
Other Payables	-%	206,326	-	-	206,326
Net Financial Assets/(Liabilities)		<b>635,507</b>	-	-	<b>635,507</b>

## Notes to the Financial Statements (continued)

### 14. Financial Risk Management

2014	Weighted Average Interest Rate	1 year or less \$	Between 1 & 2 years \$	Between 2 & 5 years \$	Total \$
<b>Non Derivatives</b>					
<i>Financial Assets</i>					
Trade and Other Receivables	3.57	18,323	-	-	18,323
<i>Financial Liabilities</i>					
Trade Payables	-%	1,215	-	-	1,215
Other Payables	-%	206,523	-	-	206,523
Net Financial Assets/(Liabilities)		<b>(189,415)</b>	-	-	<b>(189,415)</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

#### c) Market risk

The standard defines this as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

By its nature as a Listed Investment Company that invests, the Company can never be free of market risk as it invests its capital in securities which are not risk free as the market price of these securities can fluctuate.

As at 30 June 2015 there are no securities held by the Company therefore this risk is seen to be minimal.

The Company is not directly exposed to currency risk as all its investments are quoted in Australian Dollars.

#### d) Interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

#### *Sensitivity analysis*

An official increase/decrease of 100 (2014: 75) basis points would have had an adverse/favourable effect on profit before tax of \$12,243 (2014: \$12,678) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

## Notes to the Financial Statements (continued)

### 15. Events After the Reporting Period

Subsequent to year end, the company entered into a binding term sheet (Agreement) with the major shareholder and board of Treasure Castle Holdings Limited (Treasure Castle), the owner of fine jewellery retailer PLUKKA, to acquire 100% of Treasure Castle (Transaction).

The Acquisition is subject to a number of conditions precedent including the Company raising a minimum of A\$8,000,000 (Capital Raising) in conjunction with re-complying with Chapters 1 & 2 of the ASX Listing Rules.

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

Under the terms of the Agreement, the Company will acquire 100% of Treasure Castle for the issue of 65.86 million (post consolidation) ordinary fully paid shares in COT. In conjunction with the Transaction COT will undertake a share consolidation on a 3-for-4 basis and a capital raising of up to A\$10,000,000 at A\$0.20 per share (post Consolidation). All funds raised pursuant to the capital raising will be applied towards the business development of PLUKKA.

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

Other than the above, there has not been in the interval between the end of the financial period and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Company, to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

### 16. Contingent Liabilities and Commitments

The Directors are not aware of any potential liabilities or claims against the Company as at the date of the Directors' Report.

The Company does not have any commitments as at 30 June 2015.



## Directors' Declaration


The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
  - a) comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards; and
  - b) give a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date;

The Directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chairman and Chief Financial Officer.

As at the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



---

**Jeremy King**  
**Chairman, Director**

**Perth, Western Australia, 31 August 2015**

## Corporate Governance Statement

### For the year ended 30 June 2015

The Board of Directors of Continuation Investments Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 3<sup>rd</sup> Edition ("the ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, are in place.

Further information on the Company's corporate governance policies and practices can be found on the Company's website at [www.continuationinvestments.com.au](http://www.continuationinvestments.com.au).

#### **PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

*A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.*

**Recommendation 1.1:** *A listed entity should disclose:*

- (a) *The respective roles and responsibilities of its board and management; and*
- (b) *Those matters expressly reserved to the board and those delegated to management.*

The Company has established the functions reserved to the Board and has set out these functions in its Board Charter. The Board is responsible for oversight of management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of those goals, monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The responsibility for the operation and administration of the Company is delegated by the Board to the Managing Director and management team. The Board ensures that both the Managing Director and the management team are appropriately qualified and experienced to discharge their responsibilities and have procedures in place to monitor and assess their performance. The management team are responsible for supporting and assisting the Managing Director to conduct the general operations and financial business of the Company in accordance with the delegated authority of the Board and to progress the strategic direction provided by the Board.

**Recommendation 1.2:** *A listed entity should:*

- (a) *Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and*
- (b) *Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The Company is currently not of a relevant size that justifies the formation of a separate Remuneration and Nomination Committee. Matters typically dealt with by such a Committee are dealt with by the Board of Directors. The Board is responsible for conducting the appropriate checks prior to the appointment of a person as a director of the Company or prior to putting forward to security holders a new candidate for election as a director. Checks undertaken may include checks as to the person's character, experience, education, criminal record and bankruptcy history.

Material information relevant to a decision on whether or not to elect or re-elect a director is provided to security holders in all Notices of Meeting which contain director election or re-election resolutions.

## Corporate Governance Statement

### For the year ended 30 June 2015

**Recommendation 1.3:** *A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

Appointment terms of the Company's Directors and senior executives are summarised in written agreements.

**Recommendation 1.4:** *The company secretary of a listed entity should be accountable to the board through the chair, on all matters to do with the proper functioning of the board.*

The Company's Secretary is accountable to the Company's Board through the chair, ensuring the Company's Board receives adequate support to function properly.

**Recommendation 1.5:** *A listed entity should:*

- (a) *Have a diversity policy in place which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*
- (b) *Disclose that policy or a summary of it; and*
- (c) *Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:*
  - (1) *The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes; or*
  - (2) *If the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators," as defined in and published under that Act.*

The Company has adopted a diversity policy which can be viewed on its website. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The company is committed to diversity and recognises the benefits arising from employee and board diversity.

The Diversity Policy outlines the requirements for the Board to develop objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. To assist in fostering diversity, the policy includes the requirement for the Company to take diversity of background into account (in addition to candidates' skills and experience in a variety of the specified fields) when selecting new Directors, senior management and employees.

The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements and achieving these objectives in the future as director and senior executive positions become vacant and appropriately qualified candidates become available.

Other than as described above, the Company has not yet set measurable objectives for achieving gender diversity. The Company is currently not of a size that justifies the establishment of measurable diversity objectives. As the Company develops, the Board will seek to develop a reporting framework in the future to report the Company's progress against the objectives and strategies for achieving a diverse workplace which can be used as a guide to be used by the Company to identify new Directors, senior executives and employees.

An executive office holding below the Board level, this being the position of Company Secretary and

## Corporate Governance Statement

### For the year ended 30 June 2015

Financial Accountant, is held by a female contractor to the Company.

Full details of the Company's Diversity Policy can be found on the Corporate Governance page of the Company's website.

**Recommendation 1.6:** *A listed entity should:*

- (a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual Directors; and*
- (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Board has developed an informal process for performance evaluation whereby the performance of all Directors is reviewed regularly by the Chair. The Board as a whole may then hold a facilitated discussion during which each Board member has the opportunity to raise any matter, suggestion for improvement or criticism with the Board as a whole. The Chair of the Board may also meet individually with each Board member to discuss their performance. Non-executive Directors may also meet to discuss the performance of the Chair or the Managing Director. Directors whose performance is consistently unsatisfactory may be asked to retire.

No formal performance evaluations for the Board or its Directors was undertaken during the reporting period. Going forward however, it is the Company's intention that all Directors will receive annual individual performance evaluations in accordance with the Board Charter and Performance Evaluation Policy. Full details of the Company's Performance Evaluation Policy can be found on the Corporate Governance page of the Company's website.

**Recommendation 1.7:** *A listed entity should:*

- (a) Have and disclose a process for periodically evaluating the performance of its senior executives; and*
- (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

An informal assessment of progress is carried out throughout the year. The Board as a whole may then hold a facilitated discussion during which each Board member has the opportunity to raise any matter, suggestion for improvement or criticism with the Board as a whole. The Chair of the Board may also meet individually with each Executive Director to discuss their performance. Executive Directors whose performance is consistently unsatisfactory may be asked to retire.

No formal performance evaluations for Executive Directors were undertaken during the reporting period. Going forward however, it is the Company's intention that all Directors will receive annual individual performance evaluations in accordance with the Board Charter and Performance Evaluation Policy. Full details of the Company's Performance Evaluation Policy can be found on the Corporate Governance page of the Company's website.

## PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

*A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.*

## Corporate Governance Statement

### For the year ended 30 June 2015

**Recommendation 2.1:** *The board of a listed entity should:*

- (a) Have a nomination committee which:*
  - (1) Has at least three members, a majority of whom are independent Directors; and*
  - (2) Is chaired by an independent director, and disclose:*
  - (3) The charter of the committee;*
  - (4) The members of the committee; and*
  - (5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.*

The Board is currently not of a relevant size that justifies the formation of a separate Nomination Committee. Matters typically dealt with by such a committee detailed in a separate charter which describes its role, composition, functions and responsibilities, are dealt with by the Board of Directors. A copy of the charter is set out on the Company website.

The Board oversees the appointment and induction process for Directors and the selection, appointment and succession planning process of the Company's Managing Director, where relevant. When a vacancy exists or there is a need for a particular skill, the Board, determines the selection criteria that will be applied. The Board will then identify suitable candidates, with assistance from an external consultant if required, and will interview and assess the selected candidates. Directors are initially appointed by the Board and must stand for re-election at the Company's next Annual General Meeting of shareholders. Directors must then retire from office and nominate for re-election at least once every three years with the exception of the Managing Director.

**Recommendation 2.2:** *A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.*

Given the current size and stage of development of the Company the Board has not yet established a formal board skills matrix. Gaps in the collective skills of the Board are regularly reviewed by the Board as a whole, with the Board proposing candidates for directorships having regard to the desired skills and experience required by the Company as well as the proposed candidates' diversity of background.

**Recommendation 2.3:** *A listed entity should disclose:*

- (a) The names of the Directors considered by the board to be Independent Directors;*
- (b) If a Director has an interest, position, association or relationship that might cause doubts about their independence as a director but the board is of the opinion that their independence isn't compromised, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and*
- (c) The length of service of each Director.*

The current Board composition includes 3 Non-executive Directors (none of which are considered independent). The Board has considered the guidance to Principle 2 and in particular the relationships affecting independent status. In its assessment of independence, the Board considers all relevant facts

## Corporate Governance Statement

### For the year ended 30 June 2015

and circumstances. Relationships that the Board will take into consideration when evaluating independence are whether a Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another Company member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or another Company member other than as a Director.

Mr King has a material contractual relationship with the Company other than as a Director. Mr King is a Director of Grange Consulting Group Pty Ltd, and this company provides material professional advice to the Company via contractual engagements. Under these contracts, Grange Consulting provide ongoing company secretarial and corporate advisory services to the Company. Further, Mr King holds more than 5% of the shares in the Company, therefore deeming him to be not independent. Mr Worland and Mr Church each hold more than 5% of the shares in the Company, therefore deeming them to be not independent.

Details of each Director's backgrounds including experience, knowledge and skills are set out in the Directors Report of this Annual Report.

**Recommendation 2.4:** *A majority of the board of a listed entity should be Independent Directors.*

The Board does not comprise of a majority of independent Directors. The current Board composition includes 3 Non-Executive Directors. The Board considers the wide commercial and technical experience the Board brings will assist the Company in meeting its corporate objectives and due to the limited size and complexity of the Company's operations, a majority of independent directors is not required. This will be reviewed as the Company develops.

**Recommendation 2.5:** *The chair of the board of a listed entity should be an Independent Director and, in particular, should not be the same person as the CEO of the entity.*

The Company does not have a Chief Executive Officer. Due to the limited size and complexity of the Company's operations, the Board does not deem it necessary to appoint a Chief Executive Officer at the current time.

The Chairman, Mr Jeremy King is not independent. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to require an Independent Chairman. This will be reviewed as the Company develops.

## Corporate Governance Statement

### For the year ended 30 June 2015

**Recommendation 2.6:** *A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.*

The Board is responsible for conducting new Director inductions. The process for this is outlined in 2.1 above. Professional development opportunities are considered on an individual Director basis, with opportunities provided to individual Directors where appropriate.

#### **PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY**

*A listed entity should act ethically and responsibly.*

**Recommendation 3.1:** *A listed entity should:*

- (a) Have a code of conduct for its Directors, senior executives and employees; and*
- (b) Disclose that code or a summary of it.*

The Company recognises the importance of establishing and maintaining high ethical standards and decision making in conducting its business and is committed to increasing shareholder value in conjunction with fulfilling its responsibilities as a good corporate citizen. All Directors, managers and employees are expected to act with the utmost integrity, honesty and objectivity, striving at all times to enhance the reputation and performance of the Company.

The Company has established a Code of Conduct which can be viewed on its website. Unethical practices, including fraud, legal and regulatory breaches and policy breaches are required to be reported on a timely basis to management.

#### **PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

*A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.*

**Recommendation 4.1:** *The board of a listed entity should:*

- (a) Have an audit committee which:*
  - (1) Has at least three members, all of whom are Non-executive Directors and a majority of whom are Independent Directors; and*
  - (2) Is chaired by an Independent Director, who is not the chair of the board, and disclose:*
    - (3) The charter of the committee;*
    - (4) The relevant qualifications and experience of the members of the committee; and*
    - (5) In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) If it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

The Directors do not view that the size of the Company warrants a separate Audit Committee.



## Corporate Governance Statement

### For the year ended 30 June 2015

All matters that might properly be dealt with by the Audit & Risk Committee are dealt with by the full Board. The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Company is of sufficient size to justify the appointment of additional Directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive.

As the operations of the Company develop, the Board will reassess the formation of an Audit Committee.

The Company's Corporate Governance Plan includes an Audit and Risk Committee Charter, which discloses its specific responsibilities, and processes for safeguarding the integrity of its corporate reporting. The Charter for this committee is disclosed on the Company's website.

**Recommendation 4.2:** *The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

In accordance with Recommendation 4.2 and Section 295A of the *Corporations Act 2001* the Board receives a signed declaration from the CFO and Managing Director prior to the approval of the Company's financial statements.

**Recommendation 4.3:** *A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer any questions from security holders relevant to the audit.*

The Company welcomes the attendance of its auditor at its Annual General Meeting.

#### **PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE**

*A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.*

**Recommendation 5.1:** *A listed entity should:*

- (a) Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and*
- (b) Disclose that policy or a summary of it.*

The Company has established policies and procedures to ensure timely disclosure of all material matters and ensure that investors have access to information on financial performance. This ensures the Company is compliant with the information disclosure requirements under the ASX Listing Rules. The policies and procedures include a Continuous Disclosure Policy that includes identification of matters that may have a material impact on the price of the Company's securities, notifying them to the ASX, posting relevant information on the Company's website and issuing media releases.

Matters involving potential market sensitive information must first be reported to the Managing Director (or in the absence of a Managing Director, the Chair) either directly or via the Company Secretary. The Managing Director/Chair will advise the Board if the issue is important enough and if



## Corporate Governance Statement

### For the year ended 30 June 2015

necessary seek external advice. In all cases the appropriate action must be determined and carried out in a timely manner in order for the Company to comply with the Information Disclosure requirements of the ASX.

Once the appropriate course of action has been agreed upon, either the Managing Director/Chair or Company Secretary will disclose the information to the relevant authorities, being the only authorised officers of the Company who are able to disclose such information. Board approval is required for market sensitive information such as financial results and material transactions.

A copy of the Continuous Disclosure Policy is available on the Company's website. The Board receives regular reports on the status of the Company's activities and any new proposed activities. Disclosure is reviewed as a routine agenda item at Board meetings.

#### **PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS**

*A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.*

**Recommendation 6.1:** *A listed entity should provide information about itself and its governance to investors via its website.*

In line with adherence to the continuous disclosure requirements of the ASX all shareholders are kept informed of major developments affecting the Company. This disclosure is through regular shareholder communications including the Annual Report, Half Yearly Report, the Company website and the distributions of specific releases covering major transactions and events or other price sensitive information.

The Company values its relationship with shareholders and understands the importance of communication with them in accordance with the requirements of the ASX. To keep shareholders informed, the Company maintains a website at [www.continuationinvestments.com.au](http://www.continuationinvestments.com.au)

**Recommendation 6.2:** *A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

The Company has formulated a Security Holder Communication Policy which can be viewed on the Company's website.

**Recommendation 6.3:** *A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

The Company's Security Holder Communication Policy addresses security holder attendance at Security Holder Meetings.

**Recommendation 6.4:** *A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

The Company encourages the use of electronic communication and offers Security Holders the option to receive and send electronic communication to the Company and its share registry where possible.

#### **PRINCIPLE 7: RECOGNISE AND MANAGE RISK**

*A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.*

## Corporate Governance Statement

### For the year ended 30 June 2015

**Recommendation 7.1:** *The board of a listed entity should:*

- (a) Have a committee or committees to oversee risk, each of which:*
  - (1) Has at least three members, a majority of whom are Independent Directors; and*
  - (2) Is chaired by an Independent Director, and disclose:*
  - (3) The charter of the committee;*
  - (4) The members of the committee; and*
  - (5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Directors do not view that the size of the Company warrants a separate Risk Committee. All matters that might properly be dealt with by the Risk Committee are dealt with by the full Board. The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Company is of sufficient size to justify the appointment of additional Directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive.

The Board is responsible for overseeing the establishment and implementation of effective risk management and internal control systems to manage the Company's material business risks and for reviewing and monitoring the Company's application of those systems.

Major risk categories reported include operational risk, environmental risk, sustainability, statutory reporting and compliance, financial risks (including financial reporting, treasury, information technology and taxation), and market related risks.

The Company's Corporate Governance Plan includes a Risk Management Policy. This can be viewed on the Company website.

**Recommendation 7.2:** *The board or a committee of the board should:*

- (a) Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and*
- (b) Disclose, in relation to each reporting period, whether such a review has taken place.*

The Boards responsible for reviewing the Company's risk management framework. Risk framework reviews may occur more or less frequently than annually as necessitated by changes in the Company and its operating environment.

A risk framework review has not taken place during the transitional financial year ended 30 June 2015.

A risk framework review is expected to be performed during the Company's financial year ending 30 June 2016.

## Corporate Governance Statement

### For the year ended 30 June 2015

**Recommendation 7.3:** *A listed entity should disclose:*

- (a) If it has an internal audit function, how the function is structured and what role it performs; or*
- (b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk and internal control processes.*

Given the Company's size and current stage of development it does not have an internal audit function.

As set out in Recommendation 7.1, the Board is responsible for overseeing the establishment and implementation of effective risk management and internal control systems to manage the Company's material business risks and for reviewing and monitoring the Company's application of those systems.

**Recommendation 7.4:** *A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The Audit and Risk Committee Charter requires the Audit and Risk Committee (or in its absence the Board) to assist management to determine whether the Company has any material exposure to economic, environmental and social sustainability risks, and, if it does, how it manages or intends to manage those risks. The Company discloses this information in its Annual Report.

#### **PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY**

*A listed entity should pay director remuneration sufficient to attract and retain high quality Directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.*

**Recommendation 8.1:** *The board of a listed entity should:*

- (a) Have a remuneration committee which:*
  - (1) Has at least three members, a majority of whom are Independent Directors; and*
  - (2) Is chaired by an Independent Director, and disclose:*
    - (3) The charter of the committee;*
    - (4) The members of the committee; and*
    - (5) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

As previously stated in Principle 2, the Board is currently not of a relevant size that justifies the formation of a separate Remuneration & Nomination Committee. Matters typically dealt with by such a committee detailed in a separate charter including the processes to set the level and composition of

## Corporate Governance Statement

### For the year ended 30 June 2015

remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive, are dealt with by the Board of Directors. A copy of the charter is set out on the Company website.

**Recommendation 8.2:** *A listed entity should separately disclose its policies and practices regarding the remuneration of Non-executive Directors and the remuneration of Executive Directors and other senior executives.*

The Company's policies and practices regarding the remuneration of executive and Non-executive Directors and other senior executives are disclosed in the Company's Annual Report.

**Recommendation 8.3:** *A listed entity which has an equity-based compensation remuneration scheme should:*

- (a) *Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- (b) *Disclose that policy or a summary of it.*

The Company has no equity based compensation schemes.

## ASX Additional Information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

### 1. Substantial Shareholders

The number of substantial shareholders and their associates are set out below:

Shareholders	Number of Shares
Mr Jason Peterson & Mrs Lisa Peterson <J & L Peterson S/F A/Cc>	3,061,420
Bushwood Nominees Pty Ltd	2,039,171
Mr David Church	1,944,872

### 2. Voting Rights

#### Ordinary Shares

At a general meeting, on a show of hands, every ordinary member present in person shall have one vote for every share held. Proxies present at the meeting are not entitled to vote on a show of hands, but on a poll have one vote for every share held.

#### On-Market Buy Back

There is no current on-market buy back.

### 3. Distribution of Equity Security Holders

Holding	Number of Shareholders	Number of Shares
1 - 1,000	43	6,735
1,001 - 5,000	120	359,933
5,001 - 10,000	52	368,432
10,001 - 100,000	56	2,015,235
100,000 and over	54	24,615,042
	<b>325</b>	<b>27,365,377</b>

There were 37 holders of less than a marketable parcel of ordinary shares as at 5 August 2015.

## Members Information

Top 20 Shareholders as at 5 August 2015

	Name	Number of Shares	%
1	Mr Jason Peterson & Mrs Lisa Peterson <J&L Peterson S/F A/C>	3,061,420	11.19
2	Bushwood Nominees Pty Ltd	2,039,171	7.45
3	Mr David Samuel Church	1,944,872	7.11
4	KO Nominees Pty Ltd <The Oldfield Knott Unit A/C>	1,136,235	4.15
5	Badlands Super Pty Ltd <Thunder Road Super Fund A/C>	931,962	3.41
6	Mr Stephen Tomsic	825,000	3.01
7	Colorado Investments Pty Ltd <Tarzali Superfund A/C>	816,441	2.98
8	Barclay Wells <Nominee A/C>	765,402	2.80
9	Mr Andrew John Worland	757,888	2.77
10	Citicorp Nominees Pty Ltd	657,950	2.40
11	Nefco Nominees Pty Ltd	625,000	2.28
12	Mrs J Chiu-Yueh Hsu & Mr S Chia-Kuei Hsu <Kingbird Super A/C>	607,359	2.22
13	Sean Timothy Keenan	525,000	1.92
14	Mr Jeremy Philip King	452,867	1.65
15	Ms Anna Louise Coxon <The Czislowski A/C>	450,000	1.64
16	Pheakes Pty Ltd <Senate A/C>	447,372	2.25
17	Mrs Alison Jill Dennis	400,000	1.46
18	Oldfield Knott Architects Pty Ltd <Oldfield Knott S/F A/C>	375,000	1.37
19	Moosehead Pty Ltd	375,000	1.37
20	Cornela Pty Ltd <Ian Macliver Super Fund A/C>	357,898	1.31
		<b>17,551,837</b>	<b>64.14</b>

## Members Information (continued)

### Registry

Share registry functions are maintained by Automic Share Registry and their details are as follows:

Level 1  
7 Ventnor Avenue  
Perth WA 6872  
Shareholder enquiries telephone: (08) 9324 2099

### Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited.

### Corporate Governance

The Company has followed all applicable best practice recommendations set by ASX Corporate Governance Council during the reporting period, unless otherwise stated.

Unlisted Options as at 5 August 2015.

	<b>Name</b>	<b>Number of Options</b>	<b>%</b>
1	Mr Jeremy King	1,250,000	55.56
2	Mr Andrew Worland	1,000,000	44.44
	<b>Total</b>	<b>2,250,000</b>	<b>100.00</b>