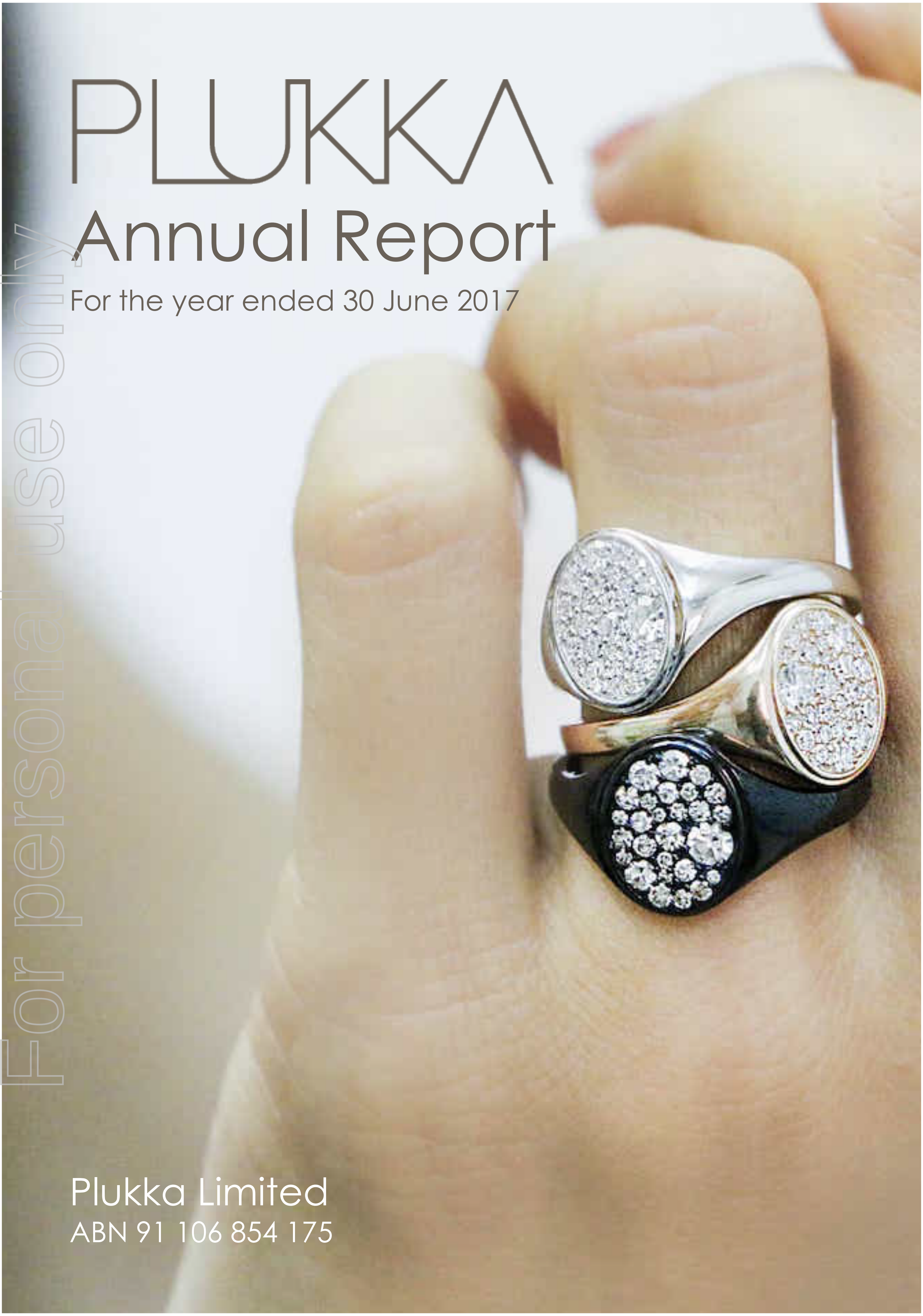
PLUKKA

Annual Report

For the year ended 30 June 2017



Plukka Limited

ABN 91 106 854 175

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CORPORATE DIRECTORY

Directors	Andrew Worland, Chairman Natalia Obolensky, Managing Director Charly Duffy, Non-executive Nirav Mehta, Non-executive
Company Secretary	Charly Duffy
Registered Office	Coghlan, Duffy & Co Level 42 Rialto South Tower 525 Collins Street Melbourne Victoria 3000
Share Registry	Automic Registry Services Level 2, 267 St Georges Terrace PERTH WA 6000
Auditor	RSM Australia Partners Level 32 Exchange Tower, 2 Esplanade Perth WA 6000
Securities Exchange Listing	Australian Securities Exchange Limited (ASX: PKA)
Website	www.plukka.com
Place of incorporation	Australia

PLUKKA
FINE JEWELLERY

DIRECTORS' REPORT

The Directors of Plukka Limited ("Plukka" or the "Company") present their report together with the financial statements of the consolidated entity, being Plukka and its controlled entities (the "Group" or "consolidated entity") for the year ended 30 June 2017.

Directors' Details

The following persons were Directors of Plukka during or since the end of the financial year:

Director	**Andrew Worland**
Appointment	Chairman 31 January 2017 Non-executive director since 8 March 2012
Qualifications	B. Commerce (UWA), Fellow of Australian Institute of Corporate Governance
Biography	Mr Worland has over 20 years experience in executive corporate and financial roles in ASX and TSX listed companies including entities that were grown from initial public offerings to significant operating businesses capitalised in the 100's of millions of dollars.
Other current listed company directorships	-
Former listed public company directorships (last three years)	-
Interest in ordinary shares	1,453,638
Interest in options / performance rights	875,000 options exercisable at $0.20 per share expiring 1 December 2018

Director	**Natalia Obolensky**
Appointment	Managing Director Appointed 29 April 2016
Qualifications	MBA (Insead)
Biography	Ms Obolensky was appointed Chief Operating Officer of Plukka in January 2016 and Managing Director in April 2016. Natalia has a strong history in business creation in growth markets having spent over five years with global management consultancy firm Bain & Co where she advised on corporate, finance, marketing, business development and organisational change for multi-national clients. Most recently Natalia was the founder and CEO of City Swish in London – an on demand beauty service business that was sold to a competitor in early 2016.
Other current listed company directorships	-
Former listed public company directorships (last three years)	-
Interest ordinary shares	3,244,374
Interest in options / performance rights	9,660,518 performance rights

Director	Charly Duffy
Appointment	Non-executive director, Company Secretary Appointed 2 December 2015
Qualifications	Bachelor of Laws
Biography	Ms Duffy is a qualified and practising corporate and commercial lawyer with ten years of private practice experience in equity capital markets, mergers and acquisitions, corporate governance, IPO, secondary capital raisings, business and share sale transactions, takeovers, financing, ASIC and ASX compliance and all aspects of general corporate and commercial law. Charly is the director and principal of cdPlus Corporate Services Pty Ltd and Coghlan Duffy & Co Pty Ltd.
Other current listed company directorships	-
Former listed public company directorships (last three years)	Zyber Holdings Limited, 1 February 2016 – 25 November 2016
Interest in ordinary shares	100,000
Interest in options / performance rights	-

Director	Nirav Mehta
Appointment	Non-executive director Appointed 6 March 2017
Qualifications	BS Finance
Biography	Mr Mehta is CEO of Treliss Worldwide Inc, one of the world's largest diamond and fine jewellery manufacturers and distributors. It forms part of a global network that employs over 1,200 people and has an annual turnover of several hundred million USD. Nirav has over 15 years of experience across various industries such as banking, pharmaceutical and diamond and jewellery manufacturing. He brings significant global industry expertise and knowledge around the sourcing and polishing of diamonds, manufacturing of jewellery, brand strategy and distribution. Prior to his involvement in the Treliss group, Nirav worked in investment banking and subsequently was part of two successful start-ups in the the biotech/pharmaceutical industry.
Other current listed company directorships	Nil
Former listed public company directorships (last three years)	Nil
Interest in ordinary shares (indirect)	20,963,531
Interest in options / performance rights	Nil

On 31 January 2017 Mr Francis Gouten resigned as Chairman of the board of directors. Francis was appointed Chairman on 3 December 2015 and has over 35 years of experience in the luxury goods business being formerly the marketing manager with Cartier International, CEO of Cartier Asia and General Manager of Cartier France. At the date of his departure Francis

owned 1,500,000 options in Plukka exercisable at $0.20 per share on or before 1 December 2018. As a result of his departure 1,000,000 of those options were cancelled pursuant to vesting conditions not being met.

On 3 September 2016 Ms Joanne Ooi resigned as an executive director of Plukka. Joanne was a founder of Plukka. At the date of her departure Joanne owned 10,357,340 ordinary shares in Plukka and 9,000,000 performance rights subject to certain performance milestones.

Company Secretary

Charly Duffy was appointed Company Secretary on 3 December 2015.

Principal Activities

Plukka is an international omni channel fine jewellery retailer of creative fine jewellery offering exclusive and proprietary pieces through its online platform at www.plukka.com , offline events, and partnerships and Hong Kong flagship locations.

Review of Operations and Financial Results

The Company's net loss after income tax was $4,510,981 (2016: $9,468,973).

Sales income for the financial year, in Australian dollars, was $1,736K, down from 2016 of $1,880K and consisted of online sales of US$260K and events sales of US$770K with boutique sales in the UK, Hong Kong and NYC making up the remainder. The online sales performance for the financial year ending June 2017, representing the scalable part of Plukka's business, represents an increase of ~30% over online sales during the prior financial year. Online performance in 2017 steadily improved with improvements to the Plukka website, a simplified and more curated product offering, more attractive pricing through focus on Plukka branded product and continued technical improvements in SEO, digital marketing and optimised paid search. These improvements are expected to continue and accelerate with the launch of a newly optimised website in September 2017.

Over the past twelve months, management has improved the Plukka business model by embracing a 'mine to market' strategy that allows Plukka to have more control over its supply chain, improving quality assurance, enabling it to react faster to market trends and significantly cutting costs. In March 2017 Plukka announced the signing of a two-year USD$1M revolving inventory facility agreement with NYC based jewellery manufacturer, Treliss Worldwide Inc. (**Treliss**). The facility provides Plukka with capability of expanding its revenue base significantly quicker than it would otherwise be capable of by allowing Plukka to take control of its supply chain without incurring significant investments in inventory, focusing on building exclusive positions in the marketplace, and expanding its distribution to third parties.

In partnership with Treliss, Plukka has focussed on establishing various new distribution channels, including a wholesale business model that, if successful, would increase the top and bottom-line financials, drive revenues in the retail business and also decrease the business's current dependence on events-based revenue.

Plukka continues to take measures to reduce its spending whilst exploring ways in which it can grow the online business and steer away from events based revenue and offline boutiques. A successful wholesale business model could constitute a significant portion of revenues, and reinforce the direct-to-consumer offering through the retail boutiques and the e-commerce platform. This strategy is in line with the ongoing negotiations with individual designers, who would feature alongside Plukka's own-brand product in the wholesale contracts. These designers will ensure the Plukka product offering remains both diverse but relevant to the consumer base, and allows Plukka to reach out to different distributors globally with individually tailored packages.

The loss from ordinary activities attributable to members of $4,384,986 (2016: $9,321,106) is made up of:

- Gross margin on sales revenue of $602,068 (2016: $756,267).
- Other income of $7,608 (2016: $1,509,052). The prior year comparative included a one off debt forgiveness of $1,473,663 owed by TCH to Value Train Investments Limited that was forgiven on completion of the acquisition of TCH by Plukka.
- Marketing, operations, administration and corporate overhead expenses of $3,882,135 (2016: $5,254,240) reflects the operating costs associated with managing the Plukka business and includes all marketing expenses associated with online and offline sales revenue, salaries and wages and Australian listing overheads, depreciation charges and impairments to the value of plant and equipment. The substantial decrease in the current financial year reflects the business restructure changes implemented by management to reduce personnel costs, reduce offline boutique operating costs and improve the nature of marketing expenditure.
- Restructuring expenses of $(96,202) (2016: $464,931). The prior year comparative included the opening of the Chater House boutique in Hong Kong, termination of the planned Peninsula Hotel boutique in Kowloon.

- Relisting expenses totalling $nil (2016: $2,771,474). The prior year comparative represented the excess of consideration paid by TCH (as the accounting acquirer) over the fair value of the net assets acquired from Plukka (previously Continuation Investments Limited).
- Share based payments expense of $642,056 (2016: $2,441,637) represents the value attributable to the issue to, and the conversion of, performance rights by employees during the current financial year. The prior year comparative includes $2,215,800 incurred as part of the issue of Plukka securities on the acquisition of TCH and further share based payments expenses to new employees subsequent to the acquisition.
- Borrowing fees of $545,052 (2016: $nil) representing the accounting of the issue of shares to Treliss during the financial year.

The Company incurred $125,995 (2016: $147,867) in foreign currency losses relating to the financial position of the entities established in the USA, UK and Hong Kong. This represents the unrealised gains and losses of the monetary assets and liabilities at the reporting date.

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the Company are discussed under Review of Operations and Financial Results above.

Dividends

No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.

Events Arising Since the End of the Reporting Period

None noted.

Likely Development, Business Strategies and Prospects [1]

The luxury goods market for jewellery saw slowing growth down to 1.5-2% in 2016, a trend which has continued in the first half of 2017, is expected to continue during 2017.and has disproportionately affected the higher end retailers according to luxury reports from both McKinsey and Bain & Company. This was driven by a 2% decline in the global personal luxury goods market in China, 3% decline in the rest of Asia and 3% decline in the Americas. Given that the Chinese consumer has been the unique market growth driver since 2012, the reduction in Chinese spending has led to stagnation and contraction in 2016. In the longer term, jewellery is still expected to increase in relative importance at the expense of clothing, as urban consumers (particularly as more high income households appear in China and India) are able to redirect share-of-wallet from basic needs to discretionary items such as jewellery. Similarly, online and digital consumption has now reached 7% penetration across luxury goods and now constituting one of the largest markets in the world after the USA.

Despite the significant improvements in the Plukka business model in the past twelve months, 2017/2018 revenue growth forecasts remain modest. In August 2017, the Company announced its intention to consider a divestment of a majority interest in the operating business. The Company continues to take measures to reduce spending, including by reducing personnel, whilst growing the online business and steering away from events based revenue and offline boutiques. Plukka intends closing the Burlington Arcade boutique in London during September 2017.

Directors' Meetings

The number of Directors Meetings (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director is as follows:

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1 Refer McKinsey Report, "The State of Fashion", 2017 and Altagamma and Bain, WorldWide Luxury Markets Monitor (October 2016)

Directors name	Attended	Entitled to Attend
Andrew Worland	17	17
Natalia Obolensky	17	17
Charly Duffy	16	17
Nirav Mehta	4	4
Francis Gouten	9	9
Joanne Ooi	3	5

The functions of the Audit and Risk Committee and Remuneration and Nomination Committee are carried out by the full board of directors.

Unissued Shares Under Option

Unissued ordinary shares of Plukka under option at the date of this report are:

Date options granted	Expiry date	Exercise price of shares ($)	Number of options
25 November 2015	4 December 2018	0.20	10,000,000
28 January 2016	28 January 2019	0.20	540,000

A total of 10,540,000 options are on issue at the date of this report. During the financial year 1,000,000 options issued to a director lapsed upon his resignation from the Board of Directors. No options were issued, exercised or lapsed during the year or subsequent to year end.

Performance Rights

A total of 29,195,518 performance rights are on issue at the date of this report.

During the financial year 2,162,916 performance rights were exercised into 2,162,916 ordinary shares in Plukka and a further 6,005,994 performance rights were issued. Subsequent to year end and to the date of this report a further 1,582,458 performance rights were exercised whilst 5,504,994 performance rights lapsed.

Holder	Number on issue at beginning of year	Issued to employees	Exercised	Lapsed	Number on issue at the date of this report
Natalia Obolensky	12,904,892	-	(3,244,374)	-	9,660,518
Joanne Ooi	9,000,000	-	-	-	9,000,000
Other	10,535,000	-	-	-	10,535,000
Employees	-	6,005,994	(501,000)	(5,504,994)	-
	32,439,892	**6,005,994**	**(3,745,374)**	**(5,504,994)**	**29,195,518**

Performance rights on issue at the date of this report are detailed below:

Performance Rights	Grant date	Expiry Date	Conditions of Exercise	Number of Performance Rights
Tranche 1	25 November 2015	4 December 2017	Achievement of sales revenue during any three month reporting period that ends on or prior to the date two years after completion of the transaction that equals or exceeds AU$2.5 million.	7,000,000
	3 March 2016	4 December 2017		2,138,714
Tranche 2	25 November 2015	4 December 2017	20-day volume weighted average price of Plukka shares on the ASX equals or exceeds AU$0.50 at any time within two years from the date of completion of the transaction.	6,267,500
	3 March 2016	4 December 2017		2,138,714
Tranche 3	25 November 2015	4 December 2017	Achievement of consolidated EBIT by the Company during any three month reporting period that ends on or prior to the date three years after completion of the transaction that equals or exceeds A$1.25 million.	6,267,500
	3 March 2016	4 December 2017		2,138,714
Time based performance rights	3 March 2016	3 March 2019	On each three month anniversary commencing 14 April 2016, 540,729 time based performance rights vest and are convertible into shares in the Company.	3,244,376
				29,195,518

Remuneration Report (Audited)

The Directors of the Group present the Remuneration Report for non-executive directors, executive directors and other Key Management Personnel ("KMP"), prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*. No persons outside the directors were considered KMP during the financial year.

The Remuneration Report is set out under the following main headings:

a. Principles used to determine the nature and amount of remuneration
b. Details of remuneration
c. Service agreements
d. Share-based remuneration;
e. Bonuses included in remuneration; and
f. Other information

a. Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel. The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The remuneration framework is designed to align executive reward to shareholders' interests. The Board considers that it should seek to enhance shareholders' interests by:

- implementing coherent remuneration policies and practices to attract, motivate and retain executives and directors who will create value for shareholders and who are appropriately skilled and diverse;
- observing those remuneration policies and practices;
- fairly and responsibly rewards executives having regard to Group and individual performance, the performance of the executives and the general external pay environment; and
- integrating human capital and organisational issues into its overall business strategy.

Additionally, the remuneration framework must refer to the following principles when developing recommendations to the Board regarding executive remuneration:

- motivating management to pursue the Group's long-term growth and success;
- demonstrating a clear relationship between the Group's overall performance and the performance of individuals; and
- complying with all relevant legal and regulatory provisions.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which may have both fixed and variable components. In respect of executive remuneration, remuneration packages should include an appropriate balance of fixed and performance-based remuneration and may contain any or all of the following:

Fixed remuneration

Any fixed remuneration component should:

- be reasonable and fair;
- take into account the Group's legal and industrial obligations and labour market conditions;
- be relative to the scale of the Group's business; and
- reflect core performance requirements and expectations;

Performance-based remuneration

Any performance-based remuneration should:

- take into account individual and corporate performance; and
- be linked to clearly-specified performance targets, which should be:
- aligned to the Group's short and long-term performance objectives; and
- appropriate to its circumstances, goals and risk appetite;

Equity-based remuneration

Equity-based remuneration can include options or performance rights or shares and is especially effective when linked to hurdles that are aligned to the Group's longer-term performance objectives. However, they should be designed so that they do not lead to 'short-termism' on the part of senior executives or the taking of undue risks. The Board is of the opinion that the adoption of performance-based compensation for executives is necessary to reward executives consistent with increases in shareholder returns.

Termination payments

Termination payments should be agreed in advance, and any agreement should clearly address what will happen in the case of early termination. There should be no payment for removal for misconduct.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

In respect of non-executive director remuneration, remuneration packages could contain cash fees, superannuation contributions and non-cash benefits in lieu of fees (such as salary sacrifice into superannuation or equity) and may contain any or all of the following:

- fixed remuneration – this should reflect the time commitment and responsibilities of the role;
- performance-based remuneration – non-executive directors should not receive performance-based remuneration as it may lead to bias in their decision-making and compromise their independence;
- equity-based remuneration – non-executive directors can receive an initial allocation of fully-paid ordinary securities if shareholders have approved such an allocation in accordance with the ASX Listing Rules. However, non-executive directors generally should not receive performance shares as part of their remuneration as it may lead to bias in their decision-making and compromise their independence; and
- termination payments – non-executive directors should not be provided with retirement benefits other than superannuation.

ASX Listing Rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The maximum aggregate remuneration payable to non-executive directors currently stands at $500,000 per annum.

b. Details of remuneration

Details of the nature and amount of each element of the remuneration of each KMP of Plukka are shown in the table below:

			Short term benefits		Post employment benefits	Long-term benefits	Share- based payments			
Director and other KMP	**Year**	**Cash salary and fees**	**Other fees**	**Non-monetary benefits**	**Super**	**Long service leave**	**Termination benefits**	**Options / Performance Rights / Shares**	**Total**	**Performance based % of remuneration**
Executive Directors										
Natalia Obolensky[2]	2017	282,691	-	19,204	3,073	-	-	603,461	908,429	66%
	2016	22,780	-	-	797	-	-	169,086[1]	192,663	87%
Joanne Ooi[3]	2017	61,451	-	-	1,536	-	-	-	62,987	-
	2016	113,280	14,160	-	1,859	-	-	-	129,299	-
Sub-total	2017	344,142	-	19,204	4,609	-	-	603,461	971,416	
	2016	136,060	14,160	-	2,656	-	-	169,086	321,962	
Non-Executive Directors										
Andrew Worland	2017	24,000	-	-	2,280	-	-	-	26,280	-
	2016	31,000	-	-	1,995	-	-	175,000	207,995	84%
Charly Duffy	2017	26,000	-	-	2,470	-	-	-	28,470	-
	2016	14,000	-	-	1,330	-	-	-	15,330	-
Nirav Mehta [4]	2017	4,000	-	-	-	-	-	-	4,000	-
	2016	-	-	-	-	-	-		-	-
Francis Gouten [5]	2017	12,000	-	-	-	-	-	-	12,000	-
	2016	21,000	-	-	-	-	-	300,000	321,000	93%

1 Prior to her appointment as a Director, Natalia Obolensky was paid additional remuneration, including the issue of 12,904,892 Performance Rights, pursuant to her initial employment contract relating to her role as COO.

2 Appointed Managing Director on 29 April 2016. Equity issued to Ms Obolensky is time based and was valued at the date of award in March 2016 based on the Company's ASX trading values at that time including a share price of $0.17 per share.

3 Terminated 2 September 2016

4 Appointed 6 March 2017

5 Resigned 31 January 2017

			Short term benefits	Post employment benefits		Long-term benefits	Share- based payments			
Director and other KMP	**Year**	**Cash salary and fees**	**Other fees**	**Non-monetary benefits**	**Super**	**Long service leave**	**Termination benefits**	**Options / Performance Rights / Shares**	**Total**	**Performance based % of remuneration**
Jeremy King	2016	5,000	-	-	-	-	-	250,000	255,000	98%
David Church	2016	25,000	-	-	-	-	-	175,000	200,000	88%
Sub-total	2017	66,000	-	-	4,750	-	-	70,750	70,750	
	2016	96,000	-	-	3,325	-	-	900,000	999,325	
Total	2017	410,142	-	19,204	9,359	-	-	603,461	1,042,166	
	2016	232,060	14,160	-	5,981	-	-	1,069,086	1,321,287	

The relative proportions of remuneration for current directors and other KMP that are linked to performance and those that are fixed are as follows:

Director and other KMP	Fixed remuneration per year per service agreement $	At risk: Short Term Incentives (STI) $	At risk: options / performance rights / shares
Executive Directors			
Natalia Obolensky	315,000	-	603,461
Non-Executive Directors			-
Andrew Worland	24,000	-	-
Charly Duffy	24,000	-	-
Nirav Mehta	12,000	-	-

Since the long-term incentives have been provided exclusively by way of options or performance rights, the percentages disclosed also reflect the value of remuneration consisting of options or performance rights based on the value of options or performance rights expensed during the year.

c. Service agreements

Non-executive Directors are engaged pursuant to standard non-executive contracts.

The Company's Managing Director Natalia Obolensky has entered an executive services agreement with the Company which was modified by deed in January 2017. Key terms of her employment are:

- Remuneration: US$20,000 (HK$156,000) per month (plus minimum contributions to Mandatory Provident Fund Scheme in accordance with HK regulations).
- Bonus: Subject to the completion of one years' service (which commenced on 3 March 2016 as Chief Operating Officer), an amount equal to one months' salary will be paid on Chinese New Year each year.
- Termination: reciprocal 3 months notice or immediate termination for cause.
- Annual leave: Ms Obolensky is entitled to 25 days of annual leave per year in addition to Hong Kong public holidays.
- Performance Rights: the provisions of Ms Obolensky's prior services agreement relating to the Performance Rights issued to her on 3 March 2016 survive termination of that agreement.
- Redundancy: in the event of redundancy, Ms Obolensky will be entitled to the conversion of such Time Based Rights as pro-rated to the end of the month in which Ms Obolensky is notified of her redundancy.

d. Share-based remuneration

There have been no options or performance rights granted to any Directors or other KMP during the financial year, other than the continuation of the amortisation of the performance rights issued in prior year to the Managing Director.

e. Other information

The number of ordinary shares in the Company held by each of the Director's and other KMP during the 2017 reporting period, including their related parties, is set out below:

	Balance at start of year / date of appointment	Granted as remuneration	Shares issued on exercise of options / performance rights	On market transactions	Other changes	Balance at date of report / date of resignation or termination
Directors						
Andrew Worland	1,267,388	-	-	186,250	-	1,453,638
Natalia Obolensky	-	-	2,162,916		-	2,162,916
Charly Duffy	-	-	-	100,000	-	100,000

	Balance at start of year / date of appointment	Granted as remuneration	Shares issued on exercise of options / performance rights	On market transactions	Other changes	Balance at date of report / date of resignation or termination
Nirav Mehta	-	-	-		-	-
Francis Gouten	-	-	-		-	-
Joanne Ooi	10,357,340	-	-		-	10,357,340

The number of options in the Company held by each of the Directors and other KMP during the 2017 reporting period, including their related parties, is set out below:

	Balance at start of year / date of appointment	Granted as remuneration	Exercised	Lapsed	Balance at date of report / date of resignation or termination
Directors					
Andrew Worland	875,000	-	-	-	875,000
Natalia Obolensky	-	-	-	-	-
Charly Duffy	-	-	-	-	-
Nirav Mehta	-	-	-	-	-
Francis Gouten	1,500,000	-	-	(1,000,000)	500,000
Joanne Ooi	-	-	-	-	-

The number of performance rights in the Company held by each of the Directors and other KMP during the 2017 reporting period, including their related parties, is set out below:

	Balance at start of year / date of appointment	Granted as remuneration	Exercised	Lapsed	Balance at date of report / date of resignation or termination
Directors					
Andrew Worland	-	-	-	-	-
Natalia Obolensky	12,904,892	-	(2,162,916)	-	10,741,976
Charly Duffy	-	-	-	-	-
Nirav Mehta	-	-	-	-	-
Francis Gouten	-	-	-	-	-
Joanne Ooi	9,000,000	-	-	-	9,000,000

Other transactions with Directors or other KMP

The Company has not made any loans to Directors or other KMP during the financial year or prior financial year.

Effective 1 March 2017 Gloster Capital Pty Ltd, a company associated with Andrew Worland, agreed to provide financial reporting services to the Group on a monthly retainer of $3,000. Total transactions during the year amounted to $12,000. At the end of the financial year $9,000 remains outstanding.

During the financial year cdPlus Corporate Services, a company associated with Charly Duffy, provided ongoing company secretarial services to the Company under a monthly retainer of $4,000 (2016: $4,000), legal services associated with the company secretarial services at a discounted hourly rate and incurred associated legal expenses with third party legal firms totalling $57,700 (2016: $2,490) of which $6,662 remains outstanding at year end (2016: $nil).

During the financial year Coghlan & Co, a company associated with Charly Duffy, provided corporate and commercial legal services to the Group amounting to $37,579 (2016: $nil) of which $nil outstanding at year end (2016: $nil).

Directors fees totalling $4,000 owing to Mr Mehta remain outstanding at year end (2016: $nil).

In March 2017 Plukka announced the signing of a two-year USD$1M revolving inventory facility agreement with NYC based jewellery manufacturer, Treliss Worldwide Inc. (**Treliss**), a company associated with Mr Mehta. The facility provided Plukka with capability of expanding its revenue base significantly quicker than it would otherwise be capable of by allowing Plukka to take control of its supply chain without incurring significant investments in inventory, focusing on building exclusive positions in the marketplace, and expanding its distribution to third parties. As consideration for these benefits and the benefit of not having to manufacture and store inventory Plukka issued Treliss 20,963,531 new ordinary shares in the Company and appointed Mr Nirav Mehta a director. As at 30 June 2017 the Company had utilised $279,000 of the facility. At the end of the financial year $40,513 remains outstanding.

Voting and comments made at the Company's 2016 Annual General Meeting (AGM)

At the 2016 AGM, 99.8% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2016. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Additional information

The earnings of the consolidated entity for the last three years to 30 June 2017 are summarised below:

	2017 $	2016 $	2015 $
Sales revenue	1,736,077	1,879,951	1,355,571
EBITDA	(4,249,667)	(9,233,319)	(1,513,400)
EBIT	(4,384,986)	(9,298,926)	(1,553,697)
Loss after income tax	(4,384,986)	(9,321,106)	(1,561,462)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2017	2016	2015
Share price at financial year end ($)	0.007	0.037	0.086
Total dividends declared (cents per share)	-	-	-
Basic earnings per share (cents per share)	(2.77)	(9.61)	(9.89)

No audited information exists prior to the 2015 financial year due to the changes in the controlled entities as a result of the reverse acquisition that occurred in the 2016 financial year.

This concludes the Remuneration Report, which has been audited.

Environmental Legislation

The Company's operations are not subject to any significant environmental regulations. 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.

Indemnities Given to, and Insurance Premiums Paid for, Auditors and Officers

To the extent permitted by law, the Company has indemnified (fully insured) each director and the secretary of the Company for a premium. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings (that may be brought) against the officers in their capacity as officers of the Company or a related body, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of 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 themselves or someone else or to cause detriment to the Company.

No indemnity has been granted to an auditor of the Group in their capacity as auditors of the Group.

Non-audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 19 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in Note 19 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the company or jointly sharing economic risks and rewards.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2017 as required under section 307C of the *Corporations Act 2001* has been received and can be found after this directors' report.

Proceedings on Behalf of Company

At the date of this report there were no leave applications or proceedings brought on behalf of the Company under section 237 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors

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Andrew Worland

Chairman

29 September 2017

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Plukka Limited for the year ended 30 June 2017, 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

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 29 September 2017

TUTU PHONG
Partner

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	2016 $
Revenue			
Sales income	5(a)	1,736,077	1,879,951
Cost of goods sold		(1,134,009)	(1,123,684)
Gross margin		602,068	756,267
Other income	5(a)	7,608	1,509,052
Expenses			
Marketing, operations, administration and corporate overhead	5(b)	(3,882,135)	(5,254,240)
Write off of receivables	5(b)	(7,778)	(182,744)
Restructure expenses	5(b)	96,202	(464,931)
Relisting expenses		-	(2,771,474)
Share based payments expense	13	(642,056)	(2,441,637)
Borrowing fees	15	(545,052)	-
Finance costs		-	(21,768)
Other	5(b)	(13,843)	(449,219)
Total expenses		(4,994,662)	(11,586,013)
Loss before income tax expense		**(4,384,986)**	**(9,320,694)**
Income tax benefit		-	(412)
Loss for the year		**(4,384,986)**	**(9,321,106)**
Other comprehensive loss for the year net of tax			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(125,995)	(147,867)
Other comprehensive loss for the year net of tax		(125,995)	(147,867)
Total comprehensive loss for the year		**(4,510,981)**	**(9,468,973)**
Basic and diluted loss per share from continuing operations (cents per share)	7	(2.77)	(9.61)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	Consolidated 2017 $	2016 $
CURRENT ASSETS			
Cash and cash equivalents	8	1,969,435	4,952,570
Trade and other receivables	9	223,341	218,789
Inventory	10	248,722	346,232
Other current assets	11	217,679	532,563
Total current assets		**2,659,177**	**6,050,154**
NON-CURRENT ASSETS			
Plant and equipment	12	-	453,754
Total non-current assets		**-**	**453,754**
Total assets		**2,659,177**	**6,503,908**
CURRENT LIABILITIES			
Trade and other payables	14	291,326	826,603
Provisions		14,420	-
Total current liabilities		**305,746**	**826,603**
Total liabilities		**305,746**	**826,603**
Net assets		**2,353,431**	**5,677,305**
EQUITY			
Issued capital	15	21,414,394	20,501,646
Reserves	16	1,769,596	1,495,237
Foreign currency translation reserve	16	(423,037)	(297,042)
Accumulated losses		(20,407,522)	(16,022,536)
Equity attributable to owners of the Company		2,353,431	5,677,305
Total equity		**2,353,431**	**5,677,305**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated 2017 $					Consolidated 2016 $				
	Issued capital	**Options & Rights Valuation Reserve**	**Foreign Currency Translation**	**Accumulated losses**	**Total**	**Issued capital$**	**Options & Rights Valuation Reserve$**	**Foreign Currency Translation**	**Accumulated losses**	**Attributable to owners of the parent**
Balance at the beginning of the year	20,501,646	1,495,237	(297,042)	(16,022,536)	5,677,305	5,391,420	-	(149,175)	(6,701,430)	(1,459,185)
Loss after income tax expense for the year	-	-	-	(4,384,986)	(4,384,986)	-	-	-	(9,321,106)	(9,321,106)
Other comprehensive loss for the year	-	-	(125,995)	-	(125,995)	-	-	(147,867)	-	(147,867)
Total comprehensive loss of the year	**-**	**-**	**(125,995)**	**(4,384,986)**	**(4,510,981)**	**-**	**-**	**(147,867)**	**(9,321,106)**	**(9,468,973)**
Issue of shares	-	-	-	-	-	16,312,176	-	-	-	16,312,176
Share issue costs	-	-	-		-	(740,350)	-	-	-	(740,350)
Conversion of performance rights	367,696	-	-	-	367,696	-	-	-	-	-
Share based payments	545,052	274,359	-	-	819,411	(461,600)	1,495,237	-	-	1,033,637
	912,748	**274,359**	**-**	**-**	**1,187,107**	**15,110,226**	**1,495,237**	**-**	**-**	**16,605,463**
Balance at the end of the year	**21,414,394**	**1,769,596**	**(423,037)**	**(20,407,522)**	**2,353,431**	**20,501,646**	**1,495,237**	**(297,042)**	**(16,022,536)**	**5,677,305**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

		Consolidated	
	Note	**2017 $**	**2016 $**
Cash flows from operating activities			
Receipts from customers		1,696,074	1,879,951
Payments to suppliers and employees		(4,530,532)	(6,032,812)
Interest received		724	868
Interest and other finance costs		-	(21,768)
Income taxes paid		-	(412)
Net cash used in operating activities	**8**	**(2,833,734)**	**(4,174,173)**
Cash flows from investing activities			
Proceeds from sale of plant and equipment		4,008	13,000
Purchase of plant and equipment		(3,987)	(475,434)
Acquisition of subsidiary net of cash acquired		-	412,328
Net cash provided by / (used in) investing activities		**21**	**(50,106)**
Cash flows from financing activities			
Proceeds from issue of shares		458,441	10,000,000
Share issue transaction costs		-	(740,350)
Net cash provided by financing activities		**458,441**	**9,259,650**
Net (decrease) / increase in cash and cash equivalents		**(2,375,272)**	**5,035,371**
Cash at the beginning of the financial year		4,952,570	494,701
Effects of exchange rate changes on cash and cash equivalents		(607,863)	(577,502)
Cash at the end of the financial year	**8**	**1,969,435**	**4,952,570**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Plukka Limited and its subsidiaries ("the consolidated entity" or "Group").

1.1. 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 and the Corporations Act 2001, as appropriate for for-profit orientated entities.

Compliance with IFRS

The consolidated financial statements comply with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the consolidated financial statements and notes of Plukka Limited comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

New, revised or amending Accounting Standards and Interpretations adopted

Standards adopted for the first time:

The consolidated entity 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 consolidated entity's financial performance or position.

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

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 24.

Going concern basis of preparation

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

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.

Reverse asset acquisition

On 4 December 2015, the Company acquired 100% of TCH for the issue of 72.735 million (post consolidation) ordinary fully paid shares in Plukka. In conjunction with the Transaction, Plukka Limited undertook 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).

The acquisition has been accounted for using the principles for reverse acquisitions in AASB 3 Business Combinations because, as a result of the Acquisition, the former shareholders of TCH (the legal subsidiary) obtained accounting control of Plukka Limited (the legal parent).

The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations as Plukka was deemed not to be a business for accounting purposes and, therefore, the transaction was not a business combination within the scope of AASB 3. Instead the acquisition has been accounted for as a share-based payment transaction using the principles of share based payment transactions in AASB 2, and in particular the guidance in AASB 2 that any difference in the fair value of the shares issued by the accounting acquirer (TCH) and the fair value of the accounting acquiree's (Plukka Limited) identifiable net assets represents a service received by TCH, including payment for a service of an ASX stock exchange listing.

Accordingly the consolidated financial report of Plukka Limited for the period 1 July 2015 has been prepared as a continuation of the business and operations of TCH. As the deemed accounting acquirer, TCH has accounted for the acquisition from 4 December 2015. To align with the consolidation group, TCH changed its year end to 30 June 2016, therefore the period reported is for twelve months.

The impact of the reverse asset acquisition on each of the primary statements is as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income:

The statement of profit or loss and other comprehensive income for the year ended 30 June 2016 comprises twelve months of TCH and the period since 4 December 2015 of Plukka Limited.

The comparative statement of profit or loss and other comprehensive income for the year ended 30 June 2015 comprises twelve months of TCH.

Consolidated Statement of Financial Position:

The statement of financial position as at 30 June 2016 represents both Plukka Limited and TCH.

Consolidated Statement of Changes in Equity:

The statement of changes in equity for the year ended 30 June 2016 comprises TCH's equity balance at 1 July 2015, its loss for the period and transactions with equity holders for the twelve months. It also comprises Plukka Limited's transactions with equity holders since the 4 December 2015 acquisition date and the equity balances of Plukka Limited and TCH as at 30 June 2016.

Consolidated Statement of Cash Flows:

The statement of cash flows for the year ended 30 June 2016 comprises twelve months of TCH and the period from the acquisition date 4 December 2015 of Plukka Limited.

References throughout the financial statements to "reverse asset acquisition" are in reference to the above accounting treatment.

1.2. Principle of consolidation

The consolidated financial statements incorporates the assets and liabilities of all subsidiaries of Plukka Limited ("Company" or "Parent Entity") as at 30 June 2017 and the results of all subsidiaries for the year then ended. Plukka Limited and its subsidiaries together are referred to in these financial statements as the "consolidated entity".

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

Has power over its investee;

- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its powers to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the consolidated entity's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the consolidated entity are eliminated in full on consolidation.

1.3. Foreign currency translation

Presentation currency

The consolidated financial statements are presented in Australian dollars.

Functional currency

The individual financial statements of each entity in the consolidated entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of these financial statements, the results and financial position of the consolidated entity are expressed in Australian dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

1.4. Revenue recognition

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

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest income

Interest income is recognised using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

1.5. Income tax

Current 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

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.

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.

1.6. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1.7. Trade receivables

Trade receivables, which generally have 30-90 day terms, are initially recognised at fair value and are subsequently carried at amortised cost amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

1.8. Inventories

Finished goods are stated at the lower of cost and net realisable value.

Cost is calculated on specific identification basis as appropriate and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year the write-down or loss occurs.

1.9. Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Plant and equipment are depreciated or amortised on a reducing balance or straight line basis at rates based upon their expected useful lives as follows:

- Leasehold improvements – over the lease term
- Furniture, fixtures and equipment – 4 – 5 years
- Computer equipment – 3 years

Leasehold improvements under lease are depreciated over the unexpired period of the lease or estimated useful life of the assets, whichever is shorter.

Depreciation is recognised so as to write off the cost less their residual values over their useful lives. The estimated residual value of plant and equipment has been assessed to be zero. The depreciation method is reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation rate and methods shall be reviewed at least annually and, where changed, shall be accounted for as a change in accounting estimate. Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method. Depreciation recognised in prior financial years shall not be changed, that is, the change in depreciation rate or method shall be accounted for on a "prospective" basis.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. Gains and losses on disposals are determined by comparing proceeds with carrying amount.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

1.10. Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

1.11. Operating leases

Operating leases payments, net of any incentives received from the lessor, under which the lessor effectively retains substantially all such risks and benefits, are charged to profit or loss on a straight-line basis over the term of the lease.

1.12. Trade payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

1.13. 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.

1.14. Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

1.15. Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

1.16. Impairment of non-financial assets

Assets that have finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The consolidated entity conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors such as changes in technology and economic conditions are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the assets recoverable amount is calculated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use.

1.17. Employee benefits

Short-term obligations

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Long-term employee benefit obligations

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to future employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

Share-based payments

Share-based compensation benefits are provided to employees.

The fair value of options and performance rights granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options and performance rights granted.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options or performance rights that are expected to vest based on the vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The fair value at grant date is determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected divided yield and the risk-free interest rate for the term of the option. The market based rights have been valued using a hybrid employee share option model taking into consideration the above inputs in addition to the statistical likelihood of the market based hurdle being achieved within the required period.

1.18. Contributed equity

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.

1.19. Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

1.20. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Plukka 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.

2. Changes in Accounting Policies

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2017. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, 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 consolidated entity will adopt this standard from 1 July 2018. The consolidated entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The consolidated entity will adopt this standard from 1 July 2018. The consolidated entity does not believe the new standard will have a material impact in the financial statements as the consolidated entity's revenue is for provision of goods which determination of the performance obligation is expected to be straightforward.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The consolidated entity will adopt this standard from 1 July 2019. The consolidated entity does not recognise any operating leases other than the lease of the office and photocopier which is on a short term of three months and as such would not be required to recognise as a finance lease. Therefore the consolidated entity does not believe the standard will have a material impact in the financial statements.

3. Critical Accounting Estimates and Judgements

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.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

4. Segment reporting

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the Chief Operating Decision Maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments. Following the adoption of AASB 8, the identification of the Company's reportable segments has not changed. During the period, the Company's considers that it has only operated in one segment, being operating a multi-brand, omni-channel fine jewellery retail business. The Company is domiciled in Australia. Revenue from external customers is generated globally. Assets are located in United Kingdom, USA and Hong Kong.

5. Revenue and expenses

		Consolidated 2017 $	2016 $
(a)	**Revenue**		
	Sales income	1,736,077	1,879,951
	Interest revenue	724	868
	Other revenue	6,884	34,521
	Debt forgiveness	-	1,473,663
	Total revenue	**1,743,685**	**3,389,003**
(b)	**Marketing, operations, administration and corporate overhead expenses**		
	Marketing expenses	781,212	1,669,568
	Employee related costs	1,242,102	1,178,402
	Professional fees	266,791	870,487
	Operations support	259,488	499,643
	Information technology expenses	123,904	343,185
	Depreciation	135,319	65,607
	Corporate overhead and other administration	782,861	627,348
	Write off of plant and equipment	290,458	-
	Total marketing, operations, administration and corporate overhead expenses	**3,882,135**	**5,254,240**
	Restructure expenses [1]	(96,202)	464,931
	Relisting expenses [2]	-	2,771,474
	Write off of receivable [3]	7,778	182,744
	Other expenses:		
	Foreign exchange losses	13,843	429,635
	Loss on sale of assets	-	19,584
		13,843	**449,219**

[1] 30 June 2017: Balance related to the reversal of the payable amount recognised in 30 June 2016 for the termination of the lease at the planned Peninsula Hotel boutique in Kowloon. 30 June 2016: Restructuring expenses of $464,931 for the opening of the Chater House boutique in Hong Kong, termination of the planned Peninsula Hotel boutique in Kowloon and employee and consultants termination cost associated with downsizing of the operating cost structure in Hong Kong.

[2] 30 June 2016: The costs of the acquisition relative to the fair value of the issued shares of Plukka immediately prior to the acquisition is recognised as Relisting expenses of $2,771,474 (Note 21).

[3] 30 June 2016: Balance related to write off of The Biofusionary Corporation Promissory Note balance. 30 June 2017: Balance related to write off of multiple low value and long outstanding trade receivable balances.

6. Income tax expense

The major components of income tax expense are:

	Consolidated	
	2017 $	**2016 $**
Income tax expense		
Current tax	-	412
Income tax expense	**-**	**412**
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows		
Accounting loss before income tax	(4,384,986)	(9,320,694)
At the Group's statutory income tax rate of 27.5% (2016: 30%)	(1,205,871)	(2,796,208)
Non-taxable income	-	(245,077)
Non-deductible expenses	-	306,499
Unrecognised temporary differences	(184,613)	(588,698)
Effect of different tax rates in countries in which the consolidated entity operates	299,200	1,077,730
Share based payments	176,565	732,491
Tax losses carried forward not brought to account	674,630	626,998
Impairment and write downs	90,199	54,823
Borrowing fees	149,890	-
Relisting expenses	-	831,442
Sundry items	-	412
Total income tax expense	**-**	**412**
The Group has tax losses arising in Australia of $12,151,943 (2016: $11,477,313) that are available indefinitely (subject to certain conditions) for offset against future taxable profits of the companies in which the losses arose.		
Opening tax losses at 1 July	11,477,313	6,471,174
Current year tax loss	674,630	5,006,139
Closing tax losses at 30 June	**12,151,943**	**11,477,313**
Carry 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. In 30 June 2016, the carry forward losses in the Company prior to the Acquisition Date have not been carried forward due to the change in the ownership and business activity of the Company.		

7. Loss per share

The following reflects the income and share data used in the basic and diluted loss per share computations:

	Consolidated	
	2017 $	**2016 $**
Net loss attributable to ordinary equity holders of the Company	(4,384,986)	(9,468,973)
Weighted average number of ordinary shares for basic earnings per share	158,114,079	98,523,762
Loss per share (cents per share)	2.77	9.61

Diluted earnings per share is equivalent to basic earnings per share. Options and performance rights on issue are not considered to be dilutive as the Company has made a loss for the year.

8. Cash and cash equivalents

	Consolidated	
	2017 $	**2016 $**
Cash at bank and in hand	1,969,435	4,952,570
Short term deposits	-	-
	1,969,435	**4,952,570**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The credit risk of the Company to cash is the carrying amount and any unpaid interest. Refer to Note 22.

	Consolidated	
	2017 $	**2016 $**
Reconciliation of net loss after tax to net cash flows from operations		
Net loss	(4,384,986)	(9,321,106)
Adjustments for non-cash items:		
Depreciation	135,319	65,607
Write-off of plant and equipment	290,458	-
Write off of receivables	7,778	182,744
Loss on sale of assets	-	19,584
Share based payment expense	642,056	2,441,637
Relisting expenses	-	2,771,474
Gain on forgiveness of debt	-	(1,473,663)
Impairment of inventory	29,762	182,651
Borrowing fees	545,052	-
Exchange loss	13,842	429,635
Changes in assets and liabilities		
Trade and other receivables	(4,552)	91
Prepayments	314,884	638,459
Inventory	97,510	(474,149)
Trade and other payables	(535,277)	362,863
Employee provisions	14,420	-
	(2,833,734)	**(4,174,173)**

9. Trade and other receivables

	Consolidated	
	2017 $	**2016 $**
Trade receivables *	61,512	86,958
Goods and services tax receivables	161,829	131,831
	223,341	**218,789**

* An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. As at 30 June 2017 the Company did not have any trade receivables which were outside normal trading terms (past due but not impaired).

10. Inventories

	Consolidated	
	2017 $	**2016 $**
Finished goods	435,384	528,883
Less: Provision for impairment	(186,662)	(182,651)
	248,722	**346,232**

11. Other Assets

	Consolidated	
	2017 $	**2016 $**
Security deposits	184,171	255,697
Prepayments	33,508	276,866
	217,679	**532,563**

12. Plant and equipment

	Consolidated	
	2017 $	**2016 $**
Leasehold improvement – at cost	-	417,803
Less: Accumulated depreciation	-	(38,124)
	-	**379,679**
Furniture, fixtures and equipment – at cost	-	91,218
Less: Accumulated depreciation	-	(40,006)
	-	**51,212**
Computer equipment – at cost	-	73,733
Less: Accumulated depreciation	-	(50,870)
	-	**22,863**

12. Plant and equipment (Continued)

	Consolidated			
	Leasehold improvements $$	Furniture, fixtures and equipment $	Computers equipment $	Total $
Balance at 1 July 2015	37,371	29,294	9,923	76,588
Additions	426,115	12,273	22,240	460,628
Disposals	(140,808)	-	-	(140,808)
Written-back on disposals	121,647	-	-	121,647
Reclassification	(19,452)	19,452	-	-
Depreciation expense	(47,172)	(9,654)	(8,781)	(65,607)
Translation	1,978	(153)	(519)	1,306
Balance at 30 June 2016	**379,679**	**51,212**	**22,863**	**453,754**
Additions	-	-	3,989	3,989
Disposals	-	(1,828)	(3,133)	(4,961)
Written off	(245,839)	(32,019)	(12,600)	(290,458)
Depreciation expense	(109,013)	(15,798)	(10,508)	(135,319)
Translation	(24,827)	(1,567)	(611)	(27,005)
Balance at 30 June 2017	**-**	**-**	**-**	**-**

13. Share based payments

Employee Share Option Plan (ESOP)

The Company has an established ESOP and a summary of the rules of the ESOP are set out below:

- All employees (full and part time) will be eligible to participate in the ESOP after a qualifying period of 12 months employment by a member of the Company, although the Board may waive this requirement;
- Options are granted under the ESOP at the discretion of the Board and if permitted by the Board, may be issued to an employee's nominee;
- Each option is to subscribe for one fully paid ordinary share in the Company and will expire in accordance with the respective expiry date. An option is exercisable at any time from its date of issue subject to any vesting or escrow conditions applicable;
- The exercise price of options will be determined by the Board, subject to a minimum price equal to the market value of the Company's shares at the time the Board resolves to offer those options. The total number of shares the subject of options issued under the ESOP, when aggregated with issues during the previous 5 years pursuant to the ESOP and any other employee share ESOP, must not exceed 5% of the Company's issued share capital;
- If, prior to the expiry date of options, a person ceases to be an employee of a Group Company for any reason other than retirement at age 60 or more (or such earlier age as the Board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) automatically lapse on the first to occur of a) the expiry of the period of one month from the date of such occurrence, and b) the expiry date. If a person dies, the options held by that person will be exercisable by that person's legal personal representative;
- Options cannot be transferred other than to the legal personal representative of a deceased option holder;
- The Company will not apply for official quotation of any options;
- Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares;
- Option holders may only participate in new issues of securities by first exercising their options.

The Board may amend the rules of the ESOP subject to the requirements of the Australian Securities Exchange Listing Rules.

No options were issued under the ESOP during the year. The following table illustrates the number and weighted average exercise prices and movements in share options:

	2017 Number	2017 Weighted average exercise price	2016 Number	2016 Weighted average exercise price
Outstanding at the beginning of the year	11,540,000	$0.20	2,250,000	$0.20
Granted during the year	-	-	11,540,000	$0.20
Lapsed / expired during the year	(1,000,000)	$0.20	(2,250,000)	$0.20
Outstanding at the end of the year	**10,540,000**	**$0.20**	**11,540,000**	**$0.20**
Exercisable at the end of the year	**10,540,000**	**$0.20**	**11,040,000**	**$0.20**

The weighted average remaining contractual life for the share options outstanding as at 30 June 2017 is 17.5 months (2016: 29.5 months). All options on issue are exercisable at $0.20 per share.

The fair value of the equity-settled share options granted under the option plan is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Management Performance Rights

The Company has issued Performance Rights to various employees. Performance rights have also been issued to vendors of Plukka pursuant to the reverse takeover that completed in December 2015 (refer Note 21). The Company has not established a Management Performance Rights Plan.

Shares issued as a result of the vesting of performance rights will rank equally with the Company's previously issued shares.

At 30 June 2017 there were 36,282,970 performance rights on issue (2016: 33,942,892).

The fair value of the performance rights granted to date have been calculated using the Company's share price at grant date and then applying a probability factor of the vesting conditions being met.

During the financial year 2,162,916 performance rights were converted to ordinary shares upon their vesting conditions being met (2016: nil).

Share based payment expense charged to the profit and loss is reconciled as follows:

	2017 $	2016 $
Time based performance rights converted during the year	367,696	-
Amortisation of performance rights	268,634	-
Issue of 7,000,000 options exercisable at $0.20 per share on or before 30 November 2018	-	807,800
Issue of 540,000 options exercisable at $0.20 per share on or before 28 November 2019	-	55,158
Issue of 7,040,000 facilitation shares	-	1,408,000
Issue of performance rights *	5,726	170,679
	642,056	**2,441,637**

* Time based performance rights issued to employees based on employment service period valued at $0.04 per performance right.

14. Trade and other payables

	Consolidated	
	2017 $	**2016 $**
Trade creditors and accruals	67,205	42,298
Other payables	224,121	784,305
	291,326	**826,603**

Trade creditors are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing and are normally settled within 30 – 90 days. Other payables includes 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. Information regarding the credit risk of current payables is set out in Note 22.

15. Issued capital

Ordinary shares	Consolidated			
	2017		**2016**	
	Number	**$**	**Number**	**$**
Balance at the beginning of the year	150,299,129	20,501,646	14,193,334	5,391,420
Performance rights exercised – September 2016	1,081,458	183,848	-	-
Issue of shares to Treliss *	20,963,531	545,052	-	-
Performance rights exercised – March 2017	1,081,458	183,848	-	-
Shares issued for capital raising	-	-	50,000,000	10,000,000
Shares issued for convertible notes	-	-	2,100,105	799,369
Shares issued to acquire TCH	-	-	72,734,997	4,104,807
Elimination of existing TCH shares	-	-	(16,293,439)	-
Existing Plukka shares on acquisition of TCH	-	-	20,524,132	-
Issue of facilitation shares	-	-	7,040,000	1,408,000
Capital raising costs - options issued	-	-	-	(461,600)
Capital raising costs	-	-	-	(740,350)
Balance at the end of the year	**173,425,576**	**21,414,394**	**150,299,129**	**20,501,646**

*Issue of shares to Treliss Worldwide Inc. ("Treliss"), a manufacturer of fine jewellery and cutter and polisher of diamonds, as consideration for the provision of a revolving inventory credit facility of a limit of USD$1,000,000 in accordance with the Manufacturing Agreement. Value of shares is based on fair value of the shares on the grant date of 3 March 2017.

There is no current on-market share buy-back scheme in place.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. There is no current share buy-back scheme in place.

16. Reserves

Total reserves	Consolidated	
	2017 $	**2016 $**
Option reserve (i)	1,324,558	1,324,558
Performance rights reserve (ii)	445,038	170,679
	1,769,596	1,495,237
Foreign currency translation reserve (iii)	(423,037)	(297,042)

(i) Movements in option reserve	Consolidated 2017		Consolidated 2016	
	No. of shares	$	No. of shares	$
Balance at the beginning of the year	11,540,000	1,324,558	-	-
Options issued for transaction facilitation expense with exercise price of $0.20	-	-	7,000,000	807,800
Options issued for transaction facilitation capital raising costs with exercise price of $0.20	-	-	4,000,000	461,600
Options issued for consultation services with exercise price of $0.20	-	-	540,000	55,158
Options expired unexercised	(1,000,000)	-	-	-
Balance at the end of the year	**10,540,000**	**1,324,558**	**11,540,000**	**1,324,558**

(ii) Movements in performance rights reserve	Consolidated			
	2017 Number	2017 $	2016 Number	2016 $
Balance at the beginning of the year	33,942,892	170,679	-	-
Tranche 1 performance rights – Nov 2015	-	-	7,000,000	-
Tranche 2 performance rights – Nov 2015	-	-	6,267,500	-
Tranche 3 performance rights – Nov 2015	-	-	6,267,500	-
Tranche 1 performance based performance rights – Mar 2016*	-	-	2,138,714	-
Tranche 2 performance based performance rights – Mar 2016*	-	-	2,138,714	-
Tranche 3 performance based performance rights – Mar 2016*	-	-	2,138,714	-
Time based performance rights – Mar 2016	-	-	6,488,750	169,086
Performance based performance rights – Jul 2016*	1,502,994	-	-	-
Time based performance rights – Jul 2016	-	-	1,503,000	1,593
Conversion to share – Sep 2016	(1,081,458)	(14,762)	-	-
Conversion to share – Mar 2017	(1,081,458)	(183,848)	-	-
Time based performance rights – May 2017	3,000,000	5,726	-	-
Performance rights amortised	-	467,243	-	-
Balance at the end of the year	**36,282,970**	**445,038**	**33,942,892**	**170,679**

* Performance based performance rights issued in 2016 and 2017 to employees will vest subject to satisfaction of the terms and conditions as approved on 15 September 2015 at the General meeting. In 2016 and 2017, the performance rights were valued at nil as the probability of performance hurdles being met was assessed as less than probable.

The nature and purpose of the option and rights reserve is to record values of options and performance rights provided to directors, employees and third parties as part of remuneration or other transactions consideration.

(iii) Movements in foreign currency translation reserve	Consolidated	
	2017 $	2016 $
Balance at the beginning of the year	(297,042)	(149,175)
Change in reserve	(125,995)	(147,867)
Balance at the end of the year	**(423,037)**	**(297,042)**

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

17. Accumulated losses

	Consolidated	
	2017 $	2016 $
Balance at the beginning of the year	(16,022,536)	(6,701,430)
Loss for the year	(4,384,986)	(9,321,106)
Balance at the end of the year	**(20,407,522)**	**(16,022,536)**

18. Commitments

The Group has various office leases under non-cancellable operating lease arrangements expiring within up to two years. Commitments for minimum lease payments in relation to non-cancellable operating leases are as follows:

Operating leases	Consolidated	
	2017 $	2016 $
Within one year	46,990	98,447
Later than one year but not later than five years	18,353	47,185
Greater than five years	-	-
	65,343	**145,632**

19. Auditors remuneration

	Consolidated	
	2017 $	2016 $
The auditors of Plukka Limited is RSM Australia Partners. Remuneration for the auditor:		
Audit and review of the financial statements	55,000	49,000
Independent limited assurance report	-	14,000
The auditor for Treasure Castle Holdings Limited in 2016 and for agreed upon procedures in 2017 was Nexia Charles Mar Fun Limited. Remuneration for the auditor:		
Audit and review of the financial statements	14,338	78,056
Agreed upon procedures	2,452	-
	71,790	**141,056**

20. Controlled entities

	Incorporation	Principal activities	Ownership interest 2017	2016
Parent entity				
Plukka Limited	Australia	Parent		
Name of controlled entity				
Treasure Castle Holdings Limited	Hong Kong	Holding company	100%	100%
Plukka (HK) Inc	Hong Kong	Fine jewellery retailer	100%	100%
Plukka (UK) Limited	UK	Fine jewellery retailer	100%	100%
Plukka (USA) Inc	USA	Fine jewellery retailer and marketing	100%	100%

21. Reverse acquisition accounting

On 4 December 2015, Plukka, the legal parent and legal acquirer, completed the acquisition of TCH. The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations given the substance of the transaction is that TCH has effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if TCH had acquired Plukka, and not vice versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by TCH to have exactly the same percentage holding in the new structure at the date of the transaction. Accordingly, the statement of profit or loss and other comprehensive income for 2016 reflects the twelve months of trading of TCH and the trading of Plukka, the parent company and legal acquirer of TCH, from 4 December 2015.

As the activities of Plukka would not constitute a business based on the requirements of AASB 3, the transaction has been accounted for as a share based payment under AASB 2. The excess of the deemed consideration over the fair value of Plukka, as calculated in accordance with the reverse acquisition accounting principles and with AASB 2, is considered to be a payment for a group restructure and has been expensed.

Plukka acquired 100% of the issued capital of TCH on 4 December 2015. To effect the acquisition the Company issued 129,774,997 shares as follows:

- 72,734,997 shares were issued to shareholders of TCH to acquire 100% of TCH.
- 7,040,000 were issued as facilitation shares to management of TCH and advisors in relation to the acquisition of TCH of which 1,270,000 were issued to Ms Joanne Ooi, Managing Director of TCH at the date of acquisition.
- 50,000,000 shares were issued at an issue price of $0.20 per share to raise $10,000,000 before costs.

In addition 19,535,000 Performance Rights were issued to executives and advisers of TCH as a long term incentive in connection with their appointment and services provided in connection with the Plukka business. Each Performance Right is convertible into one ordinary share in Plukka upon the following terms and conditions:

Performance Rights	Grant date	Number of Performance Rights	Expiry Date	Conditions of Exercise
Tranche 1	25 November 2015	7,000,000	4 December 2017	Achievement of sales revenue during any three month reporting period that ends on or prior to the date two years after completion of the transaction that equals or exceeds AU$2.5 million.
Tranche 2	25 November 2015	6,267,500	4 December 2017	20-day volume weighted average price of Plukka shares on the ASX equals or exceeds AU$0.50 at any time within two years from the date of completion of the transaction.
Tranche 3	25 November 2015	6,267,500	4 December 2017	Achievement of consolidated EBIT by the Company during any three month reporting period that ends on or prior to the date three years after completion of the transaction that equals or exceeds A$1.25 million.

The fair value of these performance rights has been included as part of the consideration for the acquisition of TCH. As Plukka Limited is deemed to be the acquiree for accounting purposes, the carrying values of its assets and liabilities are required to be recorded at fair value for the purposes of the acquisition. No adjustments were required to the historical values to effect this change.

		$
Consideration		
72,734,997 fully paid ordinary shares to the vendor		4,104,807
19,535,000 performance rights *		-
	Total value of consideration	4,104,807
Fair value of Plukka Limited at acquisition		
Cash		412,328
Trade and other receivables		984,772
Trade and other payables		(63,767)
	Fair value of net assets	1,333,333
Excess of consideration provided over the fair value of net assets at the date of acquisition expensed, being group restructuring and relisting costs		**2,771,474**

*Performance rights were issued as additional consideration, valued at nil, as the probability of performance hurdles being met was assessed as less than probable on the date of acquisition.

22. Financial instruments

Financial risk management policies

The Board of Directors are responsible for monitoring and managing financial risk exposures of the Group.

Categories of financial instruments

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and leases.

The totals for each category of financial instruments are as follows:

	Consolidated	
	2017 $	**2016 $**
Financial Assets		
Cash and cash equivalents	1,969,435	4,952,570
Trade and other receivables	223,341	218,789
Other assets	217,679	532,563
Total Financial Assets	**2,410,455**	**5,703,922**
Financial Liabilities		
Trade and other payables	291,326	826,603
Provisions	14,420	-
Total Financial Liabilities	**305,746**	**826,603**

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from activities.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders.

The capital structure of the Group consists of cash and cash equivalents, borrowings and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses as disclosed in the statement of changes in equity.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and investing surplus cash only in major financial institutions.

Foreign exchange risk

The consolidated entity has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency.

At reporting date, the consolidated entity had the following exposure to foreign currencies that are not designated in cash flow hedges:

	Consolidated 2017 $	Consolidated 2016 $
United States Dollars		
Financial Assets		
Cash and cash equivalents	1,781,886	176,949
Other current assets	111,262	14,762
Financial Liabilities		
Trade and other payables	(6,402)	(5,361)
Net exposure	**1,886,746**	**186,350**
Hong Kong Dollars		
Financial Assets		
Cash and cash equivalents	64,681	4,606,437
Trade and other receivables	61,688	31,319
Other current assets	83,284	246,267
Financial Liabilities		
Trade and other payables	(128,882)	(518,383)
Provision	(14,420)	-
Net exposure	**66,351**	**4,365,640**
Great Britain Pounds		
Financial Assets		
Cash and cash equivalents	3,600	489
Trade and other receivables	54,169	-
Other current assets	9,590	314,893
Financial Liabilities		
Trade and other payables	(17,230)	-
Other financial liabilities	-	(128,774)
Net exposure	**50,129**	**186,608**

The following table summarises the sensitivity of the net exposure held at reporting date to movement in the exchange rate of the Australian dollar to the foreign currency with all other variables held constant. The sensitivity is based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding 5 periods.

	Consolidated 2017 $	Consolidated 2016 $
United States Dollars		
Post-tax gain/(loss) and other components of equity		
+5%	(94,337)	(9,318)
-5%	94,337	9,318

	Consolidated 2017 $	Consolidated 2016 $
Hong Kong Dollars		
Post-tax gain/(loss) and other components of equity		
+5%	(3,318)	(218,282)
-5%	3,318	218,282
Great Britain Pounds		
Post-tax gain/(loss) and other components of equity		
+5%	(2,506)	(9,330)
-5%	2,506	9,330

23. Related party disclosures and KMP remuneration

Details of director and other KMP remuneration can be found in the Remuneration Report within the Director's Report. A summary of remuneration disclosures is as follows:

	Consolidated 2017 $	Consolidated 2016 $
Base salary / earnings	410,142	232,060
Short term employee benefits	19,204	14,160
Post employee benefits	9,359	5,981
Share based payments	603,461	1,069,086
	1,042,166	**1,321,287**

Details of the ownership interests between Plukka and the entities within the Group are outlined in Note 20.

Transactions between Plukka and its subsidiaries during the year consisted of loans advanced by Plukka to fund operations. The closing value of all loans to wholly owned members of the Group is contained within the statement of financial position under non-current assets at Note 24.

The Company has not made any loans to Directors or other KMP during the financial year or prior financial year.

Effective 1 March 2017 Gloster Capital Pty Ltd, a company associated with Andrew Worland, agreed to provide financial reporting services to the Group on a monthly retainer of $3,000. Total transactions during the year amounted to $12,000. At the end of the financial year $9,000 remains outstanding.

During the financial year cdPlus Corporate Services, a company associated with Charly Duffy, provided ongoing company secretarial services to the Company under a monthly retainer of $4,000 (2016: $4,000), legal services associated with the company secretarial services at a discounted hourly rate and incurred associated legal expenses with third party legal firms totalling $57,700 (2016: $2,490) of which $6,662 remains outstanding at year end (2016: $nil).

During the financial year Coghlan & Co, a company associated with Charly Duffy, provided corporate and commercial legal services to the Group amounting to $37,579 (2016: $nil) of which $nil outstanding at year end (2016: $nil).

In March 2017 Plukka announced the signing of a two-year USD$1M revolving inventory facility agreement with NYC based jewellery manufacturer, Treliss Worldwide Inc. (**Treliss**), a company associated with Mr Mehta. The facility provided Plukka with capability of expanding its revenue base significantly quicker than it would otherwise be capable of by allowing Plukka to take control of its supply chain without incurring significant investments in inventory, focusing on building exclusive positions in the marketplace, and expanding its distribution to third parties. As consideration for these benefits and the benefit of not having to manufacture and store inventory Plukka issued Treliss 20,963,531 new ordinary shares in the Company and appointed Mr Nirav Mehta a director. As at 30 June 2017 the Company had utilised $279,000 of the facility. At the end of the financial year $40,513 remains outstanding.

24. Parent entity information

Financial statements and notes for Plukka Limited, the legal parent entity, are provided below:

	Parent	
	2017 $	**2016 $**
Financial position		
Current assets	240,300	242,050
Non-current assets	2,636,467	9,947,817
Total assets	**2,876,767**	**10,189,867**
Current liabilities	152,201	41,052
Non-current liabilities	371,135	-
Total liabilities	**523,336**	**41,052**
Shareholders equity		
Issued capital	15,255,804	14,343,057
Reserves	1,769,597	1,495,237
Accumulated losses	(14,671,970)	(5,689,479)
Total equity	**2,353,431**	**10,148,815**
Financial performance		
Loss for the year	(8,982,491)	(5,836,171)
Other comprehensive income / (loss)	-	-
Total comprehensive loss	**(8,982,491)**	**(5,836,171)**

Guarantees entered into by the Parent Entity

The parent entity has not entered into any guarantees as at 30 June 2017 (2016: Nil).

Contingent liabilities of the Parent Entity

The parent entity did not have any contingent liabilities as at 30 June 2017 (2016: Nil).

Contractual commitments for the acquisition of property, plant or equipment

The parent entity did not have any contractual commitments for the acquisition of property, plant or equipment at 30 June 2017 (2016: Nil).

25. Contingent liabilities

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

26. Events after the reporting date

There have been no other matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Plukka Limited:

1. In the opinion of the directors of Plukka Limited:
   a. The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
      i. Giving a true and fair view of its financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
      ii. Complying with Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001* and also complying with International Financial Reporting Standards; and

   b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given declarations required by Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2017.

Signed in accordance with a resolution of the Directors.

____

Andrew Worland

Chairman

Signed this 29 September 2017

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PLUKKA LIMITED

Opinion

We have audited the financial report of Plukka Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Share based payments – valuation of shares issued Refer to Note 15 in the financial statements	
In March 2017, 20,963,531 shares were issued to Treliss Worldwide Inc. ("Treliss"), as consideration for the provision of a revolving inventory credit facility with a limit of USD$1,000,000 in accordance with the Manufacturing Agreement. Management were unable to determine the fair value of the service provided, and therefore have performed a valuation of the shares issued on the grant date. This amount was recognised in profit or loss as a borrowing fee expense. We considered the valuation of these shares to be a key audit matter as it involved management's judgement in determining the grant date and the appropriate share price to use in the valuation on that date.	Our audit procedures in relation to the valuation of the shares included: • Reviewing the Manufacturing Agreement for the key terms and conditions of the transaction; • Assessing management's determination that the fair value of the service could not be estimated reliably, and therefore it was appropriate to measure the transaction based on the fair value of the shares issued, in accordance with AASB 2 *Share Based Payments* • Evaluating management's determination of the grant date and share price on grant date; and • Reviewing the adequacy and accuracy of the relevant disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Plukka Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

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.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 29 September 2017

ASX ADDITIONAL INFORMATION

The following information is current as at 29 September 2017.

Corporate Governance Statement

The URL where the Company's Corporate Governance Statement is located is https://www.plukka.com/about-plukka/investor.

Substantial Shareholders

The following holders are registered by the Company as a substantial holder, having declared a relevant interest in accordance with the Corporations Act 2001 (Cth), in the voting shares below:

Substantial Holder Name	Date of interest	Number of ordinary shares[1]	% of issued capital[2]	Current number of ordinary shares[3]	% of current issued capital[4]
Mr Jason Peterson	04/06/2015	3,061,420	11.18%	-	0.00%
Bushwood Nominees Pty Ltd ACN 149 835 665 and Jeremy Philip King	27/05/2014	1,800,021	9.06%	1,876,530	1.07%
Mr David Samuel Church	04/06/2015	1,944,872	7.10%	1,458,654	0.83%
Mr Andrew Worland and Badlands Super Pty Ltd ACN 239 866 339	03/09/2012	1,314,850	6.6%	1,453,638	0.83%
DMX Corporation Limited ACN 009 140 550	31/01/2014	463,006	2.33%	-	0.00%
Jai Waney[5]	04/12/2015	27,262,028	18.14%	27,262,028	15.58%
Sino Portfolio International Limited[5]	04/12/2015	12,238,984	8.14%	12,238,984	6.99%
Joanne Ooi[5]	04/12/2015	10,357,340	6.89%	10,357,340	5.92%

1 As disclosed in the last notice lodged with the ASX by the substantial shareholder.

2 The percentage set out in the notice lodged with the ASX is based on the total issued capital of the Company at the date of interest.

3 The number of ordinary shares that the substantial holder holds as at 29 September 2017 as stated in the records held by the Company's share registry.

4 The percentage based on the total issued capital of the Company as at 29 September 2017.

5 Listed as a substantial holder in the Prospectus lodged with ASIC on 21 October 2015. The date of interest is the date that Plukka officially listed on the ASX.

Plukka Limited is also deemed to have a relevant interest in 23,676,076 shares (13.53%) as a result of voluntary escrow restrictions imposed on those shares until 6 March 2019.

Number of security holders

Securities	Number of holders
Ordinary Shares	422
Unlisted Options	8
Performance rights	5

Voting Rights

Securities	Voting Rights
Ordinary Shares	Subject to any rights or restrictions for the time being attached to any class or classes, at general meetings of shareholders or classes of shareholders: (a) each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative; (b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she is appointed a proxy, attorney or representative, have one vote for each share, but in respect of partly paid shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those shares (excluding amounts credited). meetings of shareholders or classes of shareholders: (c) each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative; (d) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she is appointed a proxy, attorney or representative, have one vote for each share, but in respect of partly paid shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those shares (excluding amounts credited).
Unlisted Options	The Options do not carry any voting rights.
Performance and Time based Rights	The Performance Rights do not carry any voting rights.

PLUKKA FINE JEWELLERY

Distribution Schedule

Categories	Shares			Options			Performance Rights		
	Holders	Securities	% of issued capital	Holders	Securities	% of issued capital	Holders	Securities	% of issued capital
1 – 1,000	48	6,986	0.004	-	-	-	-	-	-
1,001 – 5,000	127	325,294	0.186	-	-	-	-	-	-
5,001 - 10,000	77	658,412	0.376	-	-	-	-	-	-
10,001 – 100,000	80	3,931,489	2.247	-	-	-	-	-	-
100,001 and over	90	170,085,853	97.188	8	10,540,000	100.0	5	29,195,518	100.0
Totals	**422**	**175,008,034**	**100.000**	**9**	**10,540,000**	**100.0**	**5**	**29,195,518**	**100.0**

Holders of Non-Marketable Parcels

There are a total of 323 holders of unmarketable parcels at $0.005 per share.

Top 20 Shareholders

The top 20 largest fully paid ordinary shareholders together hold 75.26% of the securities in this class and are listed below:

1	JAI WANEY	27,262,028	15.58%
2	TRELISS WORLDWIDE INC	20,963,531	11.98%
3	CITICORP NOMINEES PTY LIMITED	13,016,360	7.44%
4	SINO PORTFOLIO INTERNATIONAL LIMIITED	12,238,984	6.99%
5	JOANNE OOI	9,087,340	5.19%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,314,161	3.61%
7	JAY-V INC	4,500,000	2.57%
8	CR INVESTMENTS PTY LTD	4,000,000	2.29%
9	MR BENJAMIN PHILLIPE GRENIER	3,902,897	2.23%
10	JUNGHWA SHIN	3,500,000	2.00%
11	NATALIA OBOLENSKY	3,244,374	1.85%
12	EQUITAS NOMINEES PTY LIMITED <3069550 A/C>	3,125,003	1.79%
13	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	2,706,065	1.55%
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,690,914	1.54%
15	MR JOHN ANASSIS	2,503,750	1.43%
16	EQUITAS NOMINEES PTY LIMITED <3179767 A/C>	2,250,002	1.29%
17	GOLD RESOURCES LIMITED	2,232,033	1.28%
18	LILLY SUSAN HILL	2,232,033	1.28%
19	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,139,320	1.22%
	MR HAKAN BASAGAC	1,853,226	1.06%
	Total	**129,762,021**	**74.16%**
	Total remaining holders	**45,246,013**	**25.84%**

Company details

Registered Address: Coghlan Duffy & Co, Level 42, Rialto South Tower, 525 Collins Street, Melbourne VIC 3000

Telephone: 03 9614 2444

Address for where the register is kept: Automic Pty Ltd, Level 12, 575 Bourke Street, Melbourne VIC 3000

Telephone of where the register is kept: 1300 288 664

Other stock exchange where the entity's equity securities are quoted: N/A

Restricted securities

The following securities are subject to **voluntary** escrow restrictions:

Class	Date of expiry	Number of Shares
Ordinary shares subject to escrow	6 March 2019	23,676,076

The following securities are subject to **mandatory** escrow restrictions under ASX Listing Rules Chapter 9:

Class	Date of expiry	Number of Shares
Ordinary shares subject to escrow (24 months)	4 December 2017	48,365,671
Ordinary shares subject to escrow (24 months)	4 December 2017	7,040,000
		55,405,671

Unquoted Securities

The following unquoted options over unissued ordinary shares (**Options**) are on issue:

Class	Date of Issue	Date of Expiry	Exercise Price	Number of Options	Number of holders
Unlisted Options	01/12/2015	01/12/2018	$0.20	10,000,000	7
Unlisted Options	28/01/2016	28/01/2019	$0.20	540,000	1
				10,540,000	8

The following holder holds more than 20% of Options in the Company:

Class	Number	% of Options
Jai Waney	2,500,000	23.72%

The following performance rights are on issue:

Class	Date of issue	Number	Number of holders
Performance Rights (subject to performance-based vesting conditions)	03/06/2016	6,416,142	1
Performance Rights (subject to performance-based vesting conditions)	25/12/15	7,000,000	3
Performance Rights (subject to performance-based vesting conditions)	25/12/2015	6,267,500	4
Performance Rights(subject to performance-based vesting conditions)	25/12/2015	6,267,500	4
Performance Rights (subject to time-based vesting conditions)	03/06/2016	3,244,376	1
		29,195,518	**13**

The following holders hold more than 20% of performance rights in the Company:

Class	Number	% of Options
Natalia Obolensky	9,660,518	33.09%
Joanne Ooi	9,000,000	30.83%

The following unquoted ordinary shares which are subject to mandatory escrow restrictions until 4 December 2017 (**Escrowed Shares**) are on issue:

Class	Date of issue	Number	Number of holders
Performance Rights (subject to performance-based vesting conditions)	04/12/2015	48,365,671	14

Performance Rights (subject to performance-based vesting conditions)	04/12/2015	7,040,000	3
		55,405,671	**17**

The following holder holds more than 20% of the Escrowed Shares in the Company:

Class	Number	% of Options
Jai Waney	26,712399	48.21%

Share buy-backs

There is no current on-market buy-back scheme.

Business Objectives

For the whole of the reporting period, the Company has used cash and cash equivalents held at the time of reinstatement to quotation in a way consistent with its stated business objectives.