

APPENDIX 4D (ASX LISTING RULE 4.2A.3)
HALF YEAR REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

1. REPORTING PERIOD:

Reporting Period (Half Year Ended):	31 December 2017
Previous Reporting Period:	31 December 2016

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET:

	31 December 2017	31 December 2016
Revenue from ordinary activities down 65%	\$385,931	\$1,116,006
Loss after tax from ordinary activities attributable to owners down 53%	\$919,286	\$1,938,669
Net loss for the period attributable to owners down 53%	\$919,286	\$1,938,669

Dividends

No dividends have been declared or paid by the Company since the beginning of the reporting period. No dividends were declared or paid for the previous reporting period.

Brief explanation of results

During 2017 the Company endeavoured to expand the online business into b2b wholesale revenue channels and continued to move away from offline business activities (which included the closure of the Company's boutiques).

During the reporting period, however, the Company was unable to generate the revenue growth from its online platforms nor secure the level of b2B sales agreements it had targeted. Given the lack of investor appetite to inject further capital to pursue the Company's business plan, the Company began exploring trade sale opportunities for the business in August 2017. The Company continued to implement initiatives to reduce costs which included a significant reduction in employees during September 2017.

A dispute over Treliss Worldwide Inc's ("Treliss") performance under the Manufacturing Agreement lead to its termination in December 2017 which included Treliss's agreement to cancel 10,013,531 ordinary shares it was issued on the commencement of the agreement in March 2017.

In December 2017 the Company's Ms Natalia Obolensky gave notice of her resignation from the Company, effective 15 March 2018. On 23 January 2018, in light of continued weak revenues the Company announced its decision to close the jewellery business, continue to explore a trade sale for the assets, preserve cash and seek new business opportunities.

Brief explanation of results (continued)

On 29 January 2018, the ASX advised the Company that it is required to demonstrate compliance with ASX Listing Rule 12.1, whereby the Company's operations must, in ASX's opinion, be sufficient to warrant the continued operation of the entity's securities and its continued listing, by 30 September 2018.

The Board is now focused on identifying new acquisition opportunities with the objective of driving value for shareholders as soon as practicable.

3. NET TANGIBLE ASSETS:

	31 December 2017	31 December 2016
Net Tangible Assets (\$)	\$1,310,260	\$4,276,514
Number Shares	185,008,034	151,380,587
Net Tangible Assets Per Ordinary Share (cents)	0.71	2.82

4. ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST: n/a

5. DIVIDENDS OR DISTRIBUTIONS: n/a

6. ASSOCIATES AND JOINT VENTURE ENTITIES: n/a

7. FOREIGN ENTITIES ACCOUNTING STANDARD: n/a

8. INDEPENDENT REVIEW OF THE FINANCIAL REPORT:

This Appendix 4D is based on accounts which have been reviewed. The independent auditor's review report is included within the financial report which accompanies this Appendix 4D.

The financial information provided in the Appendix 4D should be read in conjunction with the Interim Financial Report, as attached, which has been prepared in accordance with Australian Accounting Standards.

**PLUKKA LIMITED
AND CONTROLLED ENTITIES**

ABN 91 106 854 175

**Interim Financial Report
for the half year ended
31 December 2017**

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CORPORATE INFORMATION

Directors

John Toll - Non Executive Chairman
Natalia Obolensky - Managing Director
Charly Duffy - Non Executive Director

Company Secretary

Charly Duffy

Registered Office

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

Share Registry

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000

Auditors

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

Stock Exchange

Australian Securities Exchange Limited
ASX Code: PKA

Website

www.plukka.com

Email

investors@plukka.com

DIRECTORS REPORT

The Board of Directors presents the following report on Plukka Limited and its controlled entities (referred to hereafter as the "Company" or "Plukka") for the half year ended 31 December 2017.

Directors

The following persons were Directors of the Company during the half year and up to the date of this report. Directors were in office for this entire half year unless stated otherwise.

John Toll (Non Executive Chairman) – appointed 3 October 2017

Natalia Obolensky (Managing Director)

Charly Duffy (Non Executive Director)

Andrew Worland (Non Executive Chairman) – resigned 3 October 2017

Nirav Mehta (Non Executive Director) – resigned 7 October 2017

Principal Activity

The Company is a global retailer for creative and fashion forward fine jewellery, providing an omnichannel platform to consolidate the fragmented international fine jewelry market, focusing on the highest growth areas and geographies, namely South East Asia and the United States.

Dividends

The Directors did not pay any dividends during the half year. The Directors do not recommend the payment of a dividend in respect of the half year.

Review of Operations and Financial Results

During 2017 the Company endeavored to expand the online business into b2b wholesale revenue channels and continued to move away from offline business activities (which included the closure of the Company's boutiques).

During the reporting period, however, the Company was unable to generate the revenue growth from its online platforms nor secure the level of b2B sales agreements it had targeted. Given the lack of investor appetite to inject further capital to pursue the Company's business plan, the Company began exploring trade sale opportunities for the business in August 2017. The Company continued to implement initiatives to reduce costs which included a significant reduction in employees during September 2017.

A dispute over Treliss Worldwide Inc's ("Treliss") performance under the Manufacturing Agreement lead to its termination in December 2017 which included Treliss's agreement to cancel 10,013,531 ordinary shares it was issued on the commencement of the agreement in March 2017.

DIRECTORS REPORT CONTINUED

In December 2017 the Company's Ms Natalia Obolensky gave notice of her resignation from the Company, effective 15 March 2018. On 23 January 2018, in light of continued weak revenues, the Company announced its decision to close the jewellery business, continue to explore a trade sale for the assets, preserve cash and seek new business opportunities.

On 29 January 2018, the ASX advised the Company that it is required to demonstrate compliance with ASX Listing Rule 12.1, whereby the Company's operations must, in ASX's opinion, be sufficient to warrant the continued operation of the entity's securities and its continued listing, by 30 September 2018.

The Board is now focused on identifying new acquisition opportunities with the objective of driving value for shareholders as soon as practicable.

The loss after income tax for the reporting period was \$919,286 (2016: \$1,938,669).

Auditor's Independence Declaration

The Auditors Independence Declaration as required under section 307C of the Corporations Act 2001 for the half year ended 31 December 2017 has been received and can be found in the 'Auditor's Independence Declaration' section of this financial report.

Declaration

This Directors' report is made in accordance with a resolution of Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.



John Toll
Non Executive Chairman

Dated: 28 February 2018

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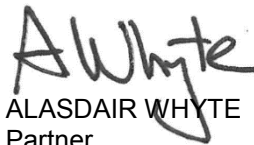
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Plukka Limited for the half-year ended 31 December 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 28 February 2018

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RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
PLUKKA LIMITED**

We have reviewed the accompanying half-year financial report of Plukka Limited which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Plukka Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

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

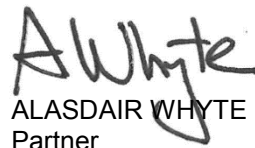
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Plukka Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 28 February 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2017

	Notes	31 December 2017 \$	31 December 2016 \$
Revenue		385,931	1,116,006
Cost of sales		(277,214)	(693,308)
		108,717	422,698
Other income		227	106,940
Administrative expenses		(929,955)	(2,085,806)
Finance costs		-	(6)
Impairment of inventories		(155,577)	-
Share based payment expense (employee, advisor and director - options and performance rights)		57,302	(382,495)
Loss before income tax		(919,286)	(1,938,669)
Income tax expense		-	-
Loss after income tax		(919,286)	(1,938,669)
Other comprehensive income			
Exchange differences on translating foreign operations		(126,583)	155,383
Total comprehensive loss attributable to owners of Plukka Limited		(1,045,869)	(1,783,286)
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the company:			
Basic and diluted (loss) per share (cents per share)	3	(0.52)	(1.28)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**As at 31 December 2017**

	Notes	31 December 2017 \$	30 June 2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,139,600	1,969,435
Trade and other receivables		157,928	223,341
Inventories		32,051	248,722
Other Assets		209,052	217,679
TOTAL CURRENT ASSETS		1,538,631	2,659,177
TOTAL ASSETS		1,538,631	2,659,177
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		228,371	291,326
Provisions		-	14,420
TOTAL LIABILITIES		228,371	305,746
NET ASSETS		1,310,260	2,353,431
EQUITY			
Issued capital	5	21,678,282	21,414,394
Reserves	5	1,508,406	1,769,596
Foreign currency translation reserve		(549,620)	(423,037)
Accumulated losses		(21,326,808)	(20,407,522)
TOTAL EQUITY		1,310,260	2,353,431

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For the half year ended 31 December 2017**

Notes	Issued Capital	Option & Performance Rights Reserves	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2016	20,501,646	1,495,237	(297,042)	(16,022,536)	5,677,305
Total loss for the period	-	-	-	(1,938,669)	(1,938,669)
Foreign currency translation	-	-	155,383	-	155,383
Total comprehensive (loss) for the period	-	-	155,383	(1,938,669)	(1,783,286)
Transaction with owners in their capacity as owners:					
Conversion of performance rights	183,848	-	-	-	183,848
Share based payments	-	198,647	-	-	198,647
Total transactions with owners	183,848	198,647	-	-	382,495
Balance at 31 December 2016	20,685,494	1,693,884	(141,659)	(17,961,205)	4,276,514
Balance at 1 July 2017	21,414,394	1,769,596	(423,037)	(20,407,522)	2,353,431
Total loss for the period	-	-	-	(919,286)	(919,286)
Foreign currency translation	-	-	(126,583)	-	(126,583)
Total comprehensive (loss) for the period	-	-	(126,583)	(919,286)	(1,045,869)
Transaction with owners in their capacity as owners:					
Conversion of performance rights	156,668	(156,668)	-	-	-
Share issue	60,000	-	-	-	60,000
Share based payments	47,220	(104,522)	-	-	(57,302)
Total transactions with owners	263,888	(261,190)	-	-	2,698
Balance at 31 December 2017	21,678,282	1,508,406	(549,620)	(21,326,808)	1,310,260

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the half year ended 31 December 2017

	Note	31 December 2017 \$	31 December 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		422,158	1,093,591
Payments to suppliers and employees		(1,223,220)	(2,728,027)
Interest received/ (paid)		227	(6)
Net cash used in operating activities		(800,835)	(1,634,442)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		-	(3,993)
Proceeds from disposal of assets		-	4,109
Net cash provided by investing activities		-	116
Net decrease in cash held		(800,835)	(1,634,326)
Cash and cash equivalents at beginning of financial period		1,969,435	4,952,570
Effects of exchange rate changes on cash and cash equivalents		(29,000)	163,525
Cash and cash equivalents at end of financial period		1,139,600	3,481,769

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements for the interim half year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Plukka Limited and its controlled entities during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The interim financial statements have been approved and authorised for issue by the Board on 28 February 2018.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant or material change to the Company's accounting policies.

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

2. Operating Segments

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 operating segments.

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 from Hong Kong and UK. Segment revenues are allocated based on the country in which the customer is located. Assets are located in Australia and Hong Kong.

Notes to the Consolidated Financial Statements (continued)

3. Loss per Share

	Consolidated	
	31 December 2017	31 December 2016
	\$	\$
Basic and diluted loss per share (cents per share)	(0.52)	(1.28)
a) Reconciliation of earnings to loss		
Net loss	(919,286)	(1,938,669)
Loss used in the calculation of basic loss per share	(919,286)	(1,938,669)
b) Weighted average number of ordinary shares outstanding during the period used in calculating basic loss per share	176,489,154	150,842,813

Options have not been included in the calculation of dilutive EPS as the options are anti-dilutive.

4. Dividends Paid or Proposed

No dividends were paid or declared during the half year ended 31 December 2017.

5. Equity

(a) Issued capital – Ordinary shares

	Consolidated			
	31 December 2017		30 June 2017	
	No. of shares	\$	No. of shares	\$
Balance at beginning of period	173,425,576	21,414,394	150,299,129	20,501,646
- performance rights exercised (Sep 16)	-	-	1,081,458	183,848
- shares issue to Treliss (Mar 17)	-	-	20,963,531	545,052
- performance rights exercised (Mar 17)	-	-	1,081,458	183,848
- performance rights exercised (Jul 17)	1,582,458	156,668	-	-
- vested performance rights (amortised Jul 17)	-	47,220	-	-
- issue of shares to director related entity (Nov 17)	10,000,000	60,000	-	-
Balance at end of period	185,008,034	21,678,282	173,425,576	21,414,394

Notes to the Consolidated Financial Statements (continued)

5. Equity (continued)

(b) Reserves

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
Option reserve (i)	1,324,558	1,324,558
Performance rights reserve (ii)	183,848	445,038
Balance at end of period	1,508,406	1,769,596

(i) Movements in option reserve

	Consolidated			
	31 December 2017		30 June 2017	
	No. of options	\$	No. of options	\$
Balance at beginning of period	10,540,000	1,324,558	11,540,000	1,324,558
Options expired unexercised	-	-	(1,000,000)	-
Balance at end of period	10,540,000	1,324,558	10,540,000	1,324,558

(ii) Movements in performance rights reserve

	Consolidated			
	31 December 2017		30 June 2017	
	No. of performance rights	\$	No. of performance rights	\$
Balance at beginning of period	36,282,970	445,038	33,942,892	170,679
Issue performance rights (Jul 16)	-	-	1,502,994	-
Conversion to shares (Sep 16)	-	-	(1,081,458)	(14,762)
Conversion to shares (Mar 17)	-	-	(1,081,458)	(183,848)
Issue performance rights (May 17)	-	-	3,000,000	5,726
Conversion to shares (Jul 17)	(1,582,458)	(156,668)	-	-
Expired performance rights (Aug 17)	(5,504,994)	(20,146)	-	-
Reversal of share based payments recognised in prior periods due to non-vesting of performance rights	(2,162,918)	(178,816)	-	-
Performance-based rights lapsed	(18,085,657)	-	-	-
Performance rights amortised	-	94,440	-	467,243
Balance at end of period	8,946,943 ¹	183,848	36,282,970	445,038

¹ 540,729 of these rights will be converted into shares on the date of this Report. A further 2,138,714 of these rights will lapse if the relevant performance milestone is not achieved prior to cessation of Natalia Obolensky's employment on 15 March 2018.

Notes to the Consolidated Financial Statements (continued)

6. Events after the Reporting Date

On 19 January 2018 the Company announced that the manufacturing agreement between the Company and Treliss Worldwide Inc. ("Treliss") had been terminated after satisfying all of the termination conditions.

On 23 January 2018, the decision was made to sell the fine jewellery business and preserve cash for a higher return opportunity for shareholders. To implement this, the Company ceased all discretionary spending and sought to reduce the size of the business to minimise cash outlay.

The Company has commenced a formal process to sell the jewellery business, with a number of parties having registered their interest, however it should be noted that these are still preliminary and there can be no assurances that these discussions, or any future discussions, will lead to a successful conclusion. The sale of the jewellery business will be subject to shareholder approval.

On 24 January 2018, Plukka called a shareholders meeting to seek the approval of the selective capital reduction and cancellation of 10,013,531 ordinary shares in the capital of the Company held by Treliss for nil consideration in accordance with section 256C of the Corporations Act (**Capital Reduction Meetings**). On 23 February 2018, shareholders approved all resolutions at the Capital Reduction Meetings. It is expected that the cancellation of Treliss' shares will be completed within the coming weeks. The balance of Treliss' ordinary shares in the capital of the Company will be released from voluntary escrow restrictions on completion of the capital reduction.

On 29 January 2018, the ASX advised the Company that it is required to demonstrate compliance with ASX Listing Rule 12.1, whereby the Company's operations must, in ASX's opinion, be sufficient to warrant the continued operation of the entity's securities and its continued listing, by the 30 September 2018.

The Board is now focused on identifying new acquisition opportunities with the objective of driving value for shareholders as soon as practicable.

Other than those items detailed above, no matters or circumstances have arisen since the end of the reporting date which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company.

Directors' Declaration

In the opinion of the Directors:

1. the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the half year ended on that date; and
 - (ii) Comply with Australian Accounting Standards AASB 134 and other mandatory professional reporting requirements; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with the resolution of the Directors.



John Toll

Non Executive Chairman

28 February 2018