

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

KOLLAKORN CORPORATION LIMITED

**ABN**

41 003 218 862

**Quarter ended ("current quarter")**

31 DECEMBER 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'</b>	<b>Year to date (6 months) \$A'</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	37,988	98,818
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(5,000)	(20,000)
(f) administration and corporate costs	(87,485)	(160,857)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(54,493)</b>	<b>(82,034)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'	Year to date (6 months) \$A'
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	155,000	155,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material) <sup>1</sup>	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>155,000</b>	<b>155,000</b>

<sup>1</sup> During the preparation of this Appendix 4C, a classification error was identified in the statement of cash flows for the three months ended 30 September 2016 published in the Appendix 4C report lodged with ASX on 31 October 2016. This error is related to the classification of currency translation for the quarter ended 30 September 2016 which was incorrectly classified as other cash outflow from financing activities (Item 3.9). The error resulted in the understatement of the net cash from financing activities for the quarter. This amount should have been included in Item 4.5 as the effect of movement in exchange rates on cash held. However, there is no effect on or change to the cash balance as at 30 September 2016 from this classification error.

Consolidated statement of cash flows	Current quarter \$A'	Year to date (6 months) \$A'
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	4,874	35,149
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(54,493)	(82,034)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	155,000	155,000
4.5 Effect of movement in exchange rates on cash held	958	(1,776)
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>106,339</b>	<b>106,339</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'	Previous quarter \$A'
5.1 Bank balances	106,339	4,874
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>106,339</b>	<b>4,874</b>

6. Payments to directors of the entity and their associates	Current quarter \$A'
6.1 Aggregate amount of payments to these parties included in item 1.2	-
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'
7.1 Aggregate amount of payments to these parties included in item 1.2	14,416
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Item 7.1 is made up of payment for consultancy fee of \$5,000 and for interest accrued of \$9,416 on \$403,568.35 consultancy fee which remains outstanding as at 31 December 2016.

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'	Amount drawn at quarter end \$A'
8.1 Loan facilities	1,100,000	1,100,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		


Item 8.1 is represented by 44 secured convertible notes valued at \$25,000 per note issued to various entities accruing interest at 7% per annum per ASX announcement dated 19 February 2016.

9. <b>Estimated cash outflows for next quarter</b>	\$A'
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	-
9.6 Administration and corporate costs	(64,742)
9.7 Other (provide details if material)	(81,650)
<b>9.8 Total estimated cash outflows</b>	<b>(146,392)</b>

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:   
 (Company secretary)

Date: 31<sup>ST</sup> JANUARY 2017

Print name: Tom Bloomfield

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.