



## ASX Announcement

19 February 2016

### Rollover of Convertible Notes

The directors of Kollakorn Corporation Limited (ASX: KKL) (“Company”) are pleased to advise that they have reached a satisfactory arrangement with the holders of the existing convertible notes that fall due for repayment this year.

The terms of the new arrangement are as follows:

- The existing convertible notes will be cancelled and the interest due of \$381,364 will be forfeited;
- New convertible notes with an expiry date of 31 August 2018 will be issued to the equivalent face value of the existing convertible notes;
- Interest on the new convertible notes will be 7% (previously 15%) accrued and payable on the date of their repayment;
- The new convertible notes will be secured against an aggregate amount of 10% of the shares in Kollakorn Co., Ltd (Kollakorn Thailand)
- For every \$25,000 reinvested, the noteholders shall have issued:
  - **Alternative 1**  
1,500,000 shares at a valuation of \$0.005 (half a cent)); plus  
750,000 options exercisable on or before 31 August 2018 at \$0.0125 (1.25 cents)
  - **Or Alternative 2**  
3,000,000 options exercisable on or before 31 August 2018 at \$0.0075 (three quarters of a cents)

All noteholders have agreed to rollover their existing convertible notes and as a result this debt obligation has been extended to 31 August 2018. Under this arrangement the Company will be issuing 31,500,000 shares, 15,750,000 options exercisable at 1.25 cents and 69,000,000 options exercisable at 0.75 of a cent.

Issues of shares and options to directors or their associated parties that have accepted this offer will be confirmed at a specially convened General Meeting.

The directors wish to thank all the convertible noteholders for their assistance in this matter.



**Riad Tayeh**  
Chairman