

ASX ANNOUNCEMENT

5 January 2017

The Directors of Kollakorn Corporation Limited (ASX: KKL) are pleased to announce that they have received formal notification from Isity Global Pte Limited (“Isity”) (the company that is subject of a takeover proposal by KKL) that Isity has signed with Changchun Industry Development Research Institute a “Sewage Treatment and Sludge to Clean Water and Energy Project Strategic Cooperative Framework Agreement”.

The Changchun Industry Development Research Institute is part of the Changchun Municipal Government in Jilin Province, China which focuses on new ways to solve the problems of urbanization, construction and industrial development.

This agreement states that the parties will work closely with Isity through a “Build-Operate-Transfer Model” in order to facilitate the construction and operation in Jilin Province in China, a system for turning sewage into clean water and energy and that Isity will provide finance for this project through a local Joint Venture Company.

The outline of Changchun Project (subject to further due diligence) is as follows:

- Sewage treatment plant scale for phase 1 will be up to 500 tons per day;
- Power generation plant scale will be 50 -100 MW;
- Total Investment will be USD 150 - 250 Million;
- Project duration will be 30 years.

Funding for Changchun Infrastructure Project

The details of the Changchun Project have been reviewed by the lead partner of a consortium of New York financiers who on 14 December 2016, gave Isity a letter of confidence for submission to the Changchun Municipal Government confirming (subject to further due diligence) their ability to arrange funding of up to USD250 million on an accelerated timeline for the development of the Changchun Project.



Riad Tayeh
Chairman
