

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Kollakorn Corporation Limited

ABN

41 003 218 862

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 1 | +Class of +securities issued or to be issued | Fully paid Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1) 31,250,000 Fully paid Ordinary shares
2) 74,999,999 Unlisted performance shares |

+ See chapter 19 for defined terms.

- 3 Principal terms of the ⁺securities (e.g. if options, exercise price and expiry date; if partly paid ⁺securities, the amount outstanding and due dates for payment; if ⁺convertible securities, the conversion price and dates for conversion)

1) As per existing Ordinary shares

2) Performance Shares

1. The Performance Shares shall may be converted on a date being 3 years (30 June 2020) from the date of the conclusion of the Transaction ("Conversion Date") at this time provided the Performance Milestones have been met they will be converted to ordinary Shares that rank pari passu with all other Shares on issue at the time;
2. The Performance Shares will be converted subsequent to the receipt by the Directors' of a notice for conversion of the Performance Shares ("**Notice for Conversion**") from the holders of the Performance Shares.
3. If the Directors have not received a Notice for Conversion and/or the Performance Milestones have not been met within 3 months of the Conversion Date ("**Conversion Period**") the Performance Shares shall be cancelled or bought back for no or nominal consideration;
4. Each individual holder of a block of Performance Shares shall be subject to the requirements of Section 606 of the Corporations Act with respect to increasing their shareholding beyond 20% of the total issued capital of the Company.
5. Each Performance Share will convert into 1 ordinary Share;
6. The Performance Shares will not be transferable;
7. The Performance Shares will not confer an entitlement to dividend;
8. The Performance Shares will not confer any right to the return of capital, whether on winding up, capital reduction or otherwise;
9. The Performance Shares will not confer a right to participate in surplus profits or assets upon winding up;
10. Subject to term 14 below, the Performance Shares will not confer any right to participate in new issues of securities such as bonus issues or entitlement issues;
11. Official quotation on the ASX of the Performance Shares will not be sought however once they have converted to ordinary Shares, ASX quotation will be sought;
12. The Performance Shares will not confer any right to vote. However, The Performance Shareholders will be entitled to receive and will be sent all reports and accounts required to be laid before Shareholders in general meeting and all notices of general meetings and will have the right to attend General Meetings;
13. The Performance Shares will be recorded on the Company's register maintained at the share registry. The register will be open for inspection by a holder of Performance Shares free of charge. The conversion of the Performance Shares into ordinary Shares will be recorded on Kollakorn's share register;

14. Anti-Dilution Clause

Should the Company split or consolidate its Shares (the consolidation recommended to Shareholders by this Notice excepted) or undertake a bonus issue, entitlement issue or other capital reconstruction then the number of ordinary Shares resulting from the conversion of the Performance Shares will be appropriately adjusted in order to maintain the same percentage control of the entity as previously;

15. Change of Control Clause

If there is a change of control of the entity, the holders of Performance Shares shall be entitled to convert up to 10% of the total Performance Shares on issue into ordinary Shares notwithstanding that the applicable Performance Milestones have not been achieved. A change of control is defined as:

"Any change in the entity ownership occurring when any person or company, directly or indirectly, becomes the beneficial owner of voting equity shares of the entity (to the extent of more than 50 percent of the voting shares) or the rights to acquire such shares."

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes
5	Issue price or consideration	Zero cash consideration but with a nominal value of \$0.08 per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>1) Issued to the vendors of Isity Global Pte Ltd for the purchase of the entity</p> <p>2) Issued to vendors of Isity Global Pte Ltd</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	28 November 2016
6c	Number of +securities issued without security holder approval under rule 7.1	Zero
6d	Number of +securities issued with security holder approval under rule 7.1A	Zero

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	31,250,000 fully paid ordinary shares 74,999,999 unlisted performance shares Approved at extraordinary general meeting held on 30 June 2017	
6f	Number of +securities issued under an exception in rule 7.2	Zero	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 – 22,078,279 7.1A – 17,052,188	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	24 July 2017	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		174,021,882	Fully paid Ordinary shares

	Number	+Class
9	1,575,000	Unlisted Options at \$0.125 exercisable on or before 31 August 2018
	6,900,000	Unlisted Options at \$0.075 exercisable on or before 31 August 2018
	74,999,999	Unlisted performance shares at \$0.08 exercisable from 30 June 2020 provided the performance milestones have been met.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	Unchanged	

Part 2 - Pro rata issue

Deleted – Not Applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) ☐ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities

+ See chapter 19 for defined terms.

held by those holders

- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 7 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another +security, clearly identify that other +security)
- | Number | +Class |
|--------|--------|
|--------|--------|

42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		
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Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 24 July 2017

Company secretary
Print name: Tom Bloomfield

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	101,456,998
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	<ul style="list-style-type: none"> 750,000 Fully paid Ordinary shares approved at the 2016 AGM 31,440,870 Fully paid Ordinary shares issued on 3 July & approved at the 2017 EGM 3,750,000 Fully paid ordinary shares issued on 24 November 2016, approved at the 2017 EGM 805,085 Fully paid ordinary shares issued on 16 December 2016, approved at the 2017 EGM 625,000 Fully paid ordinary shares issued on 2 February 2017, approved at the 2017 EGM 443,926 Fully paid Ordinary shares issued on 24 November 2016, approved at the 2017 EGM 31,250,000 Fully paid Ordinary shares issued on 24 July & approved at the 2017 EGM
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Zero
“A”	170,521,879

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	25,578,282
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • This applies to equity securities, unless specifically excluded – not just ordinary securities • Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed • It may be useful to set out issues of securities on different dates as separate line items 	<ul style="list-style-type: none"> • 3,500,000 Fully paid ordinary shares issued on 30 May 2017 • 3 Fully paid ordinary shares issued on 30 June 2017
“C”	3,500,003
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	25,578,282
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	3,500,003
Total [“A” x 0.15] – “C”	22,078,279 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	170,521,879
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	17,052,188
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	n/a
“E”	0

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	17,052,188
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.10] – “E”	17,052,188 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.