

MIKOH

ANNUAL 2005 REPORT

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Reporting Information

This financial report covers both MIKOH Corporation Limited as an individual entity and the consolidated entity consisting of MIKOH Corporation Limited and its controlled entities.

MIKOH Corporation Limited is a company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' Report on pages 2 to 10.

Further information is available by reference to the company's web site address: www.mikoh.com or by contacting the company at the addresses set out below.

Company Particulars

Directors	Share Register	Auditor
P.E Cox	Computershare Investor Services	Horwath Sydney Partnership
J.M. Blomfield	Pty Limited	Level 10
D.J. Halley	Level 3 60 Carrington Street	1 Market Street
J.S. Keniry AM	SYDNEY NSW 2000	SYDNEY NSW 2000
	GPO Box 7045	
	SYDNEY NSW 2001	
Secretary		Solicitors
P.E Cox	Local enquiries: 1300 855 080	Freehills
	Telephone: 61 2 8234 5000	MLC Centre
	Facsimile: 61 2 8234 5050	Martin Place
Registered and Principal Office		
WHK Greenwoods Pty Limited	Website: www.computershare.com	SYDNEY NSW 2000
Level 15		
309 Kent St		O'Loughlins Lawyers
Sydney NSW 2000	Stock Exchange Listing	99 Frome Street
	Australian Stock Exchange	ADELAIDE SA 5000
Email: mikoh@mikoh.com	ASX Code: MIK	

Web Site: www.mikoh.com

MIKOH

Dear Shareholder,

The past year has been one of substantial change for MIKOH Corporation Limited. At Board level, Matthew Blomfield became Managing Director in December 2004 and Peter Cox Chairman in March 2005. Mr. Ian Cameron and Dr. Peter Atherton resigned their directorships. Keith Wannop took over Sales and Marketing from Peter Anderson who resigned in January 2005.

Importantly, Matthew Blomfield moved to USA in May 2005 essentially to promote the Company's Smart&Secure™ technology to major users and integrators. USA is seen as the lead territory and largest potential marketplace for adoption of the Company's patented products. To date encouraging progress has been made, and, although the orders for EVR tags that were forecast a year or so ago have not yet materialized, MIKOH is confident that its products remain at the forefront of design, and that efforts to market Smart&Secure labels will be rewarded over the next year.

Sales of Digital Marking products have been disappointingly slow, as described in more detail in the directors' report. Nevertheless, a strong sales pipeline has been built and again we expect that 2006 will reflect a strong improvement in this area. We have successfully designed model changes to appeal to a changing and more competitive marketplace.

Over the past year we have raised capital to support changes in strategic direction. Costs have preceded reward as we seek new markets and continue to invest in research and development. The Board continues to endorse the plans and efforts employed by the new management people and on behalf of the Board I would like to thank the senior executives of the Group for their hard work during the year. I would like to thank Ian Cameron for his efforts as Chairman until March of this year and for his assistance since that date, and also to Robert Barnes for his dedicated and professional performance as Company Secretary of MIKOH for many years.

We look forward in 2006 to building on the foundation established during the past year.

Yours sincerely,



Peter Cox
Chairman

Your directors present their report on the consolidated entity consisting of MIKOH Corporation Limited and the entities it controlled at the end of, or during, the year ended 30 June 2005.

1. Directors

The following persons were directors of MIKOH Corporation Limited during the whole of the financial year and up to the date of this report:

Peter Eric Cox, Chairman – appointed as a director on 1 December 2004

James Matthew Blomfield, Managing Director – appointed as a director on 1 December 2004

Douglas James Halley

John Stanley Keniry AM

Ian Leslie Cameron – resigned 15 March 2005

Peter Samuel Atherton – resigned 17 November 2004

Mr Peter Eric Cox, FCA

Mr Cox was appointed as a Director on 1 December 2004 and Chairman on 15 March 2005 following the resignation of Ian Cameron.

He is a Chartered Accountant who was a partner of Stephens and Associates in South Australia from 1978 to 1996, practising over a wide range of clients in small to medium business, specialising in audit, litigation support and secretarial work. Thereafter, he has managed his own consulting business and has been a director or secretary of a number of small public companies. Mr Cox was appointed Company Secretary of MIKOH Corporation Ltd following the resignation of Robert Barnes from that position in July 2005.

Mr James Matthew Blomfield

Mr Blomfield was appointed as CEO on 17 November 2004 and as Managing Director on 1 December 2004. Matthew has held several senior positions within technology companies over the past 20 years including Managing Director of Cadds Man Limited and a director of ISR Holdings Limited. Prior to his current appointment, Mr Blomfield established his own consultancy business providing strategic advice to several technology companies in the Asia-Pacific USA and European regions.

Mr Douglas James Halley, MBA, B.Com, FAICD, FFTP

Mr Halley was appointed a non-executive Director of the company on 12 January 1988 and is a past Chairman. He has held senior executive positions in a number of major companies over the past 20 years (including IBM, John Fairfax Holdings, Goodman Fielder, Rothschild Australia and Hill Samuel Australia) covering finance, treasury, corporate development and general management. He is currently Senior Director-Business Development of Thomson Legal & Regulatory International and holds a number of board and advisory positions in private companies.

Dr John Stanley Keniry AM, B.Sc, PhD, FTSE, FRACI, FAICD

Dr Keniry was appointed a non-executive Director of the company on 11 March 1994. Dr Keniry has extensive experience in business and presently holds a number of directorships in both public and private sector companies, including Ridley Corporation, and membership of the IR & D Board. He is a former President of the Australian Chamber of Commerce and Industry, former Chair of the National Registration Authority for Agricultural and Veterinary Chemicals, and a former member of the Prime Minister's Science,

Engineering, and Innovation Council.

During the last three years Dr Keniry has also served as a director of the following listed companies:

Ridley Corporation Limited

Biosignal Limited (formerly Biosignal Australia Pty Ltd)

First Opportunity Fund Limited

Woolstock Australia Limited (1999 to 2002)

Latrobe Magnesium Limited (from 2003)

Mr Ian Leslie Cameron, CPA

Mr Cameron, a Director for 6 years, was appointed a non-executive director on 8 April 1998, an executive director on 8 August 2001 and Executive Chairman of the board on 28 November, 2002. He has had extensive experience in the Information Technology sector for over 20 years and has served as finance director in both private and public corporations in that industry. He has worked in conjunction with multi-national companies both in Australia and overseas during that period, having responsibility for their Asian Regional Finance Operations and assisting in the introduction and development of new products, markets and alliances. He is a consultant to business in financial information management.

Dr Peter Samuel Atherton, PhD, B.Eng, FAICD

Dr Atherton, a Director for 11 years, was appointed an executive Director of the company on 1 June 1993 and was Managing Director until 8 August 2001. He is President and CEO of the group's US based subsidiary, MIKOH Corporation, Inc. Dr Atherton has a background in physics and prior to joining the company had spent 7 years in the telecommunications industry, heading research and development into optoelectronic technologies at OTC. He is the inventor of MIKOH's proprietary technologies Smart & Secure, COUNTERFOIL and SubScribe.

Company Secretary

Robert M Barnes acted as Company Secretary for the whole of the financial year, but resigned on 15 July 2005. Mr Peter Cox accepted the position of Company Secretary on 15 July 2005 – refer above for personal details.

Particulars of directors' interests in the shares and options of MIKOH Corporation Limited as at the date of this report are as follows:

	Fully paid shares held	Options held
PE Cox	1,196,566	500,000
JM Blomfield	943,132	4,000,000
DJ Halley	11,484,068	1,000,000
JS Keniry	1,793,018	1,000,000

2. Principal Activities

The principal activities of the consolidated entity during the financial year consisted of:-

- The development, marketing and commercialisation of security orientated identification, authentication and information storage technologies; and
- The manufacture and sale of digital ink-jet imaging machines for the commercial printing industry.

There have been no changes to the principal activities during the year .

3. Dividends

No dividends were paid during the year. The Directors do not recommend payment of a dividend.

4. Review of Operations and Results

Revenue for the year fell from \$2,287,885 in 2004 to \$1,657,277 in 2005, a decrease of 27.6%. The main reason for the reduced revenue was the cessation of monthly payments from TransCore in December 2004 and a slowing in sales of MIKOH's Digital Marking Products.

While the results are disappointing, the new management team is optimistic about its business plan the progress of which has been reported progressively throughout the year. The directors have confidence in the plan and expect a significant improvement in revenues in 2006.

The Consolidated Entity recorded a loss of \$1,353,682 for the year (2004: \$293,429). For the six months ended 31 December 2004 the loss was \$291,282 and in the second half \$1,062,400. The higher loss in the second six month period was largely caused by the fall in revenue described above and incurring the following expenses:

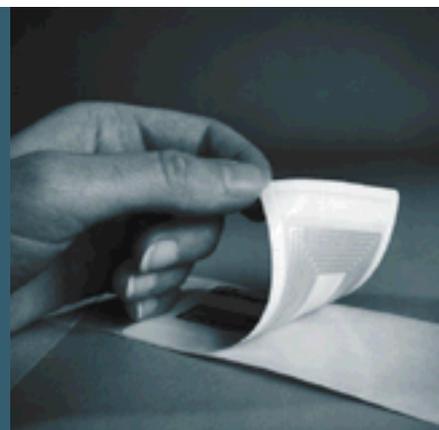
- Provision for doubtful debts \$105,332,
- Obsolete stock written off \$65,000,
- Increased salary and contractor expenses associated with the transition of management teams in the second six month period,
- Provision for unrealised foreign exchange losses \$38,156, and
- Recognition of prior year payroll tax liabilities \$33,740

The increase in administration expenses from \$617,777 in 2004 to \$957,083 in 2005 is mainly due to the above factors. Research and Development expenditure was relatively unchanged from \$725,675 in 2004 to \$706,114 in 2005. Sales and Marketing expenditure increased by \$159,809 in line with the focus of developing sales activity.

Management plans to reduce administrative overheads and redirect company resources to focus on revenue generating activities in 2006.

(a) Digital Marking Products

The revenue from Digital Marking Products fell marginally from \$1,094,898 in 2004 to \$1,057,209 in 2005 but there had been a deterioration of the sales pipeline towards the middle of the financial year. Sales in the December half year were \$577,111 but reduced to \$480,098 in the second half. The sales cycle for these products is approximately 6 months. Initiatives to correct the situation included our presence at the PacPrint trade show in Melbourne, the appointment of a sales representative in Europe, and the shifting away from our previous reseller in Italy. The sales pipeline has grown substantially and the Consolidated Entity expects a significant improvement in sales of Digital Marking Products in 2006.



Smart&Secure™



SubScribe Laser Marker



Digital Ink-Jet Printer

In January 2005, MIKOH published a road map of its next generation of variable data digital inkjet printers. These model changes were designed to restore MIKOH's competitiveness in the world market, both in terms of features and price point. In late May, at the PacPrint 2005 Exhibition in Melbourne, MIKOH launched the first of this new range – the entry-level SL70. This \$55,000 printer has a single Xaar print head and has been designed to provide a variable data printing solution for those applications in which a 70mm print width will meet customer needs.

PacPrint drew substantial interest from Australian and international commercial printers seeking a digital printing solution to supplement their in-house capabilities. Following the extensive interest shown in MIKOH's products at PacPrint, we have decided to increase the Company's exposure in other trade shows around the world and will feature both the SL70 and the new Hewlett Packard based printer.

In August 2005, MIKOH will finalise the design and specification of its new flagship printer code-named "NewFast". NewFast is being developed in response to market requirements in Europe, Australia, New Zealand, China and South East Asia for a wide format digital inkjet printer that can operate at high speeds. NewFast will be available for delivery in March 2006.

MIKOH has booked sales of four printers since January 2005 – 2 in Australia, 1 in Sri Lanka and 1 in Europe. The European sale is the first of the new range of printers – the SL70.

Having laid the groundwork in 2005 by developing three completely new niche systems, and by bringing the SubScribe™ and COUNTERFOIL™ business back in to the Company (as announced in August 2005), MIKOH anticipates sales growth throughout Australasia, Europe, USA, China and South East Asia.

(b) Smart&Secure™ - Secure Radio Frequency Identification (RFID) Tags

Sales of Security Products fell from \$1,078,114 in 2004 to \$583,628 in 2005. During the whole of the year MIKOH had one exclusive partner which maintained single point sensitivity and restricted the Consolidated Entity from dealing with other potential customers. Through this relationship MIKOH expected large volume sales from a specific US State Government to materialise towards June 2005. That purchase decision has been deferred and now likely to be made in 2006. To mitigate the effects of the exclusive agreement which terminated in June 2005, MIKOH has held discussions with a number of major integration partners to cooperate sales in areas such as Pharmaceuticals, Ground Transportation and Government and Asset Tracking. We believe that this strategy will position MIKOH for growth in 2006. The RFID industry is rapidly maturing and security is a fundamental requirement for a successful RFID implementation. We will provide more details of this progress in the near future.

The product-level breakdown by six-month trading shows a substantial drop in revenue in our Security Products from \$520,460 in the six months ending December 2004 to \$63,168 in the six months ending June 2005. Many industry experts predict the number of passive RFID tags

in use will run into billions in the next few years. Our plan involves raising the visibility of security in RFID systems to make it a high-profile issue. In the past it has been largely ignored as system integrators have focused instead on RF performance issues. Physical security of the tags is a very important facet of total system security.

MIKOH is focussing on providing physical security for RFID tags through inclusion of its Smart&Secure™ technology. Smart&Secure will cause an RFID tag to stop working if it is tampered with or moved from one item to another. Physical security for the tags is essential in ensuring that an RFID system collects reliable data regarding tagged items, since the system detects only the RFID tags, and from this infers the presence of each corresponding tagged item. If a tag continues to function when it is no longer on an item or after it has been moved from one item to another, the system will generate false information. Smart&Secure can form an integral part of systems to combat product counterfeiting and substitution, ensure secure track & trace operations, provide security for asset management systems, and ensure product and document authenticity.

Use of RFID to secure the pharmaceutical supply chain is one particular application that is currently generating a great deal of attention. The US Food and Drug Administration (FDA) has recommended the adoption of RFID to combat product counterfeiting and substitution, and to improve supply chain accuracy and traceability. Several US States are now reported to be moving to mandate the use of "electronic pedigree" in the pharmaceutical industry, enabling an individual product package to be traced back through the supply chain to its point of manufacture. This is seen as a substantial opportunity by a number of major RFID suppliers. Recently, 3M, Texas Instruments and Verisign announced a partnership to provide a secure RFID platform for the pharmaceutical supply chain.

MIKOH believes its Smart&Secure technology is well suited to this application. Due to the Company's strong patent protection, MIKOH's preferred RFID strategy is to partner with major players - in particular system integrators - that have access to high-volume markets. Smart&Secure is one component of an overall RFID system, so rather than trying to sell to end-users, we are negotiating relationships with companies that can integrate our technology into end-user solutions.

We are currently in discussion with leading system integrators, supply chain operators, and shippers, and are in the process of engaging the services of a North America marketing group to ensure that this simple tag security message reaches the appropriate people. We will advise progress of our marketing initiatives on a regular basis.

MIKOH continues to pursue the use of Smart&Secure in electronic vehicle registration (EVR) applications following its earlier work with TransCore, although to date no significant order for supply of EVR tags has been achieved. EVR is currently under active consideration for near-term adoption by one of the largest US states, and is being promoted globally by major integrators such as 3M. Speed of adoption in different regions outside the US will depend on technological, privacy and political considerations.

5. Financial position

The net assets of the Consolidated Entity have decreased by \$92,603 to \$805,536 over the 12 months to 30 June 2005.

During the year there was a net cash outflow from operations of \$747,212, but net cash raised from issue of shares of \$1,276,602 contributed to an improved cash position at year end compared to 2004. Payments for plant and equipment were only \$67,350.

6. Significant Changes in the State of Affairs

MIKOH issued 32,247,942 new fully paid ordinary shares during the year raising \$1,376,526 less costs associated with the issue of \$115,447. A placement at 3.8 cents was completed in February 2005 and a one for five rights issue at 4.5 cents was completed in June 2005. A total of 14,132,852 options on issue at 30 June 2004 lapsed during the year, and only 125,000 were exercised. Shareholders approved the grant of 4,500,000 options to two of the Directors at an Extraordinary General Meeting of shareholders in May 2005.

7. Matters Subsequent to the End of the Financial Year

No matters or circumstances have arisen since 30 June 2005 that have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those

operations, or the state of affairs of the Consolidated Entity in future financial years. It should be noted however, that the Board have indicated the possibility of raising additional equity to fund working capital in the near future.

8. Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support and have adhered to the principles of good corporate governance. The Company's corporate governance statement is contained in the section following this report entitled "Corporate Governance Statement" commencing on page 13.

9. Likely Developments and Expected Results of Operations

Comments on expected results of certain of the operations of the consolidated entity are included under the Review of Operations and Results set out in paragraph 4 in the Director's Report. Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

10. Options

Particulars regarding options as at the date of this report:

Category	Exercisable at any time until	Exercise price (cents per option)	Lapsed during the period	Exercised during the period	Outstanding
Listed	20/07/04	20	10,636,952	-	-
Secretary	04/11/04	72	100,000	-	-
Director	25/11/04	84	250,000	-	-
Placement	10/09/04	5	812,500	125,000	-
Employees and contractors	12/07/06	15	2,333,400	-	1,666,800
Director	25/09/08	20	-	-	5,000,000
Underwriter	31/12/08	10	-	-	1,000,000
Directors	31/03/10	10	-	-	2,500,000
Directors	31/03/10	15	-	-	1,000,000
Directors	31/03/10	20	-	-	1,000,000
Total			14,132,852	125,000	12,166,800

All of the outstanding options are unlisted.

None of the above options entitles the holders to participate, by virtue of the options, in any share issue of any other corporation.

11. Remuneration Report

This report outlines the remuneration arrangements in place for directors and executives of MIKOH Corporation Limited and its subsidiaries (the Consolidated Entity).

Remuneration Philosophy

The performance of the Consolidated Entity depends upon the quality of its directors and executives. To prosper, the Consolidated Entity must attract, motivate and retain highly skilled directors and executives.

To this end, the Consolidated Entity embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value;
- Significant portion of executive remuneration 'at risk', dependent upon Corporate performance; and
- Establish appropriate, demanding performance hurdles in relation to variable executive remuneration.

Remuneration Committee

Due to the relatively small size of the Consolidated Entity, the Board has decided not to form a separate Remuneration Committee. Instead, the Board of Directors is responsible for determining and reviewing compensation arrangements for the directors, the Managing Director and the senior management team.

The Board of Directors assesses the appropriateness of the nature and amount of remuneration of directors and senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

At the current stage of the Consolidated Entity's business, the majority of the senior executives are independent contractors and are remunerated at current commercial rates.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and senior executive management remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Consolidated Entity with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by shareholders in a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at a General Meeting held on 30 May 2005 when shareholders approved an aggregate remuneration of \$100,000 per year.

The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each of the three non-executive directors receives a director's fee.

In accordance with the shareholders' resolution on 30 May 2005, directors' fees were effective as from 1 December 2004. The remuneration of non-executive directors for the period ending 30 June 2005 is set out below:

Mr P Cox

- Directors fees of \$20,000 per annum to 31 March 2005 and \$40,000 per annum thereafter;
- Statutory superannuation of 9% of the fees payable; and
- Options as disclosed at the Directors Report on page 7.

Mr D Halley

- Directors fees of \$20,000 per annum; and
- Statutory superannuation of 9% of the fees payable.

Dr J Keniry

- Directors fees of \$20,000 per annum; and
- Statutory superannuation of 9% of the fees payable.

Executive Director and Senior Management Remuneration

Objective

The Consolidated Entity aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Consolidated Entity and so as to:

- Reward executives for Consolidated Entity and individual performance;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Consolidated Entity; and
- Ensure total remuneration is competitive by market standards.

Structure

It is Board policy to have an employment contract with the Managing Director. At the time of this report there are no other senior executive employees of the Consolidated Entity. Remuneration consists of the following key elements:

- Fixed Remuneration
- Performance Based Remuneration

The proportion of fixed remuneration and performance based remuneration (potential short term and long term incentives) is established by contract and provides for annual review by the Board of Directors.

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed in accordance with contract terms by the Board of Directors and the process consists of a review of companywide and individual performance, relevant comparative remuneration in the market and where appropriate, external advice on policies and practices.

Performance Based Remuneration and Shareholder Wealth

The emphasis of the Company's performance based remuneration strategy is to align the goals of management with those of shareholders whilst taking into consideration the Company's current financial circumstances. It is the view of the Board that the most effective way to align management and shareholders goals is through the provision of share option incentives that correlate contingent remuneration to increases in shareholder value. The extent and conditions regarding these incentives are determined by the board on an annual basis with regard to i) the Company's strategic and financial goals, and ii) market benchmarks.

Senior sales positions also have a relatively large component of their remuneration package tied to the generation of sales through the existence of commission agreements. In line with the company's strategic and financial goals, this method of performance based remuneration allows the Company to dramatically increase its sales and marketing efforts whilst preserving a low fixed cost structure.

Employment Contracts and Service Agreements

The employment terms of the Managing Director (JM Blomfield) and other senior executives are incorporated within an employment or service agreement. A summary of key contracts are shown below:-

J.M. Blomfield

- Term of agreement – 17 November 2004 - 31 December 2007;
- Base salary of US\$200,000 to be reviewed by the board on 1 January 2006;

- Option incentives are detailed below; and
- 3 months notice period must be provided by the company or CEO on termination in circumstances other than actions of gross misconduct as stipulated in the agreement. Also includes restriction clauses limiting direct competition on termination.

P.S. Atherton

- Term of the agreement – 2 years commencing 1 January 2004;
- Base salary for the year ended 31 December 2005 of US\$170,000 to be reviewed annually by the board;
- Other benefits include provision of motor vehicle, medical insurance and conditional relocation expenses; and
- 4 months notice period must be provided by the company or CEO on termination in circumstances other than actions of gross misconduct as stipulated in the agreement. Also includes restriction clauses limiting direct competition on termination.

During the financial year options were granted as equity compensation to the Chairman and Managing Director. The options were issued free of charge and vested at grant date. The amounts of remuneration were determined by the Board as being appropriate to market conditions.

Specified directors	Granted and vested	Grant date	Value per option at grant date	Exercise price per option	Last exercise date
PE Cox	500,000	30 May 2005	\$0.018242	\$0.10	31 March 2010
JM Blomfield	2,000,000	30 May 2005	\$0.018242	\$0.10	31 March 2010
JM Blomfield	1,000,000	30 May 2005	\$0.012893	\$0.15	31 March 2010
JM Blomfield	1,000,000	30 May 2005	\$0.008952	\$0.20	31 March 2010

The fair value of these options, altogether totalling \$58,328 for the Managing Director and \$9,121 for the Chairman was calculated using a binomial option pricing model, taking into account historical and expected volatility of the underlying shares, risk-free interest rates and expected life of options. The expected life of the options will be based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility also reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The value of the options represented 27.0% and 33.4% of the total remuneration of the Managing Director and Chairman respectively.

Directors' and Executives' Remuneration

A summary of remuneration paid to Directors and Senior Executives is as follows:

Director	Salary, fees or contract payments \$	Retirement benefit \$	Equity based remuneration \$	Non-cash Benefits \$	Total \$
PE Cox - Chairman (appointed 1 December 2004)	16,666	1,500	9,121	-	27,287
JM Blomfield – Managing Director (appointed 1 December 2004)	134,023	6,890	58,328	16,759	216,000
JS Keniry	11,666	1,050	-	-	12,716
DJ Halley	11,666	1,050	-	-	12,716
IL Cameron (to 15 March 2005)	75,488	-	-	-	75,488
PS Atherton (to 17 November 2004)	90,021	1,111	-	-	91,132
Executives					
PS Atherton – Chief Technology Officer (from 17 November 2004)	143,530	1,284	-	-	144,814
RM Barnes - Secretary	40,370	-	-	-	40,370
P Anderson – Sales Manager (to 31 January 2005)	112,875	-	-	-	112,875
K Wannop – Sales and Marketing Manager (from 1 December 2004)	90,250	-	-	-	90,250

12. Environmental Regulation

The Consolidated Entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

13. Company Performance

Year	Revenue	(Loss) for the year after tax	Net Operating Cash (Outflow)	(Loss) per Share (cents)	Share Price at Year End (cents)
2001	729,963	(2,238,562)	(2,220,067)	(3.78)	7.5
2002	1,088,756	(3,139,027)	(2,546,832)	(5.16)	7.6
2003	1,541,339	(1,742,091)	(1,204,380)	(2.29)	5.2
2004	2,287,885	(293,429)	(299,023)	(0.32)	4.3
2005	1,657,277	(1,353,682)	(747,212)	(1.32)	5.4

No dividends were paid in any of the above years, nor were there any capital reductions or share cancellations.

14. Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in or on behalf of the company with leave of the Court under sections 237 of the Corporations Act 2001.



Tampered 915MHz Smart&Secure Tag

15. Meetings of Directors

The number of meetings of the Company's board of directors held during the year ended 30 June 2005 and the numbers of meetings attended by each director were as follows:

Director	Directors' Meetings	
	Held while in office	Attended
P.E Cox	7	7
J.M Blomfield	7	7
J.S. Keniry	13	11
D.J. Halley	13	13
I.L. Cameron	10	10
P.S. Atherton	5	5

16. Indemnification and Insurance of Officers

Insurance policies are in place to cover current and former Directors and Executive officers, however, the terms of the policies prohibit disclosure of the details of the insurance cover and the premiums paid.

17. Non Audit Services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not comprise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2005:

Taxation Advice	\$12,650
Half year review	<u>\$5,500</u>
Total	<u>\$18,150</u>

18. Auditors Independence Declaration

The Auditor's Independence Declaration for the year ended 30 June 2005 has been received and can be found on page 11 of the directors' report.

This report is made in accordance with a resolution of the



J. M Blomfield
Managing Director
Sydney, 28 September 2005

28 September 2005

The Board of Directors
MIKOH Corporation Limited
Suite 410
One Darling Harbour
50 Murray Street
Pyrmont NSW 2000

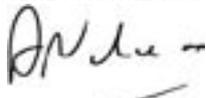
AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial report of MIKOH Corporation Limited for the year ended 30 June 2005 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to this audit;
- No contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to this audit.

Yours faithfully
HORWATH
SYDNEY PARTNERSHIP



ALFRED A NEHAMA
Partner

The Board is responsible for protecting the rights and interests of the shareholders through the implementation of sound strategies and action plans and the development of an integrated framework of controls over the Company's resources, functions and assets. This process is achieved through the application of appropriate corporate governance policies and procedures given the size of the company and the scale of its operations. The Board guides and monitors the business and affairs of MIKOH Corporation Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

The format of the Corporate Governance Statement has changed in comparison to the previous year due to the introduction of the Australian Stock Exchange Corporate Governance Council's (the Council's) "Principles of Good Corporate Governance and Best Practice Recommendations" (the Recommendations). In accordance with the Council's recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. MIKOH's Corporate Governance Statement is now structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

- Principle 1 – Lay solid foundations for management and oversight
- Principle 2 – Structure the board to add value
- Principle 3 – Promote ethical and responsible decision making
- Principle 4 – Safeguard integrity in financial reporting
- Principle 5 – Make timely and balanced disclosure
- Principle 6 – Respect the rights of shareholders
- Principle 7 – Recognise and manage risk
- Principle 8 – Encourage enhanced performance
- Principle 9 – Remunerate fairly and responsibly
- Principle 10 – Recognise the legitimate interests of shareholders

MIKOH Corporation Limited's corporate governance practices were in place throughout the year ended 30 June 2005.

1. Lay solid foundations for management and oversight

Governance Roles to achieve the Vision

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors' Report.

The determination of materiality requires consideration of both quantitative and qualitative elements.

The Board will be accountable to the Company shareholders for the performance of the Company and will have overall responsibility for its operations. Day to day management of the Company's affairs, and the implementation of the corporate strategy and policy initiatives, will be formally delegated by the Board to the Managing Director.

The key responsibilities of the Board will include:

- approving the strategic direction and related objectives of the Company and monitoring management performance in the achievement of these objectives;
- adopting budgets and monitoring the financial performance of the Company;
- reviewing the performance of the Managing Director;
- overseeing the establishment and maintenance of adequate internal controls and effective monitoring systems;
- ensuring all major business risks are identified and effectively managed; and
- ensuring that the Company meets its legal and statutory obligations.

Role of the Managing Director

The role of the Managing Director includes:

- **Vision/Strategy:-** Formulating with the Board the vision and strategy, developing action plans to achieve the vision and reporting regularly to the Board on progress.
- **Management team and employees:-** Providing leadership, appointing and negotiating terms of employment of senior executives (with Board approval where necessary), developing a succession plan, ensuring procedures are in place for education and training to ensure compliance with laws and policies.
- **Board:-** Responsible for bringing all matters requiring review/approval to the Board, advising on the changes in risk profile, providing certification regarding the financial statements for the half-year and full year, reporting to the Board on a monthly basis the performance of the company and for ensuring education of directors on relevant matters.
- **Delegated authority:-** Levels for capital expenditure, sale of assets, etc.

Role of the Chairman

The role of the Chairman includes:

- **Vision/Strategy:-** Ensuring leadership in setting and reviewing vision;
- **Board meetings:-** Setting agenda with the Managing Director/Company Secretary, ensuring directors receive all relevant information, chairing meetings and dealing with conflicts;
- **Shareholders' Meetings:-** Chairing shareholders' meetings and ensuring shareholders as a whole have an opportunity to speak on relevant matters, ensuring audit partner attends the AGM;
- **External:-** Spokesperson with the Managing Director on company matters;
- **Managing Director:-** Primary point of contact between the Board and Managing Director, keeping fully informed on major matters by the Managing Director, chairing the performance appraisal of the Managing Director, and providing mentoring;
- **Board:-** Initiating Board and committee performance appraisal, ensuring agreed composition is maintained and director induction plans are in place.

2. Structure the Board to Add Value

Composition and Balance of Skills of Directors

The Directors consider the size and composition of the Board is appropriate given the size and status of the Company. However, the composition of the Board will be subject to review in a number of ways.

- The Company's Constitution provides that at every annual general meeting, one third of the directors shall retire from office but may stand for re-election.
- Board composition will be also reviewed periodically either when a vacancy arises or if it is considered the Board would benefit from the services of a new director, given the existing mix of skills and experience of the Board which should match the strategic demands of the Company. Once it has been agreed that a new director is to be appointed, a search would be undertaken, sometimes using the services of external consultants. Nominations would then be reviewed by the Board.
- The Chief Executive Officer will be a director and will also have the title of Managing Director.

Independence of Directors

The Board believes that the best interests of the Consolidated Entity, when it is fully operational, will be served if a majority of the directors are independent, as defined in the ASX Corporate Governance Guidelines. The Chairman is an independent director and non-executive. Directors of MIKOH Corporation Limited are considered to be independent when they are independent of management and free from any business or other relationship that could (or could reasonably be perceived to) materially interfere with the exercise of their unfettered and independent judgement.

The Board will review annually whether or not each director is independent.

The status of each director is as follows:

		Term in Office
PE Cox – Chairman	Independent	Since 1 December 2004
JM Blomfield – Managing Director	Non-Independent	Since 1 December 2004
JS Keniry	Independent	Since 11 March 1994
DJ Halley	Independent	Since 12 January 1988

The definition of independence is that as set out in the ASX Corporate Governance Guidelines.

The Board believes that in each case, where services provided by director related entities are at commercial rates, it is in the interests of the Consolidated Entity at this stage of its development to retain director involvement.

The structure of the Board complies with the ASX principle for a majority of the Board to be independent. Mr Halley has a relevant interest in nearly 9% of the issued shares of the Company although by virtue of a joint holding, his ultimate interest is somewhat less. The Board considers that Mr Halley is

independent for the purpose of the discharge of his duties and is not compromised by his shareholding interests.

The Board believes in the renewal of Board members to ensure the ongoing vitality of the company. Generally, directors will serve for 10 years and will then not seek re-election at the next AGM at which they retire by rotation, unless unanimously agreed otherwise by the other non-executive directors. The best interests of the Company at the time, will significantly influence any such decision.

Appointment of Directors

If the Board determines that there is a need to appoint another director for any reason it will:

- determine the appropriate skills, experience and qualifications having regard to those of the existing directors;
- agree the process to seek such a person;
- set a timetable to appoint, having regards to the timing of the AGM and requirements of the Constitution; and
- prepare a short list and meet the candidates.

Conflicts of Interest

In accordance with the Corporations Act and the Company's constitution, the Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the director concerned will not receive the relevant Board papers, will not be present at the meeting whilst the item is considered, and will take no part in any decision.

Access to Independent Advice

Directors may obtain independent experts' advice to enable them to fulfil their obligations, at the expense of the Consolidated Entity and after obtaining approval of the Chairman.

3. Promote Ethical and Responsible Decision-making

Code of Conduct of Directors

The directors are expected to use their skills commensurate with their knowledge and experience to increase the value of the Company.

To meet this obligation they must act honestly and should:

- execute due care and diligence;
- not misuse information or their position for their own gain;
- avoid or fully disclose conflicts;
- ensure that the market is fully informed of all matters that require disclosure;
- actively promote the reputation of the company.

Directors must comply with the law on disclosure of benefits and related party transactions. Directors must have access to all relevant information on the company and this is to be sought through the Managing Director or agreed arrangements.

All directors must maintain strict confidentiality in relation to company matters.

Directors must be aware of insider trading laws and strictly abide by the law and company policies.

Directors are to ensure that the financial statements are drawn up to comply with Australian Corporations Law and Accounting Standards.

Directors must also be aware of environmental impacts of the company's business and ensure the health, safety and well-being of their employees.

Deeds of access indemnity and insurance will be entered into with the directors to the extent permitted by law.

Trading in securities

The Company's constitution permits the Directors to acquire securities in the Company. However, the Company policy prohibits directors and senior management from trading the Company's securities at any time whilst in possession of price sensitive information, and for 48 hours after:

- any major announcements;
- the release of the Company's annual financial results to the ASX; and
- the annual general meeting.

Directors must advise the Chairman of the Board before buying or selling securities in the Company. All such transactions will be reported to the Board. In accordance with the provisions of the Corporations Act and the ASX Listing Rules, the Company will advise the ASX of any transaction conducted by the Directors in the Company's securities.

This policy relates to directors and executive's spouses and other parties over whom they have significant influence.

Interaction with the media

To ensure clear and consistent messages to the Stock Exchange and media, unless specifically approved otherwise, the Chairman and Managing Director are the only authorised spokespersons of the Company.

4. Safeguarding Integrity in Financial Reporting Certificate from MD/CFO

The Managing Director has provided a certificate to the Board regarding the Financial reports giving a true and fair view and being in accordance with accounting standards. Note that the company did not have a CFO during the entire year.

Board Committees

The Board of Directors takes ultimate responsibility for corporate governance including the functions of:

- establishing compensation arrangements of the Managing Director and its senior executives and officers;
- appointment and retirement of non-executive directors;
- appointment of auditors;
- areas of business risk;
- maintenance of ethical standards; and
- audit committee.

The Board seeks independent professional advice as necessary in carrying out their duties and responsibilities.

The Board has not established a separate audit committee because of the small size of both the Board and the Consolidated Entity. Instead the whole Board monitors performance of the

Consolidated Entity closely and in conjunction with the external auditors is satisfied that the reporting systems in place provide accurate and timely reports of the Consolidated Entity's activities and position.

Contracts and Transactions between the Consolidated Entity and its officers

Any proposed contract between an officer (including associates of the officer) and MIKOH Corporation Limited must be approved by the Board prior to its execution.

5. Make Timely and Balanced Disclosure Continuous Disclosure

The Company has a policy that all the Company shareholders and investors have equal access to the Company's information. The Chairman of the Board ensures that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. The company secretary has primary responsibility for all communications with the ASX.

MIKOH Corporation Limited maintains a website which is regularly updated to provide the wider community with all of the available information that is released.

6. Respect the Rights of Shareholders Communication Policy

The Board of Directors' aim is to ensure that the Company shareholders will be informed of all major developments affecting the Company's state of affairs. Information will be communicated to the Company shareholders in the following forms:

- the annual report will be distributed to all the Company shareholders (unless a shareholder has specifically requested not to receive the document);
- the half-yearly report will contain summarised financial information and a review of the operations of the Company during the period (the financial report will be sent to any shareholder who requests it);
- the ASX quarterly cash reports will contain summarised financial information and a review of operations of the Company during the relevant period;
- notices of all meetings of the Company shareholders; and
- the Company's website, www.mikoh.com.

It is the Company's policy that the engagement partner of its auditors, Horwarth Sydney Partnership, be present at the AGM and be available to answer relevant questions.

7. Recognise and Manage Risk

Risk Management and Internal Compliance and Control

The Board determines the Consolidated Entity's 'risk profile' and is responsible for overseeing and approving risk management strategy and policy.

This includes:

- establishing and monitoring the Consolidated Entity's strategies, goals and objectives
- identifying and measuring risks that might impact upon the achievement of those strategies, goals and objectives
- formulating risk management strategies to manage the identified risks
- monitoring and improving the effectiveness of risks and internal compliance controls.

8. Encourage Enhanced Performance

Performance Evaluation

The Board, through the Chairman, will carry out an evaluation, at least every three years, to:

- review the role of the Board
- assess the performance of the Board with a view to assisting the Board to better perform its duties
- review the type and timing of information provided to directors
- review the performance and contribution of each of the non-executive directors.

The Board may, from time to time, use an independent adviser to assist in the reviews.

Managing Director / Chief Executive Officer

The Board will annually review the performance of the Managing Director having regard to performance measures set out at the commencement of each year. These will include financial measures, achievement of strategic objectives and other key performance indicators, and compliance.

9. Remunerate Fairly and Responsibly

Remuneration Policies

Non-Executive Directors

Fees including statutory superannuation paid to non-executive directors will generally be around the market average.

Directors will not be entitled to a retirement benefit.

Directors will not participate in share or option plans except with the approval of the shareholders.

Currently, the fee level is \$20,000 per non-executive director per annum and the Chairman \$40,000 per annum. The total amount that may be payable by the Consolidated Entity by way of directors' fees is subject to approval by shareholders.

Senior Executives

Remuneration packages will generally be set to be competitive to both retain executives and attract executives to the company. At this stage of the development of the Consolidated Entity's main project, the majority of executives consult by way of contract.

For further information refer to the Remuneration Report included in the Directors' Report.

10. Recognise the Legitimate Interests of Stakeholders

The Consolidated Entity observes the principles recommended by the ASX Corporate Guidance Council.

The Consolidated Entity acknowledges community and legal standards with respect to anti-discrimination at all levels, particularly with respect to employees and contractors.

The Consolidated Entity acknowledges community and legal standards with respect to occupational safety and health.

For the year ended 30 June 2005

	Note	Consolidated		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
Revenue from ordinary activities	2	1,657,277	2,287,885	937,639	466,314
Expenses by function:-					
Cost of goods sold		(697,870)	(897,111)	-	-
Manufacturing		(156,059)	(246,895)	-	-
Administration		(957,083)	(617,777)	(1,969,237)	(695,382)
Borrowing costs		(3,390)	(3,831)	(3,390)	(3,721)
Marketing and sales		(694,038)	(534,229)	(317,673)	(60,640)
Research and development		(706,114)	(725,675)	(1,021)	-
Loss from ordinary activities before related income tax expense	3 (a)	(1,557,277)	(737,633)	(1,353,682)	(293,429)
Income tax benefit (expense)	4	203,595	444,204	-	-
Loss from ordinary activities after related income tax expense		(1,353,682)	(293,429)	(1,353,682)	(293,429)
Net Loss attributable to members of MIKOH Corporation Limited		(1,353,682)	(293,429)	(1,353,682)	(293,429)
Total changes in equity attributable to members of MIKOH Corporation Limited other than those resulting from transactions with owners as owners	17	(1,353,682)	(293,429)	(1,353,682)	(293,429)
Basic earnings (loss) per share	18	(1.32) cents	(0.32) cents		
Diluted earnings (loss) per share	18	(1.32) cents	(0.32) cents		

The above Statement of Financial Performance should be read in conjunction with the accompanying notes

As at 30 June 2005

	Note	Consolidated		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
Current Assets					
Cash assets	5	922,311	468,381	564,505	71,037
Receivables	6	107,018	299,853	960,357	1,521,602
Inventories	7	140,474	420,358	-	-
Other	8	238,758	252,123	42,360	38,738
Total Current Assets		1,408,561	1,440,715	1,567,222	1,631,377
Non-Current Assets					
Plant and equipment	11	296,500	309,468	19,942	16,193
Intangible assets	12	146,103	287,555	-	-
Total Non-Current Assets		442,603	597,023	19,942	16,193
Total Assets		1,851,164	2,037,738	1,587,164	1,647,570
Current Liabilities					
Payables	13	782,828	886,782	594,331	498,614
Other	14	71,103	56,250	-	56,250
Total Current Liabilities		853,931	943,032	594,331	554,864
Non-Current Liabilities					
Payables	13	26,113	62,778	26,113	62,778
Provisions	15	165,584	133,789	161,184	131,789
Total Non-Current Liabilities		191,697	196,567	187,297	194,567
Total Liabilities		1,045,628	1,139,599	781,628	749,431
Net Assets		805,536	898,139	805,536	898,139
Equity					
Parent entity interest					
Contributed equity	16	21,067,512	19,806,433	21,067,512	19,806,433
Retained profits (accumulated losses)	17	(20,261,976)	(18,908,294)	(20,261,976)	(18,908,294)
Total parent entity interest		805,536	898,139	805,536	898,139
Total Equity		805,536	898,139	805,536	898,139

The above Statement of Financial Position should be read in conjunction with the accompanying notes

For the year ended 30 June 2005

	Note	Consolidated		Parent Entity	
		2005 \$	2004 \$	2005 \$	2004 \$
Cash Flows from Operating Activities (inclusive of goods and services tax)					
Receipts from customers		1,763,842	2,292,993	97,479	100,644
Payments to suppliers and employees		(2,727,963)	(2,861,774)	(1,016,734)	(555,592)
		(964,121)	(568,781)	(919,255)	(454,948)
Interest received		8,590	9,385	4,540	6,814
Borrowing costs		(3,390)	(3,831)	(3,390)	(3,721)
Research & development tax off-set received		211,709	264,204	-	-
Net cash outflow from operating activities	20	(747,212)	(299,023)	(918,105)	(451,855)
Cash Flows from Investing Activities					
Payments for plant and equipment		(67,350)	(1,496)	(6,710)	-
Loans advanced to controlled entities		-	-	(355,428)	(543,509)
Loans repaid by controlled entities		-	-	497,109	473,138
Net cash inflow/(outflow) from investing activities		(67,350)	(1,496)	134,971	(70,371)
Cash Flows from Financing Activities					
Proceeds from the issue of shares		1,376,526	587,500	1,376,526	587,500
Payment for share issue expenses		(99,924)	(25,000)	(99,924)	(25,000)
Net cash inflow from financing activities		1,276,602	562,500	1,276,602	562,500
Net increase (decrease) in cash held		462,040	261,981	493,468	40,274
Cash at the beginning of the financial year		468,381	208,048	71,037	30,763
Effects of exchange rate changes on cash		(8,110)	(1,648)	-	-
Cash at the end of the financial year	5	922,311	468,381	564,505	71,037

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001. It is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

The Financial Report covers the economic entity of MIKOH Corporation Limited and controlled entities, and MIKOH Corporation Limited as an individual parent entity. MIKOH Corporation Limited is a listed public company incorporated and domiciled in Australia.

Following is a summary of material accounting policies adopted in the preparation of the financial statements:

(a) **Going Concern**

As at 30 June 2005 the Consolidated Entity had a surplus of capital and reserves of \$805,536 (2004 \$898,139) and a working capital surplus of \$554,630 (2004 \$497,683). However, the Consolidated Entity has experienced operating losses during the year ended 30 June 2005 amounting to \$1,353,682 (up from \$293,429 in 2004) and negative net operating cash flows in 2005 of \$747,212 (from \$299,023 in 2004). Accordingly, the continuing viability of the consolidated entity and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Consolidated Entity being successful in the following objectives:-

- Achieving sufficient future cash flows from its operations to enable its obligations to be met; and/or
- Establishing strategic alliances to assist in funding the commercialisation of the technologies; and/or
- Obtaining additional funding or capital raising.

As a result of the financial position outlined above, there is significant uncertainty whether the Consolidated Entity will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. However, the directors currently believe that the Consolidated Entity will be successful in achieving the above objectives and accordingly have prepared the financial report on a going concern basis.

At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report as at 30 June 2005. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

(b) **Principles of Consolidation**

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by MIKOH Corporation Limited (the "company" or "parent entity") as at 30 June 2005 and the results of all controlled entities for the year then ended. MIKOH Corporation Limited and its controlled entities together are referred to in this financial report as the Consolidated Entity. The effects of all transactions between entities in the Consolidated Entity are eliminated in full.

Where controlled entities have entered or left the Consolidated Entity during the year, their operating results have been included from the date control was obtained or until the date control ceased. There are no outside interests in the equity or results of controlled entities.

(c) **Receivables/Payables**

Trade debtors represent receivables for goods and services provided to customers, are generally settled within 90 days and are carried at amounts due. A provision is raised for any doubtful debts based on a review of all outstanding amounts at balance date. Bad debts are written off in the period in which they are identified.

Trade and other creditors represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition or in accordance with agreed payment terms.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Income Tax

Tax effect accounting procedures are followed whereby the income tax expense in the Income Statement is matched with the accounting profit (loss) after allowing for permanent differences. The future tax benefit relating to tax losses is not carried forward as an asset as the benefit cannot be regarded as being virtually certain of realisation. Similarly, income tax on net cumulative timing differences is not carried forward but expensed to Income Statement.

(e) Foreign Currency Translation

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables at balance date are translated at exchange rates at balance date. Exchange gains and losses are brought to account in determining the profit or loss for the year.

(f) Foreign Controlled Entities

The only trading foreign controlled entity is incorporated in the United States of America and is not self-sustaining. Accordingly, the temporal foreign currency translation method is applied, whereby monetary assets and liabilities are translated into Australian currency at rates of exchange current at balance date, whilst non-monetary assets and liabilities are at historical rates. Income and expenses are translated at the actual rates ruling at the time of the transaction or for non-monetary items at historical rates. Exchange differences arising on translation are taken to the consolidated Income Statement.

(g) Inventories

Finished goods, work in progress and raw materials are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of stock mainly on the basis of weighted average costs.

(h) Controlled Entities

Investments in controlled entities are recorded at cost. Where, in the opinion of the directors, there has been a permanent diminution in the value of an investment, the carrying amount of the investment is written down to its recoverable amount.

(i) Depreciation of Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from those assets employment and subsequent disposal.

Depreciation is calculated on a straight line or diminishing value basis to write off the net cost of each item of plant and equipment over its expected useful life to the consolidated entity. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives for plant and equipment are between 3 and 10 years.

(j) Research and Development/Patent Registration

Expenditure incurred on research and development activities and on patent registration is not capitalised but is expensed to the Income Statement as incurred.

(k) Employee Benefits

Liabilities for salaries, wages (including non-monetary benefits), annual leave, long service leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

The liability for annual leave and long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future salary and wage levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and expensed when the employee benefits to which they relate are recognised as liabilities.

Contributions to employee superannuation funds are expensed as the contributions are paid or become payable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Intangible Assets

Purchased intellectual property is capitalised at cost of acquisition and amortised on a straight line basis over the periods of expected benefit, which is 5 years.

(m) Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of assets given up.

(n) Recoverable Amount of Non-Current Assets

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal. Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount.

(o) Revenue Recognition

Amounts disclosed as revenue are net of returns, trade allowances, duties and taxes paid. Revenue is recognised for the major business activities as follows:-

- Sales – Sales of goods are recognised upon delivery to customers.
- Other Revenue - Other revenue is recognised as earned and includes, license fees, consulting fees, interest income on short-term investments, net foreign exchange gains, export grants and sundry income.
- Unearned Income – Income received but not earned as at reporting date is treated as a current liability if expected to be earned within 12 months of reporting date or otherwise as a non-current liability.

(p) Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand, deposits held at call with banks and investments in money market instruments which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

(q) Earnings (loss) per share

(i) Basic earnings (loss) per share

Basic earnings (loss) per share is determined by dividing net profit (loss) after income tax attributable to members of the company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings (loss) per share

Diluted earnings (loss) per share adjusts the figures used in the determination of basic earnings (loss) per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings (loss) per share that will probably arise from the exercise of options outstanding during the financial year.

(r) International Financial Reporting Standards

Mikoh Corporation Limited is in the process of transitioning its accounting policies and financial reporting from current Australian Accounting Standards (AGAAP) to Australian equivalents of International Financial Reporting Standards (AIFRS) which will be applicable for the financial year ended 30 June 2006. During the past 12 months internal resources were allocated to assist with the impact assessments in order to identify key areas that would be impacted by the transition to AIFRS. As a result, MIKOH addressed each of the areas in order of priority. Priority has been given to the preparation of an opening balance sheet in accordance with the AIFRS at 1 July 2004, MIKOH's transition to AIFRS. This will form the basis of accounting for AIFRS in the future, and is required when MIKOH prepares its first fully AIFRS compliant financial report for the year ended 30 June 2006.

Set out below are the key areas where accounting policies are expected to change on adoption of AIFRS and our best estimate of the quantitative impact of the changes on total equity as at the date of transition and 30 June 2005 and on net profit for the year ended 30 June 2005.

The figures disclosed are management's best estimates of the quantitative impact of the changes at the date of preparing the 30 June 2005 financial report. The actual effects of transition to AIFRS may differ from the estimates disclosed due to:

- a) Ongoing work being undertaken in relation to the implementation of AIFRS;
- b) Potential amendments to AIFRS and Interpretations thereof being issued by the standard-setters and IFRIC.
- c) Emerging accepted practice in the interpretation and application of AIFRS and UIG Interpretations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Reconciliation of equity as presented under AGAAP to that under AIFRS:

	Notes	CONSOLIDATED	MIKOH CORPORATION LTD
Total Equity under AGAAP		805,536	805,536
Adjustments to related earnings net of tax:			
Write off of Intangible Assets	i)	(146,103)	-
Recognition of Share Based Payment Expense	ii)	(51,162)	(51,162)
Write Back of Foreign Currency Translation	iii)	38,037	192,263
		(159,228)	141,101
Adjustments to Other Reserves			
Recognition of Share Based Payment Expense	ii)	51,162	51,162
Foreign Currency Translation	iii)	(38,037)	(192,263)
		13,125	(141,101)
Total Equity Under AIFRS		659,433	805,536

- i) Under AASB 136 Impairment of Assets, the recoverable amount of an asset is determined as the higher of its net selling price and value in use. The group's assets including intangibles were tested for impairment on transition and each subsequent reporting date as part of the cash generating unit to which they belonged. This will result in impairment losses being recognised under AIFRS.
- ii) Under AASB 2 Share Based Payments, the company would recognise the fair value of options granted to employees as a remuneration expense on a pro-rata basis over the vesting period in the income statement with a corresponding adjustment to equity. Share-based payment costs are not recognised under AGAAP;
- iii) Under AASB 121 Foreign Currency Translation, the company would recognise any foreign currency translation items in a foreign currency translation reserve. Currently the company recognises foreign currency translation items in the income statement. This will result in a decrease in net loss for the year under AIFRS.
- iv) AASB 112 Income Taxes requires the Group to use a balance sheet liability method, rather the current income statement method. The new method recognises deferred tax balances where there is a difference between the carrying value of an asset or liability and its tax base. This would result in the recognition of a deferred tax liability in relation to any revalued assets. Under AGAAP, the tax effects of asset revaluations are not recognised. The group has not recognised the deferred income tax benefit arising from accumulated tax losses. This benefit also not recognised in prior years in accordance with AGAAP;
- v) The group has not elected to apply AASB 3 Business Combinations retrospectively thus there will be no change in accounting for the subsidiaries of MIKOH Corporation Limited.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Reconciliation of net profit under AGAAP to that under AIFRS

YEAR ENDED 30 JUNE 2005	NOTES	CONSOLIDATED		MIKOH CORPORATION LTD	
		30/06/05	01/07/04	30/06/05	01/07/04
		\$	\$	\$	\$
Net Profit reported under AGAAP		(1,353,682)	(293,429)	(1,353,682)	(293,429)
Write off of Intangibles	i)	(146,103)	(287,555)	-	-
Recognition of Share Based	ii)	(51,162)	(37,500)	(51,162)	(37,500)
Foreign Currency Movements	iii)	38,037	(16,408)	192,263	53,103
Net Profit under AIFRS		(1,512,910)	(634,892)	(1,212,581)	(277,826)

c) Restated AIFRS Statement of Cash Flows for the year ended 30 June 2005

No material impacts are expected to the cash flows presented under AGAAP on adoption of AIFRS.

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
2. REVENUE				
Revenue from operating activities				
Sale of goods	1,412,488	1,701,339	41,015	-
Consulting fees	167,533	352,486	-	-
License fees	56,250	119,187	56,250	119,188
Management and other fees – controlled entities	-	-	450,396	80,000
	1,636,271	2,173,012	547,661	199,188
Revenue from outside the operating activities				
Foreign exchange gains (net)	-	16,408	-	-
Interest – controlled entities	-	-	385,412	260,313
Interest – other	8,590	9,385	4,540	6,813
Export market development grant	12,390	88,962	-	-
Sundry income	26	118	26	-
	21,006	114,873	389,978	267,126
Total revenue from ordinary activities	1,657,277	2,287,885	937,639	466,314

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
3. LOSS FROM ORDINARY ACTIVITIES				
(a) Net gains and expenses				
The loss from ordinary activities before income tax expense includes the following specific net gains and expenses:-				
Net gains				
Net gain on foreign currency transactions	-	16,408	-	-
Expenses				
Net loss on foreign currency transactions	38,037	-	192,263	53,103
Net loss on disposal of plant and equipment	3,508	2,868	131	-
Depreciation of plant and equipment	70,978	104,178	2,221	2,222
Borrowing costs – interest paid	3,390	3,831	3,390	3,721
Net amount provided for:-				
Amortisation - intellectual property	141,452	141,452	-	-
Write-down of inventory to net realisable value	65,000	15,000	-	-
Doubtful debts – controlled entities	-	-	1,038,561	155,490
Bad and doubtful debts – trade debtors	105,332	13,255	-	-
Employee entitlements	37,616	25,109	55,603	-
Rent expense relating to operating leases: -				
- Minimum lease payments	20,165	20,600	-	-
- Contingent rental expenses	32,729	20,581	27,226	13,327
Research and development	706,114	725,675	-	-

(b) Individually significant items

The loss from ordinary activities before income tax expense includes the following individually significant item expensed in the financial statements:-

Doubtful debts – controlled entities	-	-	1,038,561	155,490
Bad and doubtful debts – trade debtors	105,332	13,255	-	-
	105,332	13,255	1,038,561	155,490

(c) Auditors' remuneration

Remuneration of the auditors of the parent entity for:

Auditing or reviewing the financial reports	23,100	26,000	23,100	26,000
Other services – tax consulting	18,150	1,000	18,150	1,000
	41,250	27,000	41,250	27,000

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
4. INCOME TAX				
The income tax expense for the financial year is reconciled as follows:-				
Profit (loss) from ordinary activities before income tax expense	(1,557,277)	(737,633)	(1,353,682)	(293,429)
Income tax calculated at 30% (2004: 30%)	(467,184)	(221,290)	(406,105)	(88,029)
Tax effect of permanent differences:				
Research and development concessions	(27,137)	(29,670)	-	-
R&D tax off-set concession (adjustment)	(31,709)	(232,495)	-	-
Other sundry items	8,153	6,431	(4,881)	(5,617)
Income tax adjusted for permanent differences	(517,877)	(477,024)	(410,986)	(93,646)
Current year timing difference	53,131	17,539	397,416	16,511
Benefit of tax losses of prior years recouped	-	(46,063)	-	-
Future income tax benefit of current year loss not booked	261,151	61,344	13,570	30,488
Future income tax benefit of current year capital losses (profits) not booked	-	-	-	46,647
Income tax expense (benefit)	(203,595)	(444,204)	-	-

Future Income Tax Benefit

Future income tax benefits attributable to tax losses have not been brought to account in the consolidated financial statements at 30 June 2005 because the directors do not believe it is appropriate to regard realisation of the net future income tax benefit as virtually certain. The benefit of the tax losses will only be obtained if: -

- the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- the Consolidated Entity continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

The directors' estimate that the potential future income tax benefit at 30 June 2005 in respect of tax losses not brought to account amounts to \$1,486,574 (2004 \$1,475,304), however, there is no certainty of recovery of the benefit of such tax losses. The total Future Income Tax Benefits are split as follows:

Timing Differences	\$ 53,131
Tax Losses	\$1,433,443
Future Income Tax Benefit	\$1,486,574

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
5. CASH ASSETS				
Current				
Cash on hand	3,057	4,374	2,557	2,287
Cash at bank	519,254	464,007	161,948	68,750
Cash on deposit	400,000	-	400,000	-
	922,311	468,381	564,505	71,037

Cash at bank is bearing a floating interest rate of 2.35% p.a. (2004 3.45% p.a.). Cash on deposit is bearing a floating interest rate of 4.95%. All cash has maturity dates of less than 30 days from year end.

6. RECEIVABLES

Current

Trade debtors	64,890	268,847	-	10,769
	64,890	268,847	-	10,769
Loans to wholly owned controlled entities	-	-	14,467,847	13,985,966
Less: Provision for doubtful debts	-	-	(13,535,186)	(12,496,625)
	-	-	932,661	1,489,341
Other debtors	42,128	31,006	27,696	21,492
	107,018	299,853	960,357	1,521,602

The loans to Australian controlled entities are interest free other than to MIKOH Imaging Systems Pty Limited which is at 7% p.a. (2004 5% p.a.), whilst the loan to the foreign controlled entity is at 7% p.a. (2004 5% p.a.). No interest is chargeable on other debtors.

7. INVENTORIES

Current

Inventory	140,474	420,358	-	-
	140,474	420,358	-	-

8. OTHER ASSETS

Current

Prepayments	52,260	60,123	42,360	38,738
Accrued income	186,498	192,000	-	-
	238,758	252,123	42,360	38,738

The accrued income included in other current assets represents the estimated amount receivable in respect of the year ended 30 June 2005 under the Commonwealth Government's export market development grant (\$14,612) and research and development tax off-set concessions (\$171,886).

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
9. OTHER FINANCIAL ASSETS				
Shares in controlled entities (at cost)	-	-	6,676,844	6,676,844
Less: Provision for diminution in value	-	-	(6,676,844)	(6,676,844)
	-	-	-	-

10. CONTROLLED ENTITIES

Controlled Entities	Country of Incorporation	Percentage Owned (%)	
		2005	2004
Parent Entity			
MIKOH Corporation Limited	Australia	-	-
Subsidiaries of Mikoh Corporation Limited			
MIKOH Imaging Systems Pty Limited	Australia	100	100
MIKOH Technology Pty Limited	Australia	100	100
MIKOH Pty Limited	Australia	100	100
MIKOH Corporation, Inc	USA	100	100

11. PLANT AND EQUIPMENT
Non-current

Plant and equipment (at cost)	1,043,829	996,975	213,235	215,881
Less: Accumulated depreciation	(747,329)	(687,507)	(193,293)	(199,688)
	296,500	309,468	19,942	16,193

Reconciliation of Carrying Amounts
Plant and equipment:-

Carrying amount at the beginning of the year	309,468	415,018	16,193	18,415
Additions – from outside the consolidated entity	32,157	1,496	6,100	-
Additions – capitalised from inventory (net)	29,361	-	-	-
Disposals	(3,508)	(2,868)	(130)	-
Depreciation expense	(70,978)	(104,178)	(2,221)	(2,222)
Carrying amount at the end of the year	296,500	309,468	19,942	16,193

12. INTANGIBLE ASSETS
Non-current

Intellectual property (at cost)	707,260	707,260	-	-
Less: Accumulated amortisation	(561,157)	(419,705)	-	-
	146,103	287,555	-	-

	Consolidated		Parent Entity	
	2005	2004	2005	2004
13. PAYABLES				
	\$	\$	\$	\$
Trade and other creditors	782,828	886,782	594,331	498,614
Non-current				
Trade and other creditors	26,113	62,778	26,113	62,778
14. OTHER LIABILITIES				
Current				
Unearned income	71,103	56,250	-	56,250
15. PROVISIONS				
Non-current				
Employee benefits	165,584	133,789	161,184	131,789
Employee Benefit and Related On-Cost Liabilities				
Included in other creditors – current (note 13)	39,677	32,884	16,677	17,000
Provision: employee benefits – non-current (note 15)	165,584	133,789	161,184	131,789
	205,261	166,673	177,861	148,789
Employee Numbers				
The number of employees at the reporting date are as follows:	4 employees	3 employees		
16. CONTRIBUTED EQUITY				
Issued and Fully Paid-Up Share Capital				
128,917,315 (2004 96,669,433) Ordinary shares	21,067,512	19,806,433	21,067,512	19,806,433
(For further details regarding share capital and share options refer Note 19)				
17. ACCUMULATED LOSSES				
Accumulated Losses				
Balance at beginning of year	(18,908,294)	(18,614,865)	(18,908,294)	(18,614,865)
Total changes in equity recognised in the Statements of Financial Performance	(1,353,682)	(293,429)	(1,353,682)	(293,429)
Balance at end of year	(20,261,976)	(18,908,294)	(20,261,976)	(18,908,294)

	2005	2004
18. EARNINGS PER SHARE		
Basic earnings (loss) per share (in cents)	(1.32)	(0.32)
Diluted earnings (loss) per share (in cents)	(1.32)	(0.32)

Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	102,580,805	91,372,302
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Weighted potential ordinary shares on issue	9,604,121	19,983,556
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The calculation of diluted earnings per share does not include weighted potential ordinary shares on issue as to do so would have the effect of reducing the amount of the loss per share.

Net profit (loss) and earnings (loss) used in calculating basic and diluted earnings per share	(1,353,862)	(293,429)
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19. SHARES AND OPTIONS

Share Capital

Movements in the share capital of the company during the past two years were as follows: -

Date	Details	No. of Shares	Issue Price (Cents)	\$
	Balance at 1 July 2003	84,919,433		19,243,933
12/12/03	Placement	11,750,000	5.0	587,500
	Less, share issue expenses			(25,000)
	Balance at 30 June 2004	96,669,433		19,806,433
17/09/04	Exercise of options	125,000	5.0	6,250
15/02/05	Placement	10,636,713	3.8	404,195
06/06/05	Rights issue	21,486,229	4.5	966,081
	Less, share issue expenses			(115,447)
	Closing balance at 30 June 2005	128,917,375		21,067,512

Fully paid ordinary shares have the right to receive dividends as declared in proportion to the number of shares held.

Fully paid ordinary shares have the right, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held.

Fully paid ordinary shares entitle their holders to vote, either in person or by proxy, at a meeting of the Company. On a poll each fully paid ordinary share is entitled to one vote.

Options – the following options were outstanding at 30 June 2005:

	Expiry date	Exercise price (cents per option)	Number
Employees and contractors	12/07/06	15	1,666,800
Directors	25/09/08	20	5,000,000
**Directors	31/03/10	10	2,500,000
**Director	31/03/10	15	1,000,000
**Director	31/03/10	20	1,000,000
**Underwriter	31/12/08	10	1,000,000
			<u>12,166,800</u>

** Granted during the year ended 30 June 2005

19. SHARES AND OPTIONS (continued)

Options – the following options lapsed during the year ended June 2005:

	Expiry date	Exercise price (cents per option)	Number
Listed	20/07/04	20	10,636,952
Employees and contractors	12/07/06	15	2,333,400
Co Secretary	04/11/04	72	100,000
Director	25/11/04	84	250,000
Placement	10/09/04	5	812,500
			<u>14,132,852</u>

Between the end of the year and the date of this report no options have been granted, exercised or lapsed.

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
20. CASH FLOW INFORMATION				
Reconciliation of loss from ordinary activities after income tax to net cash flows from operating activities is as follows:-				
Profit (loss) from ordinary activities after income tax	(1,353,682)	(293,429)	(1,353,682)	(293,429)
Add (less) non-cash flows included in loss:-				
Amortisation	141,452	141,452	-	-
Depreciation	70,978	104,178	2,221	2,222
Net loss on sale of non-current assets	3,508	2,868	131	-
Provision for doubtful debt – controlled entities	-	-	1,038,561	155,490
Provision for doubtful debts – trade debtors	105,018	-	-	-
Net exchange differences	38,156	1,648	-	-
Change in operating assets and liabilities:				
Decrease (increase) in other debtors and prepayments	95,680	(307,786)	943	(17,375)
Decrease (increase) in inventories	280,884	(21,647)	-	-
Increase (decrease) in trade/other creditors, provisions and unearned income	(129,206)	73,693	37,2668	(662)
Decrease (increase) in management fees and other charges to/from controlled entities	-	-	(643,545)	(298,101)
Net cash inflow (outflow) from operating activities	(747,212)	(299,023)	(918,105)	(451,855)

	Consolidated		Parent Entity	
	2005	2004	2005	2004
	\$	\$	\$	\$
21. CONTINGENT LIABILITIES				
The parent entity has service agreements under which termination benefits may, in appropriate circumstances, become payable of a maximum amount as follows:-				
To a director of the parent entity	76,623	285,947	76,623	285,947
To a director of a controlled entity	-	48,375	-	48,375
To other employees and contractors	138,434	76,063	-	76,063
	215,057	410,385	76,623	410,385

The parent entity has issued a letter of support for controlled entities to enable them to pay their agreed bona fide debts as and when they fall due. Any liability that may arise as a result is not expected to be material to the consolidated entity.

22. COMMITMENTS FOR EXPENDITURE

Lease commitments

Aggregate operating lease expenditure contracted for at reporting date but not provided for in the accounts:-

Payable within 1 year	30,250	20,600	-	20,600
Payable between 1 and 5 years	30,250	858	-	858
	60,500	21,458	-	21,458
Representing: Non-cancellable operating leases	60,500	21,458	-	21,458

Commitments

There have been no changes to the contingent liabilities or contingent assets of the Consolidated Entity since the last annual reporting date.

23. FINANCIAL INSTRUMENTS

Credit Risk Exposures

The credit risk on financial assets of the Consolidated Entity which have been recognised on the balance sheet, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

Interest Rate Risk Exposure

The Consolidated Entity's exposure to interest rate risk is limited to cash at bank and on deposit which at year-end amounted to \$919,254 (2004 \$464,007). As indicated under Note 5 the weighted average interest rate applicable to these financial assets at year-end was 2.35% p.a. (2004 3.45% p.a.).

The parent entity's exposure to interest rate risk is limited to cash at bank and on deposit which at year-end amounted to \$561,948 (2004 \$68,750) as well as loans to subsidiaries of \$6,056,067 (2004 \$5,574,185). The weighted average interest rate applicable to the cash was 2.35% p.a (2004 3.45%). The weighted average interest rate applicable to the loans to subsidiaries was 7% (2004 5%).

Net Fair Value of Financial Assets and Liabilities

(i) On-Balance Sheet

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying value. The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

(ii) Off-Balance Sheet

The parent entity and certain controlled entities have potential financial liabilities which may arise from certain contingencies disclosed in Note 21. As explained in that note, no material losses are anticipated in respect of any of those contingencies and the directors' estimate that the net fair value of amounts which would be payable by the consolidated entity as consideration for the assumption of those contingencies by another party at year end is \$215,057 (2004 \$410,385).

24. EVENT OCCURRING AFTER BALANCE DATE

There have been no significant events since 30 June 2005.

25. SEGMENT INFORMATION

Business Segments (Primary Segment Reporting)

The Consolidated Entity is organised on a global basis into the following divisions by product and service type:-

- **Security Technologies**
The Security Technologies comprise the Smart&Secure, SubScribe and COUNTERFOIL products and related activities.
- **Digital Imaging Technologies**
The Digital Imaging Technologies comprise the ink-jet digital printing technologies for the commercial printing industry.

Geographical Segments (Secondary Segment Reporting)

Although the Consolidated Entity's divisions are managed on a global basis they operate in two main geographical areas:

- **Australia**
The Digital Imaging Technologies, together with the SubScribe and COUNTERFOIL component of the Security Technologies, are conducted in Australia. This is also the home of the parent entity.
- **USA**
The Smart&Secure component of the Security Technologies is conducted in the USA.

25. SEGMENT INFORMATION (continued)

Primary Reporting – Business Segments - 2005

2005	Security Technologies \$	Digital Imaging Technologies \$	Inter-Segment Eliminations/ Unallocated \$	Consolidated \$
Sales to external customers	355,278	1,057,210	-	1,412,488
Inter-segment sales	-	-	-	-
Total sales revenue	355,278	1,057,210	-	1,412,488
Other revenue	228,350	220,034	-	448,384
Total segment revenue	583,628	1,277,244	-	1,860,872
Segment result	123,827	(705,388)	(772,121)	(1,353,682)
Unallocated revenue less unallocated expenses				-
Profit (loss) from ordinary activities before income tax expense				(1,353,682)
Income tax expense				-
Net profit (loss) from ordinary activities after income tax expense				(1,353,682)
Segment assets	89,075	1,107,589	654,500	1,851,164
Unallocated assets	-	-	-	-
Total assets	89,075	1,107,589	654,500	1,851,164
Segment liabilities	2,264,437	4,259,605	(5,478,414)	1,045,628
Unallocated liabilities	-	-	-	-
Total liabilities	2,264,437	4,259,605	(5,478,414)	1,045,628
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	9,261	52,257	-	61,518
Depreciation and amortisation expense	13,994	196,216	2,221	212,430
Other non-cash expenses	51,916	91,032	-	142,948

25. SEGMENT INFORMATION (continued)

Primary Reporting – Business Segments - 2004

2004	Security Technologies \$	Digital Imaging Technologies \$	Inter-Segment Eliminations/ Unallocated \$	Consolidated \$
Sales to external customers	606,441	1,094,898	-	1,701,339
Inter-segment sales	-	-	-	-
Total sales revenue	606,441	1,094,898	-	1,701,339
Other revenue	471,673	534,977	19,680	1,026,330
Total segment revenue	1,078,114	1,629,875	19,680	2,727,669
Segment result	154,121	(65,638)	(381,912)	(293,429)
Unallocated revenue less unallocated expenses				-
Profit (loss) from ordinary activities before income tax expense				(293,429)
Income tax expense				-
Net profit (loss) from ordinary activities after income tax expense				(293,429)
Segment assets	331,308	1,558,970	147,460	2,037,738
Unallocated assets				-
Total assets				2,037,738
Segment liabilities	2,552,823	3,741,865	(5,155,089)	1,139,599
Unallocated liabilities				-
Total liabilities				1,139,599
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	-	1,496	-	1,496
Depreciation and amortisation expense	21,637	221,771	2,222	245,630
Other non-cash expenses	34,325	8,652	-	42,977

25. SEGMENT INFORMATION (continued)

Secondary Reporting – Geographical Segments

	Segment Revenues from Sales to External Customers		Segment Assets		Acquisitions of Property, Plant and Equipment, Intangibles and other Non-Current Segment Assets	
	2005	2004	2005	2004	2005	2004
	\$	\$	\$	\$	\$	\$
Australia	1,098,224	1,094,898	1,762,089	1,717,199	58,357	1,496
USA	314,264	606,441	89,075	320,539	3,161	-
Inter-segment eliminations	-	-	-	-	-	-
	<u>1,421,488</u>	<u>1,701,339</u>	<u>1,851,164</u>	<u>2,037,738</u>	<u>61,518</u>	<u>1,496</u>

Notes to and forming part of the segment information

(a) Accounting Policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in Note 1 and AASB 1005 *Segment Reporting*.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist of operating cash, receivables, inventories, property, plant and equipment and goodwill and other intangible assets, net of related provisions. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage. Segment liabilities consist primarily of trade and other creditors, inter-segment loans and employee benefits. Segment assets and liabilities do not include income taxes.

26. REMUNERATION OF DIRECTORS AND EXECUTIVES

(a) Details of Specified Directors and Specified Executives

(i) Specified directors

PE Cox	Chairman (non-executive)
JM Blomfield	Managing Director
JS Keniry	Director (non-executive)
DJ Halley	Director (non-executive)
IL Cameron (until 15 March 2005)	Director (executive)
PS Atherton (until 17 November 2004)	Director (executive)

(ii) Specified executives

RM Barnes	Company Secretary
PR Anderson	Sales Manager (till 31 January 2005)
K Wannop	Sales and Marketing Manager (from 1 December 2004)
PS Atherton	Chief Technology Officer (from 17 November 2004)

(b) Remuneration of Specified Directors and Specified Executives

Remuneration Policy

The Board of directors of MIKOH Corporation Ltd is responsible for determining and reviewing compensation arrangements for the directors, the chief executive officer and the executive team. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

26. REMUNERATION OF DIRECTORS AND EXECUTIVES (continued)

(c) Remuneration of Specified Directors and Specified Executives

		Primary Remuneration		Equity	Total
		Salary, fees or contract payments and benefits	Superannuation	Options	
Specified Directors		\$	\$	\$	\$
PE Cox - Chairman (appointed 1 December 2004)					
	2005	16,666	1,500	9,121	27,287
	2004	-	-	-	-
J Matthew Blomfield – Managing Director (appointed 1 December 2004)					
	2005	150,782	6,890	58,328	216,000
	2004	-	-	-	-
JS Keniry					
	2005	11,666	1,050	-	12,716
	2004	-	-	50,000	50,000
DJ Halley					
	2005	11,666	1,050	-	12,716
	2004	-	-	50,000	50,000
IL Cameron					
	1/07/04 - 15/03/05	75,488	-	-	75,488
	2004	135,750	-	100,000	235,750
PS Atherton					
	1/07/04 – 17/11/04	90,021	1,111	-	91,132
	2004	252,424	2,394	50,000	304,818
Total Remuneration: Specified Directors					
	2005	356,289	11,601	67,449	435,339
	2004	388,174	2,394	250,000	640,568
Specified Executives					
RM Barnes **					
	2005	40,370	-	-	40,370
	2004	36,000	-	-	36,000
PR Anderson					
	2005	112,875	-	-	112,875
	2004	219,782	-	3,049	222,831
K Wannop					
	2005	90,250	-	-	90,250
	2004	-	-	-	-
PS Atherton					
	17/11/04 – 30/6/05	143,530	1,284	-	144,814
	2004	-	-	-	-
Total Remuneration: Specified Executives					
	2005	387,025	1,284	-	388,309
	2004	255,782	-	3,049	258,831

The total amount that may be paid to non-executive directors has been set by shareholders at \$100,000 per annum.

** Refer to "other transactions" -

(d) Option holdings of Specified Directors and Specified Executives (all vested)

	Balance at 30 June 2004	Granted during the year as remuneration	Disposed / lapsed	Balance at 30 June 2005
Specified Directors				
PE Cox	-	500,000	-	500,000
JM Blomfield	-	4,000,000	-	4,000,000
JS Keniry	1,000,000	-	-	1,000,000
DJ Halley	1,250,000	-	250,000	1,000,000
IL Cameron	2,000,000	-	-	2,000,000
Specified Executives				
RM Barnes	100,000	-	100,000	-
PR Anderson	2,333,400	-	2,333,400	-
K Wannop	-	-	-	-
PS Atherton	1,000,000	-	-	1,000,000
Total	7,683,400	4,500,000	2,683,400	9,500,000

All equity options granted during the year vested at grant date.

26. REMUNERATION OF DIRECTORS AND EXECUTIVES

During the financial year options were granted as equity compensation to certain specified directors as listed below. The options were issued free of charge and vested at grant date. The amounts of remuneration were determined by the Board as being appropriate to market conditions.

Specified directors	Granted and vested	Grant date	Value per option at grant date	Exercise price per option	Last exercise date
PE Cox	500,000	30 May 2005	\$0.018242	\$0.10	31 March 2010
JM Blomfield	2,000,000	30 May 2005	\$0.018242	\$0.10	31 March 2010
JM Blomfield	1,000,000	30 May 2005	\$0.012893	\$0.15	31 March 2010
JM Blomfield	1,000,000	30 May 2005	\$0.008952	\$0.20	31 March 2010

The assessed fair value at grant date of options granted to directors and specified executives is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Binomial option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

No remuneration options were exercised during the year ended 30 June 2005.

(e) Shareholdings of Specified Directors and Specified Executives

	Balance at 30 June 2004	Acquired	Disposed	Balance at 30 June 2005
Specified Directors				
PE Cox	-	1,196,566	-	1,196,566
JM Blomfield	-	833,132	-	833,132
JS Keniry	1,494,182	298,836	-	1,793,018
DJ Halley	9,370,273	2,113,795	-	11,484,068
IL Cameron	283,332	-	-	283,332
Specified executives				
PR Anderson	-	-	-	-
K Wannop	-	921,050	-	921,050
PS Atherton	8,420,000	-	-	8,420,000
Total	19,567,787	5,363,379	-	24,931,166

26. REMUNERATION OF DIRECTORS AND EXECUTIVES (Continued)

Other Transactions

Details of other transactions with directors and specified executives are as follows:-

The company secretary, Mr R.M. Barnes, is a partner in the firm of Stewart, Brown & Co, Chartered Accountants. Stewart, Brown & Co and its associated entities have provided accountancy, secretarial and taxation services, and office facilities to the company and its controlled entities for several years on normal commercial terms and conditions.

Rent was paid for the Sydney MIKOH office during the year. The lease for this office is the name of Global Insights Pty Limited. Mr J M Blomfield is the director and shareholder of Global Insights Pty Limited.

The aggregate amounts recognised as an expense during the year for each of the above types of other transactions with specified executives is as follows:-

	2005	2004
	\$	\$
Amounts Recognised as an Expense:-		
Professional fees (accounting, tax , secretarial)	121,630	99,000
Office rental – R Barnes	6,840	8,640
Office rental – J M Blomfield	14,500	-
	<u>142,970</u>	<u>107,640</u>

The aggregate amounts recognised as a liability as the end of the financial year for each of the above types of other transactions with specified executives is as follows:-

	2005	2004
	\$	\$
Amounts Recognised as a Liability:-		
Current liability – R Barnes	211,293	148,821
Current liability – J M Blomfield	2,360	-
	<u>213,653</u>	<u>148,821</u>

27. RELATED PARTY INFORMATION

Directors and Specified Executives

The relevant disclosures in relation to directors and specified executives are set out in the Directors Report.

Wholly-Owned Group

The ultimate parent entity is MIKOH Corporation Limited. The wholly owned group consists of MIKOH Corporation Limited and its wholly owned controlled entities, MIKOH Technology Pty Limited, MIKOH Pty Limited, MIKOH Imaging Systems Pty Limited, and MIKOH Corporation, Inc. All companies are incorporated in Australia other than MIKOH Corporation Inc which is incorporated in the United States of America.

Transactions between MIKOH Corporation Limited and other entities in the wholly owned group during the years ended 30 June 2005 and 2004 consisted of:

- (a) Loans advanced by MIKOH Corporation Limited to controlled entities;
- (b) Loans repaid to MIKOH Corporation Limited by controlled entities;
- (c) Provision of marketing and administration services by MIKOH Corporation Limited to controlled entities;
- (d) Interest charged on loans by MIKOH Corporation Limited to certain controlled entities.

The above transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of principal on loans advanced by MIKOH Corporation Limited and loans are interest free other than to MIKOH Corporation which is at 7% p.a. (2004 5% p.a.) and to MIKOH Imaging Systems Pty Limited which is at 7% p.a. (2004 5% p.a.).

	Parent Entity	
	2005	2004
	\$	\$
The aggregate amounts included in the determination of loss from ordinary activities before income tax that resulted from specific transactions with entities in the wholly-owned group:-		
Interest revenue	385,412	260,313
Increase in provision for doubtful loans to wholly owned controlled entities	(1,038,559)	(155,490)
Management fee revenue	450,396	80,000
The aggregate amounts receivable from entities in the wholly owned group at reporting date:-		
Receivables (loans)	14,467,847	13,985,966
Less Provision for doubtful debt	(13,585,186)	(12,496,625)

28. COMPANY DETAILS

The registered and principal office of the Company is:

c/- WHK Greenwoods Pty Limited

Level 15

309 Kent St

SYDNEY NSW 2000

Other places of business are:

In Australia:

MIKOH Corporation Limited

Suite 410,

One Darling Harbour

50 Murray St

PYRMONT NSW 2000

MIKOH Imaging Systems Pty Limited

Factory 10, 62a Albert St

PRESTON VIC 3072

In United States of America:

MIKOH Corporation Limited

Suite 30F

55 West 26th Street

New York, NY 10010

and

2010 Corporate Ridge

Suite 700,

McLean VA 22102

The directors declare that the financial statements and notes set out on pages 16 to 39:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2005 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

The Chief Executive Officer declared that:

- (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
- (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
- (c) the financial statements and notes for the financial statements give a true and fair view.

Note that MIKOH Corporation Limited does not have a Chief Financial Officer.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



J.M Blomfield

Managing Director

Sydney

28 September 2005

HORWATH SYDNEY PARTNERSHIP*Chartered Accountants*

A member of Horwath International

1 Market Street Sydney NSW 2000
GPO Box 1455 Sydney NSW 1041**Independent audit report to members of MIKOH Corporation Limited****Scope***The financial report and directors' responsibility*

The financial report comprises the statement of financial performance, statement of financial position, statement of cash flows, and accompanying notes to the financial statements for both MIKOH Corporation Limited (the company) and MIKOH Corporation Limited (the consolidated entity), and the directors' declaration for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during that year.

The company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), as required by Accounting Standard AASB 1046 Director and Executive Disclosures by Disclosing Entities, under the heading "remuneration report" in pages 6 to 8 of the directors' report, as permitted by the Corporations Regulations 2001.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The directors are also responsible for the remuneration disclosures contained in the directors' report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement and the remuneration disclosures comply with Accounting Standard AASB 1046 and the Corporations Regulations 2001. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows and whether the remuneration disclosures comply with Accounting Standard AASB 1046 and the Corporations Regulations 2001.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report and remuneration disclosures, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

We are independent of the company and group, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

In accordance with ASIC Class Order 05/83 we declare that, to the best of our knowledge and belief, the auditor's independence declaration set out on page 11 of the financial report has not changed as at the date of providing this audit opinion.

Audit opinion

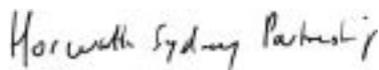
In our opinion:

1. the financial report of MIKOH Corporation Limited is in accordance with:
 - (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
 - (b) other mandatory financial reporting requirements in Australia.
2. the remuneration disclosures that are contained in pages 6 to 9 of the directors' report comply with Accounting Standard AASB 1046 and the Corporations Regulations 2001.

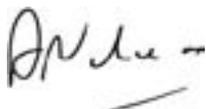
Inherent uncertainty regarding continuation as a going concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1, there is significant uncertainty whether MIKOH Corporation Limited and the controlled entities will continue as a going concern and therefore whether it will realize its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

Dated the 28th day of September 2005.



**HORWATH
SYDNEY PARTNERSHIP**
Chartered Accountants



ALFRED NEHAMA
Partner

The shareholder information set out below was applicable as at 30 September 2005.

A. DISTRIBUTION OF EQUITY SECURITIES

	Quoted Ordinary Shares	Quoted Ordinary Options	Unquoted Options
Analysis of numbers of equity security holders by size of holding:			
1 - 1,000	208	-	-
1,001 - 5,000	440	-	-
5,001 - 10,000	305	-	-
10,001 - 100,000	623	-	-
100,001 - and over	194	-	14
Total number of holders	1,770	-	14
Total securities issued	128,917,375	-	12,166,800

There were 801 holders of less than a marketable parcel of quoted ordinary shares.

B. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders in the company as at 30 September 2005 are as follows:-

Name	Number held of Ordinary Shares	Percentage of Issued Shares
Ocean Allied Assets Limited	8,800,000	6.83
Fianza Pty Limited	8,420,000	6.53
Midhurst Associates Pty Limited (related to Fianza Pty Limited)	3,064,068	2.38

C. VOTING RIGHTS

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Option holders have no voting rights.

D. RESTRICTED SECURITIES AND BUY-BACK ARRANGEMENTS

There are no restricted securities on issue.

There is no "on-market" buy-back of securities as at 30 September 2005.

E. UNQUOTED EQUITY SECURITIES

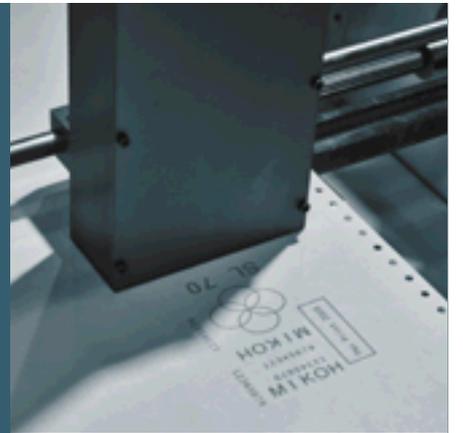
The names of persons holding 20% or more of the unquoted options are as follows:

Name	Number of Unquoted Options held	%
Matthew Blomfield	4,000,000	32.87%

F. TWENTY LARGEST EQUITY SECURITY HOLDERS

The names of the twenty largest holders of quoted ordinary shares at 30 September 2005 are listed below:

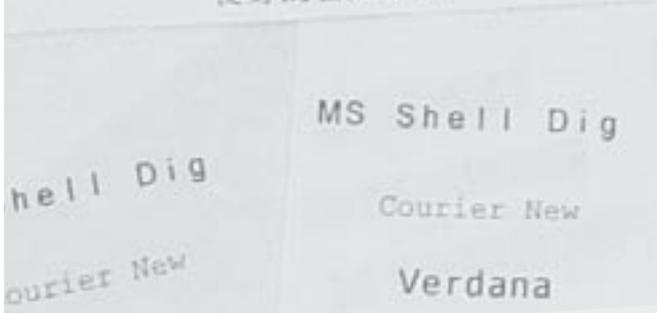
Name	Ordinary Shares	
	Number Held	Percentage of Issued Shares
Ocean Allied Assets Limited	8,800,000	6.83
Fianza Pty Limited	8,420,000	6.53
Midhurst Associates Pty Limited	3,064,068	2.38
Yarrandi Holdings Pty Limited	2,941,000	2.28
Ms Christine O'Farrell	2,348,000	1.82
Brian Dunn Investments Pty Limited	2,000,000	1.55
Hydnpark Manor Pty Limited	2,000,000	1.55
Oshcom Pty Limited	1,578,947	1.22
Mr John Rudd	1,500,000	1.16
Swift Nominees Pty Limited	1,352,632	1.05
Billy Chow Chow Pty Limited	1,300,000	1.01
United Central Pty Limited	1,296,000	1.01
Mr Richard Whittington	1,291,200	1.00
Delregal Pty Limited	1,219,357	0.95
Mr Francis Heppingstone & Mrs Daniell Heppingstone	1,200,000	0.93
Jetamian Investments Pty Limited	1,200,000	0.93
Woodford Australia Pty Limited	1,200,000	0.93
Mr Robert Polwarth	1,117,529	0.87
Dagres Pty Limited	1,000,000	0.78
Davies Nominees Pty Limited	1,000,000	0.78
Total	45,828,733	35.55



SL70 New Model



SubScribe Laser Marker



FAST
Free and Secure Trade (F.A.S.T.) Windshield Tag

MIKOH Corporation Limited ABN 41 003 218 862

The registered and principal office of the Company is:
c/- WHK Greenwoods Pty Limited
Level 15
309 Kent St
SYDNEY NSW 2000

Other places of business are:

In Australia:
MIKOH Corporation Limited
Suite 410,
One Darling Harbour
50 Murray St
PYRMONT NSW 2000

MIKOH Imaging Systems Pty Limited
Factory 10, 62a Albert St
PRESTON VIC 3072

In United States of America:
MIKOH Corporation Limited
Suite 30F
55 West 26th Street
New York, NY 10010
and
2010 Corporate Ridge
Suite 700,
McLean VA 22102