



ASX ANNOUNCEMENT

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MIKOH Corporation Limited
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AUSTRALIA

MIKOH Signs with Local Partner in Malaysia

The Board of MIKOH Corporation Limited (**ASX: MIK**) advises that MIKOH has signed a Heads of Agreement with ARA TechBis Sdn Bhd (**ARA**) of Malaysia to form a Joint Venture for the purpose of establishing an EVR/AVI¹ system in Malaysia similar to that established in Thailand with Kollakorn Co Ltd (**Kollakorn**).

Principle Terms

- A new Joint Venture Company will be incorporated in Malaysia for the purpose of gaining a concession from the relevant parties in Malaysia to operate an EVR/AVI.
- The Joint Venture Company will be owned:
 - 80% by ARA;
 - 10% by Somapa Information Technology Co. Ltd. (**Somapa**) and
 - 10% by MIKOH.

The Somapa and MIKOH shares in the Joint Venture Company will be free carried for the first RM² 10 million (A\$3.1 million).

- The **Smart&Secure**TM tags and the hardware will be supplied by MIKOH.
- The basic application systems that operate the AVI/EVR System will be supplied by Somapa and ARA will modify them for use in Malaysia.
- ARA will manage the Joint Venture Company and arrange funding.

The Joint Venture Company

The primary objective of the Joint Venture Company will be to obtain the Concession to operate the AVI/EVR system in Malaysia. ARA has already engaged in talks with relevant parties and it is expected that demonstrations of the AVI/EVR system will be made shortly.

The Joint Venture Company will also install, operate and maintain the AVI/EVR system as well as expanding the use of the EVR/AVI System into other vehicular applications such as vehicular access control for gated communities, parking lot management, electronic toll collection and E-commerce.

MIKOH's **Smart&Secure**TM Tags will be used to enhance asset and personnel security in different environments and situations throughout Malaysia over a period of time.

¹ EVR/AVI – Electronic Vehicle Registration/Automatic Vehicle Identification

² RM - Ringgit

ARA TechBis Sdn Bhd

ARA was established in November 2001 and is a Malaysian owned company registered with the Ministry of Finance Malaysia and PETRONAS.

ARA is a specialist in technology solutions delivering high quality end-to-end services to enterprises and independent software vendors with a heavy specialisation in RFID application development and its integration to various RFID hardware and consumables. ARA has implemented a number of very successful partnerships to provide cost effective solutions while at the same time ensuring the transfer of technology to develop Malaysian talent.

ARA's management is well experienced, and possess a deep knowledge of the technology industry, and has experience in business that is necessary to provide IT enabled business solutions across technologies and to meet the needs of the Malaysian ICT industry.

ARA was introduced to MIKOH, by Palladium Consulting Sdn. Bhd, (**Palladium**) a Malaysian Corporate Advisory firm, closely linked to ARA and Investment Bankers in Sydney, Australia. Palladium will continue to advise and monitor the progress of the Joint Venture in Malaysia.

Kollakorn Co. Ltd

Kollakorn is a company in Thailand which will, subject to various approvals being received, shortly be owned 80% by Somapa and 20% by MIKOH.

Kollakorn is currently rolling out the world's largest EVR/AVI Project of its kind using MIKOH's **Smart&Secure**[™] Tags. The rollout is well advanced with close to 450 readers in and around Bangkok and with a major portion of the application systems completed by Somapa.

Thailand has approximately 28 million vehicles registered countrywide and is growing at the rate of 1 million vehicles per annum. By contrast, Malaysia has approximately 16 million vehicles registered, with a similar growth rate to Thailand. Kollakorn has a 10 year Concession from the Thai Government to develop and operate an EVR/AVI System which is, or is expected to:

- Improve mandatory compliance of registration, insurance and regulations;
- Provide seamless access control for parking and security within gated communities;
- Allow for congestion and open road tolling;
- Provide traffic flow management, trend analysis and public information; and
- Improve safety and security nationally through the monitoring of watch list vehicles.

Over a 10 year period, Kollakorn is projecting revenues in excess of US\$800 million and profits in excess of US\$130 million from the Concession.

Richard Sealy
Managing Director