

MIKOH CORPORATION LIMITED

ACN 003 218 862



OFFER MEMORANDUM

26 July 2012

For a renounceable pro-rata offer of New Shares at an issue price of 1.30 cents each on the basis of 2 New Shares for every 9 Shares held on the Record Date plus an invitation to apply for Additional Shares to raise approximately \$1,958,683 before costs and expenses.

This Offer closes at 5:00pm (Sydney time) on 21 August 2012.
Valid acceptances must be received before that time.

THIS IS AN IMPORTANT DOCUMENT

If you do not understand this document, or are in doubt as to how to act, you should consult your financial or other professional adviser. An investment in MIKOH Corporation Limited is speculative.

IMPORTANT INFORMATION

Offer Memorandum

This Offer Memorandum is dated **26 July 2012**. This Offer Memorandum was prepared and issued by MIKOH.

In the event that valid applications are not received for all New Shares under this Offer, MIKOH and the Directors reserve the right to place the Shortfall in accordance with the Shortfall Offer and subsequently at the discretion of the Directors of MIKOH.

Not a Prospectus

This Offer Memorandum is not a prospectus and does not contain all the information that an investor would find in a prospectus or which may be required by an investor in order to make an informed investment decision regarding, or about the rights attaching to, New Shares. It has not, and will not be lodged with ASIC. ASIC and its officers take no responsibility for the content of this Offer Memorandum or the merits of the investment to which this Offer relates.

Nevertheless, this Offer Memorandum contains important information and requires your immediate attention. It should be read in its entirety. If you are in any doubt as to how to deal with this Offer Memorandum, you should consult your professional adviser as soon as possible. An investment in MIKOH is speculative.

Publicly Available Information

Information about MIKOH is publicly available and can be obtained from ASIC and ASX (including ASX's website www.asx.com.au under the code "MIK"). The contents of any website or ASIC or ASX filing by MIKOH are not incorporated into this Offer Memorandum and do not constitute part of the Offer. This Offer Memorandum is intended to be read in conjunction with the publicly available information in relation to MIKOH which has been notified to ASX. Investors should therefore have regard to other publicly available information in relation to MIKOH before making a decision whether or not to invest in New Shares or MIKOH.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Offer Memorandum. Any such extraneous information or representation may not be relied upon.

Professional advice

The information in this Offer Memorandum is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Offer Document in its entirety before deciding whether to take up your Entitlement to New Shares. In particular, you should consider the risk factors that could affect the performance of MIKOH, some of which are outlined in 4.6. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to take up your Entitlement. If you have any questions you should seek professional advice from your legal, investment or other professional adviser.

Forward-Looking Statements

This Offer Memorandum includes forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

Accepting the Offer

Applications for New Shares by Eligible Shareholders may only be made on an original Entitlement and Acceptance Form, accompanying this Offer Memorandum. The Entitlement and Acceptance Form sets out the Entitlement of an Eligible Shareholder to participate in the Offer. Please read the instructions in this Offer Memorandum and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement. By returning an Entitlement and Acceptance Form or lodging an Entitlement and Acceptance Form with your sharebroker or otherwise arranging for payment for your New Shares in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have received and read this Offer Memorandum, you have acted in accordance with the terms of the Offer detailed in this Offer Memorandum and you agree to all of the terms and conditions as detailed in this Offer Memorandum.

International Offer Restrictions

The distribution of this Offer Memorandum in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Offer Memorandum outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Offer Memorandum does not constitute an offer or invitation in any place outside Australia or New Zealand where, or to any person to whom, it would be unlawful to make such an offer or invitation. No action has been taken to register or qualify the New Shares or to otherwise permit an offering of the New Shares outside Australia or New Zealand.

Malaysia

This document may not be distributed or made available in Malaysia. No approval from the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Rights or New Shares. The Rights and the New Shares may not be offered or made available for purchase in Malaysia except in an exemption from the prospectus and approval requirements of Securities Commission of Malaysia.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Malaysia.

Singapore

This document and any other materials relating to the Rights and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Rights or New Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Rights or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Rights or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Thailand

This document is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This document has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this document and any other documents and material in connection with the offer, sale or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any members of the public in Thailand.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Thailand.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

No Guarantee

Neither MIKOH or its Directors, nor any other party makes any representation or gives any guarantee or assurance:

- (a) As to the performance or success of MIKOH;
- (b) The rate of income or capital growth from MIKOH; or
- (c) That there will be no capital loss or particular taxation consequence of investing in MIKOH.

An investment in MIKOH does not represent a deposit or any other type of liability of the above parties. An investment in MIKOH is subject to investment risk. These risks are discussed in 4.6.

Investors should note that the past Share price performance of MIKOH provides no guidance as to its future Share price performance.

No Representations Other than in this Offer Memorandum

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Offer Memorandum. Any information or representation not contained in this Offer Memorandum may not be relied on as having been authorised by MIKOH.

Future performance

Except as required by law, and only to the extent so required, neither MIKOH nor its Directors and officers warrant or guarantee the future performance of MIKOH or any return on any investment made pursuant to this Retail Entitlement Offer.

Defined Terms

Capitalised terms and certain other terms used in this Offer Memorandum are defined in the Glossary of defined terms in Section 7.

Currency

All references in this Offer Memorandum to "\$" are references to Australian currency unless otherwise indicated.

Reference to Time

All references in this Offer Memorandum to time relate to the time in Sydney, New South Wales Australia.

LETTER FROM THE CHAIRMAN

26 July 2012

Dear Shareholder

We are pleased to offer you an opportunity to add to your existing shareholding in MIKOH as it progresses with the commercialisation of its Thailand project.

On 21 May 2012, MIKOH announced a proposed restructure of its funding arrangements with La Jolla Cove Investors Inc. (“La Jolla”), involving the repayment of part of the funding advanced by La Jolla and the termination of ongoing funding arrangements in exchange for a cancellation fee. Subsequently, the Board has had further negotiations with La Jolla and they have agreed to accept cash for the full outstanding amount owed on the convertible notes. This means that no further shares will be issued to La Jolla pursuant to the Convertible Notes Facility.

To pay the cancellation fee to La Jolla, replace the unused funding line that the Company had with La Jolla and to allow for further investment in Kollakorn (Thailand), the Board proposed to raise \$3.5 million through a combination of a Rights Offer of Shares to existing Shareholders and a Placement of Unsecured Convertible Promissory Notes.

I am very pleased to advise that Company has successfully issued 90,518,109 interest-free, Unsecured Convertible Promissory Notes raising \$1,249,149 which, subject to Shareholder approval will be converted to 90,518,109 Shares at an effective issue price of 1.38 cents per Share.

An Extraordinary General Meeting will be held on 14 August 2012 to seek the Shareholder approval to allow the conversion of the Unsecured Convertible Promissory Notes into Shares. If approved, the Unsecured Convertible Promissory Notes will be converted into Shares on a 1 for 1 basis. If not approved they will be repaid in cash on 30 September 2012.

The Rights Offer (attached) is a renounceable pro-rata rights issue to Eligible Shareholders on the basis of **2 New Shares for every 9 Shares** held on the Record Date, at a price of 1.30 cents per New Share. There is also an opportunity for Eligible Shareholders to apply for Additional Shares in excess of their Entitlement under the Shortfall Offer.

If fully subscribed, the Offer will raise approximately \$1,958,683 before costs and expenses of the Offer. Among other things, and as itemised in section 1.8 of the Offer Memorandum, these funds, (after costs and expenses) will be used:

- For the repayment of convertible notes and to pay the cancellation fee due to La Jolla;
- To fund an increase in shareholding in Kollakorn;
- To continue with the sales efforts in other Asean Countries; and
- To fund the general working capital requirements of MIKOH.

We encourage you to read all the information in the Offer Memorandum in relation to this Offer. If you have any questions, please consult your financial or other professional adviser.

Each of the Directors has advised that they will take up their personal entitlement in the Rights Offer and we look forward to your continued support of MIKOH.

Yours sincerely



Sevag Chalabian
Chairman

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SECTION 1. DETAILS OF THE OFFER

1.1 The Offer

MIKOH is making a renounceable pro-rata offer of fully paid ordinary shares in the capital of MIKOH (Shares) to Eligible Shareholders. Eligible Shareholders will be entitled to apply for 2 New Shares for every 9 Shares held on the Record Date at an issue price of 1.30 cents per New Share.

There is also an opportunity for Eligible Shareholders to apply for Additional Shares in excess of their Entitlement under the Shortfall Offer.

The issue price represents a 19.14% discount to the volume weighted average price of MIKOH's Shares on the ASX over the 30 ASX trading days prior to 26 July 2012 when MIKOH announced this Offer.

The issue price of 1.30 cents per share is payable in full on application. If this placement is fully subscribed, 150,667,919 New Shares will be issued under the Offer, raising approximately \$1,958,683 before costs and expenses (refer 2.1). The Offer is not underwritten.

The number of New Shares to which you are entitled is shown on the Entitlement and Acceptance Form which accompanies this Offer Memorandum. Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

MIKOH option holders also have an opportunity to participate in the Offer, provided that they elect to exercise their options and become the registered holders of the Shares in respect of the exercised options by 5.00pm (Sydney time) on the Record Date. The Unsecured Convertible Promissory Note issued under the Placement will not be entitled to participate in the Offer.

MIKOH has on issue 1 other convertible note to La Jolla which can participate if it elects to convert its note and becomes a registered holder of Shares in respect of that note by 5.00pm (Sydney time) on the Record Date. The Directors have agreed with La Jolla that they will repay this note over three months at \$100,000 per month but La Jolla may still exercise their right to convert the balance of their note at any time.

New Shares will be fully paid and will rank equally in all respects with MIKOH's existing issued Shares, including as to dividends and voting rights.

This Offer Memorandum is issued pursuant to section 708AA of the Corporations Act for the offer of New Shares without disclosure to investors (e.g. a prospectus) under Part 6D.2 of the Corporations Act. This Offer Memorandum was lodged with the ASX on 26 July 2012. ASX takes no responsibility for the content of this Offer Memorandum.

1.2 Entitlement and Eligibility

Each Eligible Shareholder who is registered as the holder of Shares at 5:00pm (Sydney time) on the Record Date is entitled to participate in the Offer. The number of New Shares able to be applied for under your Entitlement is shown on your Entitlement and Acceptance Form accompanying this Offer Memorandum.

You may accept all or only part of your Entitlement. You may also apply for Additional Shares under the Shortfall Offer - see Section 1.4 of this Offer Memorandum.

If you decide not to accept all or part of your Entitlement or fail to do so by the Closing Date, your Rights to participate in the Offer will lapse and any New Shares not taken up by you will form part of the Shortfall and may be used to fill over subscriptions or placed by the Directors at their discretion. As a result, Shareholders who do not take up all of their Entitlement will have their percentage shareholding in MIKOH diluted.

MIKOH reserves the right (in its sole discretion) to:

- Reject any application that it believes comes from a person who is not an Eligible Shareholder or valid transferee of Rights; and
- Reduce the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their claim to be entitled to participate in the Offer proves to be false, exaggerated or unsubstantiated.

MIKOH reserves the right not to proceed with the whole or any part of the Offer at any time prior to the allotment of New Shares. In that event, relevant Application Moneys will be refunded without interest.

1.3 Timetable

EVENT	DATE (2012)
Announce Offer to ASX and lodge App3B and Offer Memorandum	26 July
Despatch Offer notice, App3B information and timetable to shareholders	26 July
Ex date - Rights trading commences	30 July
Record date	3 August
Despatch Offer Memorandum to Shareholders and inform ASX of despatch	7 August
Rights trading closes	14 August
Deferred settlement trading commences	15 August
EGM for approval of the Unsecured Convertible Promissory Notes	15 August
Offer closing date	21 August
Shortfall notification to ASX	29 August
Shortfall settled	29 August
Deferred settlement trading ends and holding statements sent to shareholders	29 August
Normal trading commences	30 August

The timetable above is indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, MIKOH reserves the right to vary the dates in connection with the Offer, including the Offer closing date, without prior notice. This may include extending the Offer or accepting late acceptances, either generally or in particular cases.

1.4 Shortfall Offer

Eligible Shareholders may also apply for more than their Entitlement, such Additional Shares to be issued from any Shortfall under the Offer. To apply for Additional Shares an Eligible Shareholder should complete the 'Additional Shares' section on the Entitlement and Acceptance Form.

MIKOH in its sole discretion reserves the right to scale back or reduce to zero the number of Additional Shares to be issued to any Eligible Shareholder. Additional Shares will not be issued to Eligible Shareholders where to do so would involve a breach of the Listing Rules or any applicable law.

It is a term of the Offer that Applicants are bound to accept a lesser number of Additional Shares allotted to them than applied for, and Applicants shall be bound to accept a refund of Application Moneys in respect of the number of Additional Shares for which they applied but were not issued. No interest will be paid on any money refunded to Applicants in these circumstances.

1.5 Renounceable Offer - Rights Trading

The Offer is renounceable. This means that if you are an Eligible Shareholder who does not intend to subscribe for some or all of your Rights you may sell those Rights on the ASX from 30 July 2012 until the close of ASX trading on 14 August 2012. There is no assurance that you will be able to sell your Rights on the ASX or that your Rights will sell for no less than, or in excess of any price - for further information, see Section 5.3(a) of this Offer Memorandum.

1.6 Entitlement and Acceptance Form

Acceptance of a completed Entitlement and Acceptance Form by MIKOH creates a legally binding contract between the Applicant and MIKOH for the number of New Shares accepted by MIKOH. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of New Shares.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated by MIKOH as valid. MIKOH's decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

1.7 Issue of New Shares and Despatch of Holding Statements

New Shares offered by this Offer Memorandum are expected to be issued, and holding statements despatched, on the date specified in the timetable in Section 1.3 of this Offer Memorandum. No issue of New Shares will be made until ASX grants permission for quotation of the New Shares.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. The sale by the Applicant of New Shares prior to the receipt of a holding statement is at the Applicant's own risk. Eligible Shareholders who wish to trade New Shares obtained under the Offer should contact MIKOH's Share Registry to ascertain their allocation before trading.

1.8 Use of Proceeds of the Offer

It is the view of the Directors that between 33% and 50% of the maximum amount of \$1,958,683 will be raised through this Rights Offer. If the Rights Offer closes and not being fully subscribed the Shortfall will be used in the first instance to satisfy oversubscriptions and then be available for placement by the directors.

Set out below, is a table illustrating the amount available to the Company to fund various activities based on various levels of subscription:

	33% Subscribed (\$)	50% Subscribed (\$)	Fully Subscribed (\$)
Cash on hand as per Pro Forma Balance Sheet (based on 30 June 2012)	513,000	513,000	513,000
Major Estimated Inwards Cash Flows			
Debtors payments due from Kollakorn	1,613,000	1,613,000	1,613,000
Amounts subscribed from Offer	646,000	979,000	1,958,000
Cash Available after Placement	2,772,000	3,105,000	4,084,000
Major Estimated Outwards Cash Flows			
Increase in shareholding of Kollakorn	900,000	1,100,000	1,600,000
Creditor payments due to Sirit Inc	662,000	662,000	662,000
Remaining payments due to La Jolla for break fee and outstanding convertible note	912,000	912,000	912,000
Costs of the offer	30,000	30,000	30,000
Available for General Operating Costs	268,000	401,000	880,000

These amounts are indicative only

1.9 ASX Announcements

MIKOH is listed on the ASX and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require MIKOH to notify ASX of information about specific events and matters as they arise as well as the lodgement of yearly and half-yearly financial statements, audit or review reports and quarterly reports.

MIKOH has recently lodged a number of announcements with ASX including:

- On 21 May 2012 MIKOH announced the termination of the funding agreement with La Jolla Cove Investors Inc.
- On 12 June 2012, MIKOH announced an update of the progress of the Thailand EVR project;
- On 15 June 2012, MIKOH announced that the new system had reduced fatalities to zero and the speeds of vans had reduced by 53.3%;
- On 20 June 2012 MIKOH announced that as at 30 June 2012 its shareholding in Kollakorn will have increased to 28.70%;
- On 4 July 2012, MIKOH announced that it had received \$1.25 million by way of funds from a placement of Unsecured Convertible Promissory Notes that would be converted to shares pursuant to a meeting of shareholders to be held on 14 August 2012; and
- On 5 July 2012, MIKOH announced that pursuant to shareholders approval it would change its name to Kollakorn Corporation Limited.

These and all other announcements are available for inspection at ASX and may be viewed on the ASX website at www.asx.com.au under the ASX code MIK or on MIKOH's website at www.MIKOH.com.

From time to time, MIKOH makes announcements in respect of various matters. Shareholders are encouraged to refer to MIKOH's website and the ASX website to ensure they are kept fully informed.

1.10 Underwriting

The Offer is not underwritten.

1.11 ASX Quotation

MIKOH will apply for official quotation of the New Shares on ASX. Subject to approval, it is expected that normal trading of New Shares issued under the Offer will commence on 30 August 2012.

1.12 Brokerage

No Eligible Shareholder will pay brokerage as a subscriber for New Shares under the Offer.

1.13 Application Moneys

Application Moneys will be held in a trust account until the New Shares are issued to Eligible Shareholders.

Any interest earned on Application Moneys will be for the benefit of, and remains the sole property of, MIKOH and will be retained by MIKOH whether or not the issue of New Shares takes place.

Applications and payments made under the Offer may not be withdrawn once they have been received by MIKOH.

1.14 Eligible and Excluded Shareholders

The Offer is made only to Eligible Shareholders with a registered address in Australia, New Zealand, Malaysia or Singapore or such other place in which or to any person to whom it would be lawful to make such an offer.

MIKOH is of the view that it is unreasonable to make the offer to other overseas Shareholders (Excluded Shareholders) having regard to:

- the number of Excluded Shareholders;
- the number and value of New Shares that would be offered to Excluded Shareholders; and
- the cost of complying with overseas legal requirements.

The Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. MIKOH is not required to make such offers under this Offer to Excluded Shareholders. Where this Offer has not been despatched to Shareholders domiciled outside Australia, New Zealand, Malaysia and Singapore and where the country's securities codes and/or legislation prohibits or restricts in any way the making of the offers contemplated by this Offer, this Offer is provided for information purposes only.

Shareholders resident in Australia, New Zealand, Malaysia or Singapore holding Shares on behalf of persons who are resident elsewhere are responsible for ensuring that taking up the Entitlements under the Offer, participating in the Offer and dealing with New Shares issued under the Offer do not breach the laws and regulations in the relevant overseas jurisdiction, and should seek independent professional advice and observe any applicable restrictions relating to the exercise of Entitlements or the distribution of this Offer Memorandum including the Entitlement and Acceptance Form. Return of a completed Entitlement and Acceptance Form will be taken by MIKOH to constitute a representation that there has been no breach of any such laws or regulations.

MIKOH will appoint a nominee for the Excluded Shareholders to arrange for the sale of the rights that would otherwise have been offered to Excluded Shareholders. MIKOH will transfer the rights of each Excluded Shareholder to the nominee who will account to each Excluded Shareholder for the net proceeds (if any) of the sale of the rights attributable to the relevant Excluded Shareholder. The nominee will have absolute and sole discretion to determine the price, at which the rights may be sold, as well as the timing and manner of such sale.

The Offer contained in this Offer Memorandum to Shareholders with a registered address in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2001 (New Zealand). Members of the public in New Zealand who are not Shareholders on the Record Date are not entitled to apply for New Shares

The distribution of this Offer Memorandum and the Entitlement and Acceptance Form (including electronic copies) outside Australia or New Zealand may be restricted by law. If you come into possession of these documents, you should observe such restrictions and should seek your own advice about such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

SECTION 2. IMPACT OF THE OFFER ON MIKOH AND THE CONTROL OF MIKOH

2.1 Current Issued Capital

At the date of this Offer Memorandum, MIKOH has 678,005,637 Shares on issue.

2.2 Options on Issue

No new options will be issued under the Offer. MIKOH currently has the following options on issue:

Classes of options	Number
Unlisted Options @ \$0.80 expiring 31/03/2013	125,000
Unlisted Options @ \$1.20 expiring 31/03/2013	125,000
Unlisted Options @ \$0.20 expiring 31/07/2014	750,000
Unlisted Options @ \$0.40 expiring 31/07/2014	750,000
Unlisted Options @ \$0.20 expiring 31/12/2014	1,000,000
Unlisted Options @ \$0.25 expiring 31/12/2014	1,000,000
Unlisted Options @ \$0.075 expiring 01/12/2014	13,500,000
Total Issued Options	17,250,000

No new options will be issued under the Offer. It is unlikely that any none of these options will be exercised prior to the closure of the Rights Offer given that the exercise price of these options exceeds the current market price for Shares

2.3 Convertible Notes on Issue

MIKOH recently completed a Placement of 90,518,109 interest-free, Unsecured Convertible Promissory Notes raising \$1,249,149 which, subject to Shareholder approval, will be converted to 90,518,109 Shares at an effective issue price of 1.38 cents per Share.

An Extraordinary General Meeting will be held on 14 August 2012 to seek the Shareholder approval to allow the conversion of the Unsecured Convertible Promissory Notes into Shares. If approved, the Unsecured Convertible Promissory Notes will be converted into Shares on a 1 for 1 basis. If not approved, they will be repaid in cash on 30 September 2012.

In addition to these Unsecured Convertible Promissory Notes, MIKOH currently has 1 convertible note on issue for a principal amount of US\$300,000. It is convertible into Shares at any time at the election of the holder at a conversion price per Share of the lower of 10 cents and 80% of the 3 lowest daily volume weighted average prices of Shares in the 21 days prior to the election to convert. If the price at which La Jolla may convert the principal drops below AU\$0.0138 (1.38 cents) for a period of 15 days then MIKOH may repay the balance of the principal then outstanding at any time within 15 days and La Jolla may not convert the principal into shares unless MIKOH does not repay the balance within this period. The floor for conversion of the convertible note is 1.38 cents per share.

It has been agreed with La Jolla that MIKOH may repay the balance of the Convertible Note in cash at the rate of \$100,000 per month plus interest at 7% per annum.

No new convertible Notes will be issued under this offer.

2.4 Fully Diluted Capital after Completion of the Offer

Based on MIKOH's issued securities as at the date of this Offer Memorandum, the fully diluted share capital of MIKOH following completion of the Offer (at various levels of subscription) assuming that:

- La Jolla is repaid in cash;
- No holders of options on issue as at the date of this Offer exercises those options prior to the Record Date;

- Shareholders approve the conversion of the Unsecured Convertible Promissory Notes issued under the Placement to Shares at the Extraordinary General Meeting,

would be as follows at various levels of subscription (actual numbers may differ due to rounding):

Securities	33% Subscribed		50% Subscribed		Fully Subscribed	
	Number	%	Number	%	Number	%
Existing Shares	678,005,637	82.9	678,005,637	80.3	678,005,637	73.8
New Shares issued under the Offer	49,720,413	6.1	75,333,960	8.9	150,667,919	16.4
New Shares issued on conversion of the Unsecured Convertible Promissory Notes	90,518,109	11.0	90,518,109	10.8	90,518,109	9.8
Total	818,244,159	100.0	843,857,706	100.0	919,191,665	100.0

If you do not take up your Entitlement under the Offer, your percentage shareholding in MIKOH will be diluted.

2.5 Effect on the Control of MIKOH

If all Eligible Shareholders (as assumed in 2.4 above) take up in full their Entitlements to New Shares, then 150,667,919 New Shares (plus additional New Shares to cover entitlements resulting from the rounding up of fractional entitlements) will be issued by MIKOH.

If any Eligible Shareholders do not take up in full their Entitlements to New Shares, then the proportional shareholding interest in MIKOH of those Eligible Shareholders will be diluted.

Kollakorn, the largest single shareholder and which is entitled to 13.23% of the issue has advised MIKOH that it will not participate in the Offer. Neither the directors nor the shareholders of Kollakorn see any benefit in Kollakorn participating in an offer of Shares in MIKOH being issued primarily to provide finance for the funding of Kollakorn.

The Kollakorn rights will therefore be offered for sale pursuant to section 1.14. The proportional shareholding interest in MIKOH of Kollakorn will consequently be diluted because Kollakorn will not participate in the Offer.

None of the abovementioned circumstances is expected to have any effect or material effect on the control of MIKOH.

2.6 Unaudited Pro Forma Balance Sheet

Set out on the following page is an unaudited pro forma balance sheet of MIKOH on completion of the Offer. It is based on MIKOH's unaudited balance sheet as at 30 June 2012 and shows varying levels of subscription to the Offer.

The financial information has been prepared in accordance with the Corporations Act, the Corporations Regulations 2001, the ASX Listing Rules, the Accounting Standards and other mandatory financial requirements in Australia.

The pro forma balance sheet reflects the impact of the Offer and the transaction costs at various levels of subscription as if they had occurred on 30 June 2012.

**Unaudited Pro Forma Balance Sheet After Placement
Based on Various Levels of Subscription to the Rights Offer**

Securities	31 Dec 11 Interim Financials (Audit Review) A\$	30 Jun-12 Management Accounts (Unaudited) A\$	Pro Forma Before Rights Offer (Unaudited) A\$	33% Subscribed A\$	50% Subscribed A\$	100% Subscribed A\$
Current Assets						
Cash and cash equivalents	134,886	368,334	513,228	1,159,593	1,492,570	2,471,911
Receivables*	2,367,401	1,806,370	1,613,596	1,613,596	1,613,596	1,613,596
Inventory	546,562	-	-	-	-	-
Other Current Assets	150,130	9,168	9,168	9,168	9,168	9,168
Total Current Assets	3,198,979	2,183,872	2,135,992	2,782,357	3,115,334	4,094,675
Non-Current Assets						
Property, Plant & Equipment	12,530	9,994	9,994	9,994	9,994	9,994
Intangible Assets	-	231,635	231,635	231,635	231,635	231,635
Investment in Kollakorn	3,924,795	4,754,515	4,754,515	4,754,515	4,754,515	4,754,515
Total Non-Current Assets	3,937,325	4,996,144	4,996,144	4,996,144	4,996,144	4,996,144
Total Assets	7,136,304	7,180,016	7,132,136	7,778,501	8,111,478	9,090,819
Current Liabilities						
Payables**	2,396,402	2,265,654	2,115,654	2,115,654	2,115,654	2,115,654
Unsecured Convertible Promissory Notes	77,300	1,147,030	1,249,150	1,249,150	1,249,150	1,249,150
Provisions	-	148,499	148,499	148,499	148,499	148,499
Total Current Liabilities	2,473,702	3,561,183	3,513,303	3,513,303	3,513,303	3,513,303
Non-Current Liabilities						
Convertible Notes***	638,922	294,377	294,377	294,377	294,377	294,377
Total Non-Current Liabilities	638,922	294,377	294,377	294,377	294,377	294,377
Total Liabilities	3,112,624	3,855,560	3,807,680	3,807,680	3,807,680	3,807,680
Net Assets	4,023,680	3,324,456	3,324,456	3,970,821	4,303,798	5,283,139
Equity						
Share Capital	46,181,338	47,275,427	47,275,427	47,921,792	48,254,769	49,234,110
Reserves	1,885,170	1,769,729	1,769,729	1,769,729	1,769,729	1,769,729
Retained Earnings	(44,042,828)	(45,720,700)	(45,720,700)	(45,720,700)	(45,720,700)	(45,720,700)
Total Shareholders' Equity	4,023,680	3,324,456	3,324,456	3,970,821	4,303,798	5,283,139

Commentary

*	Receivables \$1,613,595	Kollakorn owes MIKOH \$1,556,264 for sales of Equipment and tags made in the year ending 2011
**	Payables \$2,115,654	The principle items in Payables are: Owing to Sirit Inc. \$662,037 Balance of La Jolla Break Fee \$618,192 Due to Kollakorn for new capital \$370,386 Due for settlement of printer business written off \$150,000
***	Convertible Notes \$294,377	Balance of Convertible Notes owned by La Jolla which were, under the settlement agreement, to be converted into shares but which will now be settled in cash

SECTION 3. YOUR OPTIONS IN RESPECT OF THE OFFER

3.1 Your Entitlement

As an Eligible Shareholder, your Entitlement is shown on the Entitlement and Acceptance Form that accompanies this Offer Memorandum. It has been calculated as 2 New Shares for every 9 Shares you held as at 5:00pm (Sydney time) on the Record Date, rounded up to the nearest whole New Share.

3.2 Your Options

As an Eligible Shareholder you may:

- Take up some or all of your Entitlement; or
- Take up all of your Entitlement and apply for Additional Shares; or
- Do nothing and allow your Entitlement to lapse; or
- Sell and transfer your Entitlement.

(a) Take up your Entitlement and, if applicable, apply for Additional Shares

If you want to take up all or part of your Entitlement, and if applicable, apply for Additional Shares:

- You must complete and return the Entitlement and Acceptance Form with Application Moneys pursuant to the instructions that are set out on the Entitlement and Acceptance Form accompanying this Offer Memorandum;

OR

- If you have an Australian financial institution account that supports BPAY[®], by paying by BPAY[®], before 5:00pm (Sydney time) on the Closing Date. You do not need to complete and submit your Entitlement and Acceptance Form in those circumstances. Please ensure you quote the Biller Code and your unique Reference Number (see Section 3.3(b) of this Offer Memorandum for further details regarding acceptance and payment by BPAY[®]). MIKOH will treat you as applying for as many New Shares (and if applicable, Additional Shares in that Order) as your payment will pay for in full.

(b) Doing nothing in respect of the Offer

If you do nothing, your Entitlement will lapse (assuming you do not sell and transfer your Entitlement). Although you will continue to own the same number of Shares in MIKOH your shareholding in MIKOH will be diluted.

(c) Sell and Transfer your Entitlement

The Offer is renounceable. This means that if you are an Eligible Shareholder who does not intend to subscribe for some or all of your Rights you may sell those Rights on the ASX from 30 July 2012 until the close of ASX trading on 14 August 2012. There is no assurance that you will be able to sell your Rights on the ASX or that your Rights will sell for no less than, or in excess of any price.

Should you wish to sell any of your Rights on the ASX, you must provide the appropriate instructions and information to your sharebroker.

If you wish to transfer some or all of your Rights to a person, other than by trading on the ASX, you must complete a standard renunciation form (available from your sharebroker or the Share Registry) and lodge it with the Share Registry together with the applicable transferee's cheque for the acceptance money. See full details on the reverse of the Entitlement & Acceptance Form if you wish to renounce some or all of your Entitlement other than through your sharebroker.

Any New Shares not subscribed for pursuant to an exercise of Rights will form part of the Shortfall and may be issued to other Eligible Shareholders who have applied for Additional Shares and subsequently at the discretion of Directors.

3.3 Method of payment

Cash payments will not be accepted.

The method of taking up the Offer will depend on your method of payment, being only:

(a) Payment by cheque

Should you wish to pay by cheque you should complete your Entitlement and Acceptance Form in accordance with the instructions set out on that form and return the form accompanied by a cheque or money Order:

- In Australian currency, drawn on an Australian branch of a financial institution;
- For an amount equal to 1.30 cents multiplied by the number of New Shares and, if applicable, Additional Shares that you are applying for; and
- Made payable to “**MIKOH Corporation Limited - Entitlement Offer Account**” and crossed “Not Negotiable”.

Receipts for payment will not be issued. If your cheque is dishonoured, your application will be rejected.

Your completed Entitlement and Acceptance Form, together with your Application Moneys, should be mailed using the reply paid envelope provided with this Offer Memorandum, to:

MIKOH Corporation Limited - Entitlement Offer Account
c/- Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

(b) Payment by BPAY®

If you wish to pay by BPAY® (only available to Eligible Shareholders who hold an account with an Australian financial institution that supports BPAY®):

- Please follow the instructions on your personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Reference Number). Your BPAY® payment must be received by no later than 5:00pm (Sydney time) on the Closing Date. Applicants should be aware that their own financial institution may impose earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by this time; and
- For payment by BPAY®, you do not need to submit your Entitlement and Acceptance Form - by making a payment through BPAY® you will be taken to have made the declarations set out in the Entitlement and Acceptance Form.

Any Application Moneys received for more than your final allocation of New Shares will be refunded. No interest will be paid on any Application Moneys received or refunded.

3.4 Enquiries concerning your Entitlement

If you have any queries concerning your Entitlement, please contact MIKOH’s Share Registry using the details below:

Boardroom Pty Limited
Telephone: 61 (02) 9290 9600

Alternatively, consult your sharebroker or other professional adviser.

SECTION 4. SUMMARY OF MIKOH'S BUSINESS

4.1 Business Profile

MIKOH is a technology company whose core philosophy is the development of technologies for asset identification and security. The main product of the Company is a secure tamper evident RFID tag that can be used for application on all types of assets, for security and identification purposes.

The major activity of the Company is the implementation of its tamper evident RFID tag technology, in Thailand and throughout Asia, for use in Electronic Vehicle Registration (EVR) and Automatic Vehicle Identification (AVI) which provides one platform for many applications such as vehicle registration, speed monitoring, free flow and congestion tolling, parking, fleet management, e-commerce, border security and access control.

4.2 Thailand EVR Project and Investment in Kollakorn

MIKOH entered into a joint venture with Kollakorn on 16 March 2010 (**Joint Venture**). The purpose of the Joint Venture was to install an Electronic Vehicle Registration (EVR) system in Thailand.

Subsequently, Kollakorn received a 10 year concession from the Government of Thailand to implement the EVR system but with no certainty that the Government of the day would enforce it as being mandatory on all vehicles.

The basis of the Joint Venture was that MIKOH would supply the equipment (readers and cameras) and RFID tags for the joint venture and that Kollakorn would install and maintain the equipment and develop all of the back of house computer systems required to make the system work. A major consideration in Kollakorn forming a Joint Venture with MIKOH was the unique tamper evident characteristics of the MIKOH Smart&Secure™ tags.

The MIKOH Smart&Secure™ tamper evident capability is a patented technology that was developed by MIKOH. If any attempt is made to remove the tags then the RFID capability of the tag is irrevocably destroyed. This feature is an integral part of any EVR or AVI system.

During the first year of operation of the Joint Venture, equipment and tag orders were placed with MIKOH and subsequently delivered. MIKOH negotiated particularly favourable terms for the equipment and tags from suppliers which included in some cases settlement terms of up to 360 days. These terms were reflected in a supply agreement between MIKOH and Kollakorn.

In December 2010 there was a restructure of the Board and a change in management with the appointment of Mr Richard Sealy as Managing Director in February 2011. The major concerns identified by the new management were funding and that MIKOH only had access to part of the EVR system, namely the supply of equipment and tags. The communications and operational software for the EVR system was the property of Kollakorn. In addition, it was clear that the major part of the revenues of the project would be earned in Kollakorn; and that MIKOH had no way of sharing in that revenue other than through margins on the sale of tags and equipment.

After considerable discussion, it was agreed between MIKOH and Kollakorn that they would establish a closer relationship and that as part of this, they would jointly develop and operate the Thailand EVR system. Further, this closer relationship would allow MIKOH, through Kollakorn to offer a complete EVR system to other prospective countries particularly in the ASEAN Region.

Agreement was reached for a swap of shares between Kollakorn and MIKOH of 19.9% of each of their respective capitals with no additional compensation required from either company. A further term of the agreement was that Mr Namchoke Somapa would be appointed to the Board of MIKOH and that Mr Richard Sealy would be appointed to the Board of Kollakorn.

Due to a number of unforeseen problems, the development and implementation of the EVR system was delayed and therefore the projected cash flows of Kollakorn did not commence until quite recently. This caused a problem with funding for Kollakorn which came to a head in March 2011, as various contracts for supply of the equipment and tags purchased in 2010 reached maturity. In order for MIKOH to fulfil its obligations to its supplier, Sirit, it was necessary for Kollakorn to pay MIKOH, however this was not possible due to Kollakorn's lack of financial resources.

The Thailand EVR project was progressing well and there were strong indications that the Government of Thailand would agree to make sections of the vehicle fleet mandatory for tagging and that over a period of time, it was a reasonable expectation that all of the vehicle fleet in Thailand would be tagged. It was therefore vital to find a solution to the funding issues in order to meet specific deadlines for roll-out of equipment and commencement of operations.

MIKOH and Kollakorn jointly set out to raise funds in order for Kollakorn to be able to meet its obligations to MIKOH. Due to the Global Financial Crisis it was not easy to find funding for such a unique project, particularly because of its higher risk profile. The EVR system in Thailand had as its objective the tagging 30 million vehicles and providing a platform for many vehicular related applications, there was however no commitment from the Government of Thailand to make it a mandatory requirement for cars to be tagged.

Eventually in August 2011, MIKOH secured a funding arrangement with La Jolla, a pipe funder operating out of the West Coast of the United States. The form of the funding was the provision of US\$6 million in a convertible note with the right for La Jolla to convert all or part of the convertible note into MIKOH shares at any time (see Section 4.5 for more details). In order to provide the necessary funding to Kollakorn to allow it to pay for equipment and tags, a similar transaction for a total of US\$5 million in 5 convertible notes was implemented between Kollakorn and MIKOH.

Since implementation of the funding arrangement, MIKOH has drawn down approximately US\$1.5 million from La Jolla and invested all of this into Kollakorn, increasing its shareholding in Kollakorn to approximately 28%. Consequently Kollakorn has been able to continue the development of the Thailand EVR system and on the 1st of April 2012 the Department of Land Transport in Thailand (DLT) declared that the first sector of the vehicle fleet in Thailand, the public passenger vans, would be mandatorily required to install the MIKOH Smart&Securetm tags.

The Directors of MIKOH have now negotiated a restructure of the La Jolla funding arrangement which they believe now needs to be replaced with more conventional funding as both Kollakorn and MIKOH near the point of being cash flow positive. This is part of the reason behind making this Offer to Shareholders (see Section 4.5 for more details).

The Director's present view of the Thailand EVR project is that:

- The announcement by the DLT to make the public passenger vans mandatorily install tags is the beginning of a process to make it mandatory for other parts, if not all, of the vehicular fleet to install tags;
- The outstanding debtors amounts for equipment and tags sold to Kollakorn has now, with the assistance of MIKOH, been reduced to manageable proportions and will shortly have been repaid in full;
- The management and financial costs of running MIKOH have been restructured so that it is operating effectively at a conservative level of cost;
- The increase of MIKOH's investment in Kollakorn should grow in value and will be financially beneficial to MIKOH when it commences to receive dividends from Kollakorn;
- MIKOH's closer association with Kollakorn and its ability to offer a complete EVR/AVI system should lead to securing similar projects in other countries, particularly in the ASEAN countries; and
- Reorders of tags and equipment for the further expansion of the Thailand EVR project should commence in the last quarter of the 2012 calendar year providing a transition to profitability for MIKOH.

4.3 Projects and Clients in Other Countries

(a) Malaysia

On 1 April 2011 MIKOH entered into a Heads of Agreement with ARA TechBis SDN BHD (ARA) in Malaysia to implement a system similar to that in Thailand. MIKOH's experience is that the reasons that make an EVR system a compelling argument change from country to country and it takes time to understand what these reasons are.

Now, after approximately one year, management has understood the needs of the Malaysian Government and we are advancing on securing the right to implement a different system in Malaysia but that will nevertheless use the MIKOH Smart&Secure™ tag.

(b) Vietnam

Vietnam is a very new market for MIKOH. We are still in the process of finding a suitable integration partner in Vietnam. There is no doubt that our system could be of significant importance to the Vietnamese Government in controlling traffic in Hanoi and collecting yearly registration fees and congestion tax, neither of which are currently collected at this time.

(c) India

MIKOH has had a number of repeat orders for tags from L'Oreal of India. L'Oreal is using the MIKOH Smart&Secure™ tags in a totally different application. They are using the tags for tagging and identifying assets of high value. Using the MIKOH Smart&Secure™ tags, they are able to easily use a reader to determine which assets are in a pre-defined area and quickly and easily update their asset register.

Management continues to search for suitable projects in order to increase the breadth of the business and reduce MIKOH's reliance on the Thailand EVR project. It is encouraging to see that MIKOH now has extensive enquiry from many countries in the world, however it should be borne in mind that an enquiry, no matter how prospective, is still a significantly long way from changing the law in a country to allow the implementation of an EVR system.

4.4 Source of Supply

Since the change of management, a conscious effort has been made in securing a second source of supply for the manufacture of the MIKOH Smart&Secure™ tags in order to:

- Reduce the vulnerability of the Company to a break in its supply line; and
- Shorten the supply line, which currently is from the United States of America.

As was recently announced, we have now signed a supply contract with Star RFID Co., Ltd of Thailand (**Star RFID**) to manufacture a new version of the Smart&Secure™ tags in Thailand.

Star RFID is a privately owned subsidiary of the C.A.S. Group of Companies based in Bangkok Thailand. The C.A.S Group was established in 1971. The Group's activities include paper converting and distribution, industrial land development, printing equipment distribution and reconditioning, label converting, printing chemistry and inks, condom manufacturing and RFID label and tag manufacturing.

Star RFID was established in 2009 to meet the demand for RFID labels and tags in the global market. Currently it is the only company in Thailand manufacturing RFID labels and tags and is one of only a handful of companies manufacturing RFID labels in Asia. Star RFID combines the expertise of the C.A.S paper divisions as well as over 25 years RFID industry knowledge of their senior management.

MIKOH has also spent more than 9 months in developing its own tag over which the Company will have full rights, not just the rights to the tamper evident component of the tag. This tag will be manufactured by Star RFID.

The terms of the supply contract require MIKOH to place a minimum of 50% of its tag orders with Star RFID, there are no minimum quantities. The price per tag is significantly lower than is currently being paid by MIKOH. In addition the supply line is local which saves a considerable amount on freight costs.

Based on this supply contract, Star RFID is importing brand new state of the art machinery and is building a new factory in which to manufacture the tags.

4.5 Restructure of La Jolla Funding Arrangements

As discussed in Section 4.2 above, in August 2011 MIKOH secured a funding arrangement with La Jolla. The funding arrangement provided for the advance to MIKOH of up to US\$6 million in return for the issue to La Jolla of a convertible note.

The convertible note is repayable by MIKOH in August 2015 and bears interest at a rate of 4.75% per annum, payable monthly in arrears. The convertible note is able to be converted by La Jolla into Shares at any time at the election of La Jolla at a price per Share of the lower of 10 cents and 80% of the 3 lowest daily volume weighted average prices of Shares in the 21 days prior to La Jolla's election to convert.

Since implementation of the funding arrangement, MIKOH has drawn down approximately US\$1.5 million on the convertible note.

As announced by MIKOH on ASX on 21 May 2012, MIKOH has reached agreement with La Jolla to restructure these funding arrangements on the following basis:

- The rights and obligations of La Jolla to advance, and MIKOH to drawdown, any further funds under the arrangements will be terminated;
- The principal sum of US\$557,745 outstanding to La Jolla will be reduced to US\$300,000 by the payment of US\$257,745;
- The balance of the principal outstanding of US\$300,000 remains subject to the original funding arrangements, including:
 - Interest of 4.75% per annum is payable monthly in arrears;
 - The principal may be converted at the option of La Jolla into ordinary shares at any time at a conversion price per share of the lower of 10 cents and 80% of the 3 lowest daily VWAPs in the 21 days prior to La Jolla's election to convert provided however that MIKOH shall not be required to convert any convertible notes should this result in an issue price for shares that is lower than AU\$0.0138 (1.38 cents);
 - Repayable in full in August 2015 unless converted by La Jolla into shares earlier.
- If the price at which La Jolla may convert the principal drops below AU\$0.0138 (1.38 cents) for a period of 15 days then MIKOH may repay the balance of the principal then outstanding at any time within 15 days and La Jolla may not convert the principal into shares unless MIKOH does not repay the balance within this period;
- La Jolla will be limited in trading any ordinary share to no more than US\$70,000 in any 30 day period, such amount to be cumulative, provided however that if the shares trade above AU\$0.03 (3 cents) then La Jolla will not be so restricted;
- MIKOH will pay a cancellation fee of:
 - US\$750,000 in cash, of which US\$120,000 is payable in 30 days from the date of execution and the balance payable over 9 months at US\$70,000 per month; plus
 - The transfer to La Jolla of a 2.5% equity interest in Kollakorn Co., Ltd.

Subsequent to negotiating the above agreement La Jolla has agreed that MIKOH can repay the final US\$300,000 of the Convertible Note in cash. The effect of this will be that no new shares will be issued to La Jolla but some of the recently acquired liquidity will be applied to repayments of the Convertible Note.

4.6 Successful Placement Raised Approximately \$1.25 million

On Wednesday 4 July 2012 MIKOH announced that it had received approximately \$1.25 million through the issue of Unsecured Convertible Promissory Notes at 1.38 cents per note to a mix of new institutional and sophisticated investors. These notes will be converted to shares subject to approval of shareholders at the EGM to be held on 14 August 2012.

The Placement together with the Offer gives MIKOH the financial flexibility to continue to invest in Kollakorn. MIKOH expects over the next 12 months to increase its ownership in Kollakorn to approximately 40%. In addition, new projects are currently being pursued across a number of markets in Asia in the transport, security and logistics sectors as more companies and government departments recognise the benefits of MIKOH RFID technology.

4.7 Update on Financial Performance

At the last Annual General Meeting MIKOH provided a forecast guide for this financial year predicting a Net Profit after Tax of \$70,000. The following is the unaudited summarised Profit and Loss Account for 30 September 2012 together with the audited summarised Profit and Loss Accounts for 2010 and 2011 for comparison. The unaudited Balance Sheet for 30 June 2012 may be found in section 2.6.

	30 June 2012	30 June 2011	30 June 2010
REVENUE			
Revenue from sales	88,298	3,761,408	572,191
Royalties	382,710	-	-
Other Income	151,668	29,718	34,818
TOTAL REVENUE	622,676	3,791,126	607,009
Cost of Sales	(62,010)	(2,688,808)	(539,986)
GROSS PROFIT	560,666	1,102,318	67,023
OPERATIONAL EXPENSES			
Administration Expenses	(1,819,430)	(2,468,277)	(3,028,987)
Marketing Expenses	(139,771)	(512,153)	(1,270,395)
R&D Expenses	(195,129)	(389,904)	(484,799)
Finance Costs	(29,414)	-	-
TOTAL OPERATIONAL EXPENSES	(2,183,744)	(3,370,334)	(4,784,181)
SHARE OF KOLLAKORN THAILAND LOSSES	(293,909)	-	-
NON-RECURRING EXPENSES			
La Jolla Break Fee	(738,877)	-	-
Loss from Printer Operations (Discontinued)	(336,984)	(984,417)	(456,627)
	(1,369,770)	(984,417)	(456,627)
Loss before income tax	(2,992,848)	(3,252,433)	(5,173,785)
R&D Income Tax Refund	76,775	107,653	120,150
LOSS FOR THE YEAR	(2,916,073)	(3,144,780)	(5,053,635)

Commentary

- **REVENUE:** Total revenue was significantly less than for the 2011 year. This was predicted in the last year's Annual Report to Shareholders because the sales in 2011 came from the sale of equipment and a stock of 2 million tags to Kollakorn. The 2012 year for Kollakorn has been about installing the equipment bought from MIKOH and proving the system works. Originally it had been anticipated that orders for more tags and equipment would be received from Kollakorn prior to the end of the 2012 financial year however the live phase of the project started about 6 months later than expected and these orders will now not be received until the last quarter of the 2012 calendar year.
- **ROYALTIES:** Total royalties received this year amounted to \$382,710. These royalties were received from Sirit Inc. for the supply of tags to Taiwan for the Taiwan tolling project.
- **GROSS PROFIT:** As the bulk of the revenues received in the 2012 financial year were royalties with no cost of goods sold, they went immediately to the Gross Profit line. This means that while the revenues in 2012 were 83% (\$3,168,450) less than in 2011, the gross profit was only 49% (\$541,652) less.
- **OPERATIONAL EXPENSES:** Operational costs have continued to be reduced under the new management and Board. Total operating costs of the Company fell from \$4,784,181 in 2010 to \$2,183,744 in 2012; a reduction of 54%.

- **SHARE OF KOLLAKORN LOSSES:** The 2012 financial year was the first time that Kollakorn was equity accounted. The share of the Kollakorn losses attributable to MIKOH is therefore accounted for.
- **NON-RECURRING EXPENSES:**
 - When the new management and Board took over there was a decision made to either sell or close the two loss making printer businesses. While this was achieved last financial year and a significant portion of the losses were booked, there remained one outstanding matter, a high tech printer developed by MIKOH Imaging Systems Pty Limited. It was the understanding of the Board that this machine could be completed and sold profitably however after almost 12 months of trying to reach an acceptable level of operation it became evident that the machine would not perform to the required standard and the Board decided to write the machine off, incurring a loss of \$366,984;
 - The negotiated settlement with La Jolla is set out in Section 4.5. The full amount of the settlement has been taken into the 2012 financial year;
- **LOSS FOR THE YEAR:** The loss for the year, while being less than in previous years, was affected by the large one off items that had to be accounted for and the fact that the predicted orders from Kollakorn have been delayed to the end of the 2011 calendar year.

MIKOH from a financial standpoint is better placed than it has ever been. All the extraneous costs from the past have now been recognised therefore we start the 2013 year with a clean slate. The funding from the placement and a successful rights issue will, for the first time, leave the Company with surplus funding (see section 1.8).

MIKOH's main priority at this time is to help Kollakorn build on its concession with Thailand's Department of Land Transport with respect to the compulsory roll out of RFID tags across all vehicle categories. Kollakorn is already receiving revenue from the start of this rollout and it is anticipated that this will grow in the second half of this calendar year.

MIKOH will continue to provide the tags and hardware required for EVR in Thailand and forge new relationships in other ASEAN nations. It is expected that additional orders within the 2013 financial year from Kollakorn and the new level of operating expenditure should make MIKOH profitable.



Richard Sealy
Managing Director

SECTION 5. RISK FACTORS

5.1 Introduction

Activities by MIKOH and its controlled entities, as in any business, are subject to risks which may impact on MIKOH's future performance.

Prior to deciding whether to take up your Entitlement, Shareholders should read the entire Offer Memorandum and review announcements made by MIKOH to ASX (at www.asx.com.au under the code "MIK") or on the MIKOH website (at www.MIKOH.com) in order to gain a better appreciation of MIKOH, its activities, operations, financial position and prospects.

An investment in New Shares should be considered speculative. New Shares carry no guarantee with respect to the payment of any dividends, returns of capital or the market value of those New Shares.

Shareholders should also consider the risk factors set out below which MIKOH believes represent some of the specific and general investment risks that Shareholders should be aware of when evaluating MIKOH and deciding whether to increase their shareholding in MIKOH.

5.2 Specific Risks

The following risk factors are not intended to be an exhaustive list of all of the risk factors to which MIKOH is exposed.

(a) Revenue Concentration Risk

As 98% of MIKOH's revenue over the last two financial years has been derived from the sale of equipment and tags to Kollakorn for the EVR project in Thailand, the loss of this source of revenue for any reason would have a detrimental impact on MIKOH which may impact its ability to continue as a going concern.

(b) Country Risk

MIKOH's main project is located in Thailand and is operated through Kollakorn. While the Government is, in the view of the Director's stable, the country has in the past experienced political unrest that has led to riots. There can be no assurance that the systems of government and the political systems in Thailand or any other overseas countries in which MIKOH seeks to do business will remain stable.

There can be no assurance that government regulations relating to foreign investment, repatriation of foreign currency and taxation in the Kingdom of Thailand will not be amended or replaced in the future, to the detriment of MIKOH's business and/or projects.

MIKOH is unaware of any such proposals as at the date of this Offer Memorandum.

(c) The Concession

Currently, the business in Thailand is operated through Kollakorn under a 10 year concession from the Government of Thailand for the provision of an RFID EVR system. The concession was issued to Kollakorn under the previous Government which is now the opposition. The current Government has since adopted the implementation of the EVR system as one of their policies. There is however, the possibility that the concession could be withdrawn either partially or completely.

(d) Development Risk

The success of MIKOH relies on:

- Kollakorn, ARA TechBis SDN BHD and other entities particularly in Asia purchasing tags and equipment from MIKOH; and
- MIKOH receiving income from investments in specific joint ventures in various countries and royalties.

Currently MIKOH has two joint ventures, one in Thailand which is a 28.7% ownership in Kollakorn and one in Malaysia with ARA TechBis SDN BHD (ARA) in which MIKOH owns 10% and Kollakorn owns 10%. The Kollakorn Joint Venture became income producing in April 2012 and the Malaysian joint venture with ARA is yet to start developing a project. In Taiwan Sirit Inc. uses the MIKOH tags for its Taiwan project and MIKOH receives royalties.

All of these joint ventures and royalties depend on the delineation of economically viable projects being found within a country or industry, access to required development capital and obtaining all consents and approvals necessary for the conduct of the joint venture or project.

(e) Future Capital Requirements

While it is the Board's view that MIKOH should be cash flow positive by the end of the 2013 financial year, should another large project be secured in which MIKOH was required to invest in infrastructure it may be necessary to raise significant further financing in the future.

Should this finance be raised in the form of additional equity financing it may be dilutive to Shareholders, undertaken at lower prices than the current market price (or Offer price) or may involve restrictive covenants which limit MIKOH's operations and business strategy.

Although the Directors of MIKOH believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to MIKOH or at all.

If MIKOH is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse affect on MIKOH's activities and could affect MIKOH's ability to continue as a going concern.

(f) Joint Venture Parties, Agents and Contractors

There is a risk of financial failure or default by a participant in any joint venture to which MIKOH is, or may become, a party; or the insolvency or financial failure by any of the contractors used by MIKOH in any of its activities; or the insolvency or other financial failure by any of the other service providers used by MIKOH for any activity.

(g) Exchange Rate Fluctuations

MIKOH currently purchases its tags and equipment in the USA and sells it in Asia. MIKOH does not hold any stock of tags or equipment. All contracts when purchasing and selling tags and equipment are delineated in USD.

Investments in Joint Ventures are made in AUD and are therefore subject to exchange rate fluctuations which are affected by numerous factors beyond the control of MIKOH. These factors include world demand for various currencies, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional confidence in the financial markets.

(h) MIKOH Investment Risk

Applicants should be aware that there are risks associated with any securities investment. MIKOH securities have in the past, experienced extreme price and volume fluctuations. Factors may again occur in the future that may materially affect the market price of the securities regardless of MIKOH's performance.

(i) Competition

MIKOH competes with other companies, including majors in Australia and Internationally. Some of these companies have greater financial and other resources than MIKOH and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that MIKOH can compete effectively with these companies.

(j) Key Personnel

Recruiting and retaining qualified personnel is important to MIKOH's success. MIKOH does not have a large staff and it is unlikely that in the future it will have a large staff however the number of persons skilled in the operations of the Company is limited and the loss of any staff member could be of critical importance. Currently MIKOH does not have Key-man Insurance.

(k) Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause such as strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks.

Delay in resumption of activities after reinstatement following the occurrence of an insured or uninsured risk and other matters may interfere with the business or trade of MIKOH.

5.3 General Investment Risks

The following risks have been identified as being general investments risks that apply to most companies and therefore these risks also apply to an investment in MIKOH:

(a) Stock Market Conditions

As with all stock market investments, there are risks associated with an investment in MIKOH. Share prices may rise or fall and the price of Shares might trade below or above the issue price for the New Shares.

General factors that may impact the market price of Shares include economic conditions in both Australia and Internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(b) Liquidity Risk

There can be no assurance that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Offer.

(c) Securities Investment Risk

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market can experience extreme price and volume fluctuations that may not be related to the operating performances of such companies.

(d) Taxation Risk

MIKOH is subject to taxation and other imposts in Australia. Future changes in taxation laws, including changes in the interpretation or application of existing laws by the courts or taxation authorities, may affect the taxation treatment of MIKOH securities or the holding or disposal of those securities.

MIKOH's current model of operating means that the introduction of a carbon tax by the Commonwealth Government of Australia to take effect in Australia from 1 July 2012, with an emissions trading scheme to commence from 1 July 2015, should not have an adverse impact on MIKOH's financial performance.

SECTION 6. ADDITIONAL INFORMATION

6.1 Fractional Entitlements

Where fractions arise in the calculation of your Entitlement, the fraction will be rounded up to the next whole number of New Shares. If you have more than one holding of Shares you will be sent more than one Offer Memorandum and you will have separate Entitlements for each holding.

6.2 Tax

Taxation implications will vary depending upon the individual circumstances of Eligible Shareholders. MIKOH and its officers do not accept any responsibility or liability for any taxation consequences of Eligible Shareholders subscribing for and disposing of New Shares.

You should obtain your independent taxation advice before deciding whether to invest in New Shares.

6.3 Privacy

The Entitlement and Acceptance Form requires you to provide information that may be personal information for the purposes of the *Privacy Act 1988* (Cth). MIKOH (and MIKOH's Share Registry on its behalf) collects, holds and uses personal information in order to assess applications for New Shares, service the needs of Shareholders, provide facilities and services and to administer MIKOH.

Access to information may also be provided to MIKOH's Related Body Corporates (as that term is defined in the Corporations Act), agents and service providers, regulatory bodies, mail houses and MIKOH's Share Registry.

If you do not provide the information requested of you in the Entitlement and Acceptance Form, MIKOH's Share Registry will not be able to process your application for New Shares or administer your holding of Shares appropriately.

6.4 Governing law

The Offer and the contracts formed on the return of the Entitlement and Acceptance Form are governed by the laws applicable in New South Wales, Australia. Each Shareholder who applies for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

SECTION 7. GLOSSARY OF DEFINED TERMS

In this Offer Memorandum, the following terms have the following meaning unless the context requires otherwise:

Additional Shares means New Shares forming part, or all, of the Shortfall and in respect of which an Eligible Shareholder may apply to be issued to such Eligible Shareholder under the Shortfall Offer;

Applicant means a person who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form;

Application Moneys means the aggregate amount of money payable for New Shares applied for in a duly completed Entitlement and Acceptance Form;

ARA means ARA TechBis SDN BHD Suite 702, Level 7, PJ Tower, AMCORP Trade Centre, 18 Persiaran Barat, 46200, Petaling Jaya, Selangor, Malaysia;

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited ACN 008 624 691 trading as the Australian Securities Exchange;

AVI means automatic vehicle identification;

Closing Date means the last day for payment and return of Entitlement and Acceptance Forms, being 5:00pm (Sydney time) on 21 August 2012 (unless extended in accordance with the Corporations Act and Listing Rules);

Corporations Act means the *Corporations Act 2001* (Cth);

Director means a director of MIKOH Corporation Limited;

DLT means the Department of Land Transport in Thailand;

Eligible Shareholder means a person who is registered as the holder of Shares on the Record Date as a Shareholder and is not an Excluded Shareholders;

Entitlement means the number of Shares that a Shareholder is entitled to apply for under the Offer, as determined by the number of Shares held by that Shareholder on the Record Date;

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Offer Memorandum;

Excluded Shareholder means a Shareholder described in Section 1.14;

EVR means Electronic Vehicle Registration;

Joint Venture means the joint venture between MIKOH and Kollakorn commenced on 16 March 2010;

Kollakorn means Kollakorn Co., Ltd situated at 12 Soi Prayasuren 35, Prayasuren Rd, Bangchang, Klongsamwa, Bangkok 10510 Thailand;

La Jolla means La Jolla Cove Investors Inc.;

Listing Rules means the official listing rules of ASX;

MIKOH means MIKOH Corporation Limited ACN 003 218 862;

New Shares means the Shares offered under this Offer Memorandum;

Offer means the Rights Offer and the Shortfall Offer;

Offer Memorandum means this document, including the Entitlement and Acceptance Form, and any supplementary or replacement offer memorandum in relation to this document;

Placement means the placement of up to 108,695,652 Notes being undertaken by MIKOH before the Closing Date;

Record Date means the time for determining Entitlements under the Rights Offer, being 5:00pm (Sydney time) on 3 August 2012;

RFID means radio frequency identification;

Right means a right under the Rights Offer to apply for 2 New Shares for every 9 Shares held on the Record Date;

Rights Offer means the offer of Entitlements to New Shares under this Offer Memorandum;

Share Registry means Boardroom Pty Limited of Level 7, 207 Kent Street, Sydney NSW 2000;

Shareholder means a holder of Shares;

Shares means fully paid ordinary shares in the capital of MIKOH;

Shortfall means the number of New Shares offered under the Rights Offer for which valid applications have not been received from Eligible Shareholders before the Closing Date;

Shortfall Offer means the offer to subscribe for New Shares in excess of an Eligible Shareholder's Entitlement;

Star RFID means Star RFID Co., Ltd of 941,943 Rama III Road, Bangpongpan, Yannawa Bangkok 10120, Thailand;

Sydney means Sydney, New South Wales, Australia;

Unsecured Convertible Promissory Notes means unsecured subordinated promissory notes of MIKOH issued at an issue price of 1.38 cents each which, subject to approval by Shareholders, will be converted into Shares on a 1 for 1 basis, or failing such approval, will be repayable in cash on 30 September 2012.

SECTION 8. CORPORATE DIRECTORY

Directors

Mr Sevag Chalabian	Non-executive Independent Chairman
Mr Richard Sealy:	Managing Director
Mr Tony Snape	Non-executive Director
Mr Riad Tayeh	Non-executive Independent Director
Mr Namchoke Somapa	Non-executive Director

Company Secretary

Mr Tom Bloomfield

Registered Office

MIKOH Corporation Limited
Level 9 65 York Street
Sydney NSW 2000
Australia

Telephone: +61 2 8252 5555
Facsimile: +61 2 8252 5566
Website: www.MIKOH.com

Auditors

RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street
Sydney NSW 2000
Telephone 61 (02) 9233 8933
Facsimile 61 (02) 9233 8521

Share Registry

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000
Telephone: 61 (02) 9290 9600
Facsimile: 61 (02) 9279 0664

ASX Code

Shares: MIK

STOCK BROKER USE ONLY		
Date	Entitlement Reduced to	Signed By

ENTITLEMENT & ACCEPTANCE FORM

Sub-register:
HIN / SRN:
Entitlement No:
Number of Shares held
At 5pm AEST on 3 August 2012:

A renounceable entitlement offer of 2 New Shares for every 9 Shares held at an issue price of \$0.0130 per Share to raise approximately \$1,958,683, pursuant to the Offer Memorandum dated 26 July 2012.

A Entitlements Acceptance

If you wish to accept your **FULL ENTITLEMENT** please complete and return this form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW**. The return of this form by 5.00 pm AEST on 21 August 2012 with payment will constitute acceptance of the Offer.

Entitlement to Shares on the basis of 2 New Shares for every 9 Shares held	Price Per Share	Amount Payable for Full Acceptance, at \$0.0130 per Share
	\$0.0130 per Share =	

If you wish to accept **PART ONLY OF YOUR ENTITLEMENT** please complete this form showing in the box below the **NUMBER OF SHARES BEING ACCEPTED** and the appropriate amount payable

Number of Shares accepted	Price Per Share	Amount Enclosed
	\$0.0130 per Share =	\$

If the person completing this form is acting for the Shareholder, the return of this form together with payment will constitute acceptance of the Offer by the Shareholder, and if that person is acting under Power of Attorney, he/she states he/she has not received notice of revocation and that he/she has authority to accept the Offer.

B Apply for Shortfall Shares (if available)


If you wish to apply for additional Shares to your Entitlement above please insert the number of Shares in the box below and the appropriate amount payable. These additional Shares will only be allotted if available and it would not breach law.

Number of Additional Shares Applied for	Price Per Share	Amount Enclosed
	\$0.0130 per Share =	\$

C Payment

Payment may only be made by BPAY or cheque. Cash will not be accepted via the mail or at Boardroom Pty Limited. Payments cannot be made at any bank. If paying by BPAY you do not need to return the Entitlement and Acceptance Form.

Payment Option 1 - BPAY

	Bill Code: SAMPLE	Telephone & Internet Banking - BPAY® Contact your bank, credit union or building society to make this payment from your cheque, credit or savings account. More info: www.bpay.com.au © Registered to BPAY Ltd ABN 69 079 137 518
	Ref:	
<ul style="list-style-type: none"> To pay via BPAY please contact your participating financial institution If paying by BPAY you do not need to return the Entitlement and Acceptance Form If paying by BPAY the payment received divided by the issue price will be deemed to be the total number of Shares you are applying for 		

Payment Option 2 – Cheque (Record cheque details below)

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$AUD
				\$

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to "MIKOH Corporation Limited – Entitlement Offer Account" and crossed Not Negotiable.
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

PLEASE REFER TO REVERSE FOR LODGING INSTRUCTIONS.

D Contact Details

CONTACT NAME	EMAIL ADDRESS	TELEPHONE – WORK	TELEPHONE - HOME

IMPORTANT INFORMATION:

This document is of value and requires your immediate attention. If in doubt consult your stockbroker, solicitor, accountant or other professional advisor without delay.

The Offer to which this Entitlement and Acceptance Form relates does not constitute an offer to any person who is not an Eligible Shareholder, and in particular is not being made to Shareholders with registered addresses outside Australia and New Zealand. This Entitlement and Acceptance Form does not constitute an offer in the United States of America (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom it would not be lawful to make such an offer.

ACCEPTANCE OF THE OFFER

By either returning the Entitlement and Acceptance Form with payment to the Share Registry, or making payment by BPAY, by 5.00pm AEST on 21 August 2012:

- You represent and warrant that you have read and understood and agree to the terms set out on this form;
- You represent and warrant that you are not located in the United States or a US Person and are not acting for the account or benefit of a US Person or any other foreign person;
- You provide authorisation to be registered as the holder of Shares acquired by you and agree to be bound by the constitution of MIKOH Corporation Limited; and
- Your application to acquire Shares is irrevocable and may not be varied or withdrawn except as allowed by law.

HOW TO ACCEPT SHARES OFFERED

- 1. BPAY payment method:** The total amount payable to accept your entitlement in full is shown in section A on the front of this form. Contact your Australian bank, credit union or building society to make this payment from your cheque, savings or credit account. For more information visit: www.bpay.com.au. Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY before 5.00 pm AEST on 21 August 2012.
If the BPAY payment is for any reason not received in full, the Company may treat you as applying for as many Shares as will be paid for by the cleared funds. Shareholders using the BPAY facility will be bound by the provisions relating to this Offer. **You are not required to submit this Entitlement and Acceptance Form if you elect to make payment using BPAY.**
- 2. Cheque payment method:** The total amount payable to accept your entitlement in full is shown in section A on the front of this form. Complete your payment details in section C and send your cheque/bank draft and the completed form to Boardroom Pty Limited at the address shown below so as to reach the Share Registry before the close of the Offer at 5.00pm AEST on 21 August 2012.

Postal Delivery:

MIKOH Corporation Ltd - Entitlement Offer
C/- Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Hand Delivery:

MIKOH Corporation Ltd - Entitlement Offer
C/- Boardroom Pty Limited
Level 7, 207 Kent Street
SYDNEY NSW 2000

TO ACCEPT SOME OF THE SHARES OFFERED AND SELL THE REMAINING ENTITLEMENTS THROUGH A STOCKBROKER

Insert in the boxes on the front of this Entitlement and Acceptance Form the:

- Number of Shares accepted; and
- Amount of the cheque for those Shares.

Indicate in the "Instructions to Your Stockbroker" section below, the number of Shares you intend to accept, the amount of your cheque for those Shares and the number of Entitlements which you intend to sell. Send the Entitlement and Acceptance Form to your stockbroker with your cheque for the Shares accepted. Sale of your Entitlements must be completed by 5.00pm AEST 21 August 2012 when Entitlements trading ceases.

TO SELL ALL YOUR ENTITLEMENTS THROUGH A STOCKBROKER

Insert the information required in the "Instructions to Your Stockbroker" section below. Send the Entitlement and Acceptance Form to your stockbroker. Sale of your Entitlements must be completed by 5.00pm AEST 14 August 2012 when Entitlements trading ceases.

TO RENOUNCE SOME OR ALL OF YOUR ENTITLEMENTS OTHER THAN THROUGH A STOCKBROKER (ISSUER SPONSORED HOLDERS)

Obtain a Standard Renunciation Form from your stockbroker or Boardroom Pty Limited. Complete the Standard Renunciation Form with the number of Entitlements you are renouncing, making sure that it is signed by both you and the buyer, and your SRN (Securityholder Reference Number) is noted. If you are accepting some of the Shares offered, insert in the boxes on the front of this Entitlement and Acceptance Form the:

- Number of Shares accepted, and
- Amount of your cheque for those Shares.

Lodge both the Standard Renunciation Form and the Entitlement and Acceptance Form with Boardroom Pty Limited by 5.00pm AEST on 21 August 2012, together with your cheque for any Shares you are accepting.

Entitlements' trading commences on 30 July 2012 and ceases on 14 August 2012, by which time any sale of part or all of your Entitlements must be completed.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT BOARDROOM PTY LIMITED FOR ASSISTANCE ON (02) 9290 9600.

INSTRUCTIONS TO YOUR STOCKBROKER

To be completed and sent to your stockbroker only if you wish to sell the whole or part of your Entitlements.

Please insert the appropriate number in each of the boxes below:

Number of the Shares which I intend to ACCEPT

Number of Entitlements which I intend to SELL

I attach a cheque/draft for the full amount of Shares accepted.

\$