

MIKRO BERHAD (423468-T)
(formerly known as Industri Teknologi Mikro Berhad)
CONSOLIDATED INCOME STATEMENTS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2006

The unaudited results of Industri Teknologi Mikro Berhad and its subsidiaries ("Group") for the period ended 31 December 2006 are as follows:-

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER			
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR		
		QUARTER ENDED	CORRESPONDING	TO DATE	CORRESPONDING		
		31/12/2006	QUARTER ENDED	31/12/2005	31/12/2006	PERIOD ENDED	31/12/2005
		RM	31/12/2005	RM	RM	RM	RM
Revenue		2,966,106	2,492,705		5,873,916		4,810,968
Cost of sales		(1,249,938)	(876,671)		(2,340,154)		(1,795,800)
Gross profit		1,716,168	1,616,034		3,533,762		3,015,168
Other operating income		34,607	6,241		96,015		8,241
Selling and distribution costs		(255,140)	(183,348)		(456,996)		(348,338)
Administration expenses		(364,585)	(395,759)		(825,888)		(703,832)
Other operating expenses		(161,721)	(123,137)		(307,156)		(239,273)
Profit from operations		969,329	920,032		2,039,737		1,731,966
Finance costs		(3,222)	(5,940)		(6,446)		(10,562)
Profit before taxation		966,107	914,092		2,033,291		1,721,404
Income tax expenses	B5	(281,647)	(213,895)		(539,536)		(416,389)
Profit after taxation		684,459	700,197		1,493,755		1,305,016
Minority interest		-	-		-		-
Profit after taxation and minority interest		684,459	700,197		1,493,755		1,305,016
Net profit attributable to shareholders		684,459	700,197		1,493,755		1,305,016
Basic earnings per share (sen)	B13a	0.57	0.58		1.24		1.09
Diluted earnings per share (sen)	B13b	0.57	N/A		1.23		N/A

The condensed consolidated income statement should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements.

MIKRO BERHAD (423468-T)
(formerly known as Industri Teknologi Mikro Berhad)
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2006

	(UNAUDITED)	(AUDITED)
	AS AT END OF CURRENT YEAR QUARTER ENDED	AS AT THE FINANCIAL YEAR ENDED
Note	31/12/2006	30/06/2006
	RM	RM
PROPERTY, PLANT AND EQUIPMENT	3,415,358	3,074,961
CURRENT ASSETS		
Inventories	4,474,050	2,857,126
Trade receivables	4,738,835	5,152,388
Other receivables	208,313	105,354
Tax Recoverable	9,748	62,428
Cash and bank balances	598,444	1,100,650
Fixed deposits with a licensed bank	6,200,000	7,200,000
	<u>16,229,390</u>	<u>16,477,946</u>
LESS: CURRENT LIABILITIES		
Trade payables	56,813	587,355
Other payables	58,163	160,280
Hire purchase creditors	42,929	100,274
Tax payable	23,858	67,000
	<u>181,763</u>	<u>914,909</u>
NET CURRENT ASSETS	16,047,628	15,563,037
	<u>19,462,986</u>	<u>18,637,998</u>
REPRESENTED BY :-		
SHARE CAPITAL	12,000,000	12,000,000
SHARE PREMIUM	955,177	955,177
OTHER RESERVES	18,148	-
UNAPPROPRIATED PROFIT	6,096,916	5,294,362
SHAREHOLDERS' EQUITY	<u>19,070,241</u>	<u>18,249,539</u>
NON-CURRENT LIABILITIES		
Hire purchase creditors	204,745	200,459
Lease Creditors		
Term Loan		
Deferred taxation	188,000	188,000
	<u>19,462,986</u>	<u>18,637,998</u>
Net asset per share (sen)	15.89	15.21

The condensed consolidated balance sheets should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements.

MIKRO BERHAD (423468-T)
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2006

	<u>Share Capital</u> RM	<u>Unappropriated Profits</u> RM	<u>Share Premium</u>	<u>Other Reserves</u>	<u>Total</u> RM
As at 1 July 2005	3,000,000	4,073,415	-	-	7,073,415
Issuance of shares :					
- Bonus issue	1,800,000	(1,800,000)	-	-	-
- Rights issue	5,100,000	-	-	-	5,100,000
- Public issue	2,100,000	-	-	-	2,100,000
	9,000,000	(1,800,000)	-	-	7,200,000
Share premium	-	-	2,520,000	-	2,520,000
Listing expenses	-	-	(746,140)	-	(746,140)
Net profit for period	-	1,305,015	-	-	1,305,015
Arising during the period	-	-	-	-	-
Balance as at 31 December 2005	<u>12,000,000</u>	<u>3,578,430</u>	<u>1,773,860</u>	<u>-</u>	<u>17,352,290</u>
As at 1 July 2006	12,000,000	5,294,362	955,177	-	18,249,539
Other reserves	-	-	-	18,147	18,147
Final dividend for financial year ended 30/06/06	-	(691,200)	-	-	(691,200)
Net profit for period	-	1,493,754	-	-	1,493,754
Arising during the period	-	-	-	-	-
Balance as at 31 December 2006	<u>12,000,000</u>	<u>6,096,916</u>	<u>955,177</u>	<u>18,147</u>	<u>19,070,240</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements.

MIKRO BERHAD (423468-T)
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CONSOLIDATED CASH FLOW STATEMENT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2006

	CURRENT YEAR TO-DATE ENDED 31/12/2006	PRECEDING YEAR PERIOD ENDED 31/12/2005
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,033,290	1,721,403
	<u>2,033,290</u>	<u>1,721,403</u>
Adjustment for:-		
Depreciation of property, plant and equipment	166,691	122,641
Interest expense	6,447	10,563
Remuneration expense	18,148	-
	<u>2,224,575</u>	<u>1,854,607</u>
Operating profit/(loss) before working capital changes	2,224,575	1,854,607
Changes in working capital:-		
Inventories	(1,616,924)	(410,495)
Receivables	310,594	(1,115,788)
Payables	(632,658)	(430,658)
	<u>285,587</u>	<u>(102,334)</u>
CASH FLOW FROM OPERATIONS	285,587	(102,334)
Tax paid	(529,998)	(671,239)
Interest paid	(6,447)	(10,563)
Interest income	-	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES	<u>(250,858)</u>	<u>(784,136)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	(454,588)	(124,959)
	<u>(454,588)</u>	<u>(124,959)</u>
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(454,588)	(124,959)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	9,720,000
Payment of listing expenses	(52,500)	(421,452)
Repayment of hire purchase creditors	(53,059)	(46,297)
Dividend paid	(691,200)	-
	<u>(796,760)</u>	<u>9,252,252</u>
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(796,760)	9,252,252
Net increase/(decrease) in cash and bank balances	(1,502,206)	8,343,157
Cash and cash equivalents at beginning of year	8,300,650	848,252
	<u>6,798,444</u>	<u>9,191,409</u>
NOTES TO CASH FLOW STATEMENT		
Cash and cash equivalents comprise of:		
Fixed deposits with a licensed bank	6,200,000	-
Cash and bank balances	598,444	9,191,409
Overdraft	-	-
	<u>6,798,444</u>	<u>9,191,409</u>

The condensed consolidated cash flow statement should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements.