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ECSI LIMITED
ANNUAL GENERAL MEETING

Dickson Room, Holiday Inn, Darling Harbour

CHAIRMAN'S ADDRESS

Welcome

Good Morning Ladies and Gentlemen. I have much pleasure in declaring open the inaugural Annual General Meeting of ECSI Limited.

My name is Jim Green and I am the Chairman of ECSI Limited

The formal proceedings today will start with a short address from myself. Thereafter, we will consider the resolutions listed on the Notice of Meeting. We will then take questions from the floor.

Before we commence with the formal business, may I take the opportunity to introduce you to my fellow directors. They are:

Graeme Green, John Sharp and Mal Weston. ECSI's China based Director, Ben Huang, is unable to join us today and sends his apologies.

Also joining us today is Simon Owen, ECSI's Chief Financial Officer and Company Secretary and Terry Stone our General Manager – Business Development. Andrew Roscoe, Partner at our auditors, McKenzie & Partners is also in attendance.

Results

Today, I do not intend to dwell on the past. Ours is a company of the future. The sole focus of Directors and the management team since requotation on the ASX in April has been to build the foundations of a growth-orientated, profitable and sustainable business for the benefit of our shareholders. Much has been achieved in the past 8 months but we are really only at the beginning of what myself and the Board firmly believes will be an ultimately very rewarding journey for all of our shareholders.

Corporate Governance

The issue of corporate governance has been much in the news of late. The Board of ECSI takes very seriously its responsibility for ensuring that the company is governed effectively, ethically and in the best interests of shareholders.

As a new company we have had to establish our corporate governance framework from the ground up. Notwithstanding our present relatively small size and limited resources, we have used this an opportunity to embody not only existing corporate best practice but also the impact of proposed ASX and Corporations Act amendments.

Your Board does not see corporate governance as a restraint on business or a cost of being listed on the ASX but rather as a tool for protecting and enhancing long-term shareholder value.

A full statement of our corporate governance policies and procedures is contained in the 2002 Annual report.

Outlook

ECSI's Board and management remain focussed on pursuing the company's exciting growth strategy and ensuring that the rollout of the National Alarm Response or NAR system in China delivers long-term, sustainable shareholder value.

We are of the firm belief that our contract with Jeton for the provision of security enhancements and access control systems is a genuine company maker and represents one of the single most significant business opportunities for an Australian company. ECSI and its partner in China, Jeton, are aggressively and relentlessly pursuing a strategy of establishing a dominant footprint in the Chinese security market, which offers unparalleled potential.

ECSI and Jeton are currently planning the accelerated rollout of the NAR system to capitalise upon our first mover advantage. We expect to begin receiving a steady pipeline of orders from Jeton over the coming months which will see our revenue streams firmly established from both the supply of hardware and software as well as ongoing monitoring fees.

The relationship between Jeton and ECSI is a true cornerstone of collaboration. Both companies continue to work closely together on improving and enhancing the interface between respective core technologies. Indeed recent feedback from both customers and regulatory authorities leads us to believe that the combination of Jeton's communications network and central monitoring software and ECSI's access control and security monitoring enhancements will be a highly accepted and sought after service.

Once the NAR system has established a solid foundation in the Chinese market we intend to leverage our knowledge and customer base into other security-related opportunities. Already we have been invited by city officials in both Beijing and Chengdu to look at further applications for the technology underpinning the NAR system, however our focus must remain on the core business for the time being.

There is no doubting that the success of ECSI over the short to medium term is to a high degree dependant upon our continuing business relationship with Jeton and we continually strive to develop that relationship and make ourselves an indispensable technology and service provider to the NAR system rollout.

Shareprice

It certainly gives me no pleasure to be here before you with the company shareprice positioned where it currently is. Part of this can be attributed to global equity markets, including Australia's, that are presently trading near 4-5 year lows. Unfortunately we are caught up in that sentiment.

Equally, investors are shying away from "growth story" stocks such as ECSI. This is a cause of constant frustration to the Board, but nevertheless is one that is currently beyond our direct control.

We did manage to fulfil minimum subscription levels under our prospectus earlier this year and it was interesting to note that a significant majority of funds raised at that stage came from Chinese investors, either based in Australia or China. These investors clearly understand the opportunities and rewards that our business offers.

It is of no real consolation to investor's who subscribed for shares through the prospectus but myself and the majority of Directors seated here with me have our own, significant, hurt money invested in the Company. For myself, Graeme and Mal, ECSI and our 10-year contract with Jeton in China is the culmination of many years of frustration and hard work and is a project that we are determined to see through to the end.

So on the issue of the share price let me say that our intentions are simple. The Board and management will not be diverted and will continue to focus on developing a growth orientated, profitable and sustainable business. At the end of the day, ECSI's financial performance will ultimately drive the perceptions that will reflect in the value of our equity. The opportunity for upside is significant and I am confident that in the future shareholder confidence and loyalty will be rewarded.

Thankyou

In closing, I would like to thank my fellow directors for the counsel and support they have provided me as Chairman and for their dedication and valuable contributions during the year, often under very trying and difficult circumstances. Shareholders of ECSI can be comforted that they have a committed and hard-working Board of Directors driving the Company hard on their behalf.

I thankyou for your attendance today and the support that we have received over the past year. Your Board is very confident and optimistic about the future and we look forward to updating you in a year's time on what we expect to be a very exciting and rewarding period for the Company and shareholders.

James Green
Chairman