Appendix 4D

(rule 4.2A.3)

Half year report

Name of entity

ECSI Limited **ABN 68 004 240 313**

1.0 Details of the Reporting Period and the Previous Corresponding Period

Current reporting period:	Half Year ended 31 December 2004
Previous reporting period:	Half Year ended 31 December 2003

2.0 Results for announcement to the market

		Percentage change %		Amount $
2.1 Revenues from ordinary activities	Down	99%	to	1,296
2.2 (Loss) from ordinary activities after tax attributable to members	Up	504%	to	($1,128,098)
2.3 (Loss) for the period attributable to members	Up	504%	to	($1,128,098)

Dividends	Amount per security	Franked amount per security
2.4 Final dividend	Nil ¢	Nil ¢
Previous corresponding period	Nil ¢	Nil ¢
2.5 Record date for determining entitlements to the dividend	N/A	

2.6 Brief explanation of figures – see notes provided throughout the attached half year report

3.0 NTA backing	**31 December 2004**	**31 December 2003**
Net tangible asset backing per ordinary security	3.6 cents	1.7 cents

4.0 Details of controlled entities

4.1 Control gained / lost over entities having material effect

Name of entity (or group of entities)	No entities have been acquired or lost during the half year.
Date from which control was gained/lost	N/A
Profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the period and the whole of the previous corresponding period	Nil

5.0 Details of dividends

No Dividends have been declared or proposed

6.0 Details of dividend reinvestment plans

Nil

7.0 Details of Associates and joint venture entities

N/A

8.0 Foreign entities

Nil

9.0 Details of audit dispute or qualification

The company has entered into a Deed of Company Arrangement with its subsidiary companies E-Control Pty Ltd (E Control) and Electronic and Computer 21 Limited (EC 21), both companies were liquidated, to assign a loan amount of $8,619,248 (or RMB ¥55,204,298) from EC 21 to the company. The loan is a non-current receivable that represents 99% of the company's total assets.

The auditors are not satisfied with the recovery of this loan on the basis of evidence presented by us. Furthermore, without evidence of any settlement arrangement of the loan, there is significant uncertainty as to whether the company will be able to continue as a going concern.

If the company is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern. In the auditors' opinion, knowledge of the significant uncertainty affecting the company's ability to continue as a going concern is necessary for a proper understanding of the financial report, notwithstanding that the directors have stated that they are negotiating the continuation of the company with other parties.

ECSI LIMITED
AND ITS CONTROLLED ENTITIES

ABN 68 004 240 313

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2004

Directors Report

Your directors present their report on the consolidated entity consisting of ECSI Limited and its controlled entities for the half year ended 31 December 2004.

DIRECTORS

The names and details of the company's directors holding office at anytime during or since the end of the year are as follows:

- James Green (Non-executive Chairman)
- Graeme Green (Managing Director)
- Dr Huang Xu
- John Sharp (resigned 30 November 2004)

Directors were in office for this entire period unless otherwise stated.

REVIEW AND RESULTS OF OPERATIONS

A summary of financial information reported is as follows:

Summary of Financial Results	Half Year 2004 $	Half Year 2003 $	Variance
Revenues from ordinary activities	1,296	422,042	Down 99%
(Loss) from ordinary activities attributable to members	(1,128,098)	(186,762)	Up 504%

Revenues from ordinary activities are primarily the result of operations conducted by the administrator of ECSI, Bentleys MRI. For further information regarding the Administrators operations see "Likely Future Developments" and refer to the Annual Financial Report for 30 June 2004.

Capital issues

There were no new issues of shares during the period.

Movements in shares on issue	31 December 2004 No.	31 December 2004 $	30 June 2004 No.	30 June 2004 $
Beginning of period	229,149,586	89,516,486	200,469,969	88,305,220
Issued during the year	-	-	28,679,617	1,211,266
	229,149,586	89,516,486	229,149,586	89,516,486

LIKELY FUTURE DEVELOPMENTS

As disclosed in the Annual Financial Report for 30 June 2004 ECSI, and its controlled entity E-Control Pty Ltd, were placed into voluntary administration with Bentleys MRI on 25 June 2004. At a meeting of creditors on 10 September 2004 a deed of company arrangement was agreed upon and the company was subsequently returned to the control of the Board of Directors on 20 September 2004.

In addition Bentleys MRI recommended that ECSI's subsidiary, E-Control Pty Ltd including it's wholly foreign owned entity Electronics and Computing 21 Limited, be wound up. This recommendation was subsequently approved by the E-Control creditors and an arrangement was made whereby ECSI would meet the administration expenses of $20,000 and would also recover its share issue funds lent to Jeton Yangzte Technology Company Limited ("Jeton") directly from Jeton. For further information about the administration see the Annual Financial Report for 30 June 2004.

The future success of ECSI will be dependant on Directors ability to negotiate a new agreement with Jeton to enable the company to generate an income stream from the development of the National Alarm Response Systems ("NAR System") currently being implemented in China by Jeton. Directors are also working to gain additional projects throughout Australia to generate a local revenue source. When these arrangements are successful Directors will seek re-quotation of the company's shares on the ASX.

ACCOUNTING POLICIES

The accounting policies adopted in this half yearly report are as per the 30 June 2004 financial report.

For further information regarding the accounting policies see the Annual Financial Report for 30 June 2004.

AUDITOR'S INDEPENDENT DECLARATION

The Auditor's Independent Declaration on page 11 forms part of the Director's Report for the half year ended 31 December 2004.

Signed in accordance with a resolution of the directors.

James Green
Director
19 March 2007

Consolidated Statement of Financial Performance

	Note	31 December 2004 $	31 December 2003 $
Revenues from ordinary activities	2	1,296	422,042
Depreciation and amortisation expenses		-	(2,563)
Borrowing costs expense		(4,800)	(36,147)
Salaries and employee benefits expense		(12,500)	(388,581)
Foreign exchange gain/(loss)		(1,062,829)	-
Other expenses from ordinary activities		(49,265)	(181,512)
Profit / (loss) from ordinary activities before tax	2	**(1,128,098)**	**(186,762)**
Income tax expense relating to ordinary activities		-	-
Net profit / (loss) from ordinary activities after income tax expense		**(1,128,098)**	**(186,762)**
Net profit / (loss) attributable to outside equity interests		-	-
Net profit / (loss) for the period attributable to members of the parent entity		**(1,128,098)**	**(186,762)**
Net exchange difference on translation of financial statements of foreign controlled entity		-	(1,151,362)
Total revenues, expenses and valuation adjustments attributable to members and recognised directly in equity		-	**(1,151,362)**
Total changes in equity other than those resulting from transactions with owners as owners		**(1,128,098)**	**(1,338,124)**
Basic EPS		(0.49) Cents	(0.09) Cents
Diluted EPS		(0.48) Cents	(0.08) Cents

Consolidated Statement of Financial Position

	Note	31 December 2004 $	30 June 2004 $
Current Assets			
Cash assets		129,867	2,539
Receivables		250	19,972
Total Current Assets		**130,117**	**22,511**
Non Current Assets			
Receivables		8,619,248	9,682,077
Other financial assets		102	102
Total Non Current Assets		**8,619,350**	**9,682,179**
Total Assets		**8,749,467**	**9,704,690**
Current Liabilities			
Payables		128,260	240,000
Total Current Liabilities		**128,260**	**240,000**
Non-Current Liabilities			
Payables		12,114	-
Provisions		12,500	-
Interest-bearing liabilities		260,000	-
Total Non-Current Liabilities		**284,614**	**-**
Total Liabilities		**412,874**	**240,000**
Net Assets		**8,336,593**	**9,464,690**
Equity			
Contributed equity	3	89,516,486	89,516,486
Accumulated losses	4	(81,179,893)	(80,051,796)
Total Equity		**8,336,593**	**9,464,690**

Consolidated Statement of Cash Flows

	Note	31 December 2004 $	31 December 2003 $
Cash flows from operating activities			
Receipts from customers		-	72,465
Payments to suppliers and employees		(165,807)	(50,870)
Interest received		1,296	2,785
Other receipts		51,839	-
Borrowing costs		-	(21)
Net cash (outflow) inflow from operating activities		**(112,672)**	**24,359**
Cash flows from financing activities			
Proceeds from borrowings		240,000	50,150
Advances of borrowings		-	(72,465)
Net cash inflow (outflow) from financing activities		**240,000**	**(22,315)**
Net (decrease)/increase in cash held		**127,328**	**2,045**
Cash at beginning of the period		2,539	919,059
Exchange rate variations on foreign cash balances		-	(101,190)
Cash at end of the period		**129,867**	**819,918**

Notes to the Half Year Financial Statements

31 DECEMBER 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial results of the consolidated entity as the full financial report.

The half yearly financial report should be read in conjunction with the Annual Financial Report of ECSI Limited as at 30 June 2004 and any public announcement made by the company and its controlled entities in accordance with the continuous disclosure obligations under the Corporations Act 2001.

The half yearly report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 1029 "Interim Financial Reporting" and other mandatory professional report requirements (Urgent Issues Group Consensus Views).

The half year report has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or fair values of non-current assets. These accounting policies are consistent with those applied in the 30 June 2004 Annual Financial Report.

(b) Impact of Adoption of the Australian Equivalents to International Financial Reporting Standards(AIFRS)

The company is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the economic entity's financial statements for the year ending 30th June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30th June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

ECSI Limited has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (AIFRS). The company is investigating impacts of the transition to AIFRS.

It is expected that AIFRS will effect the following reporting requirements in future periods. Whilst it is unlikely that AIFRS will effect any current items the reporting requirements are expected to have an effect on accounting treatments in future periods.

Impairment of Assets

Under the Australian equivalent to IAS 36 *Impairment of Assets* the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in a change in the groups current accounting policy which determines the recoverable amount of an asset as the lesser of cost price or recoverable amount. It is not currently expected that there will be any future material impact as a result of adoption of this standard.

Income taxes

Under the Australian equivalent to IAS 12 *Income Taxes*, the company will be required to use a balance sheet liability method which focuses on the tax effects of transactions and other events that affect amounts recognised in the Statement of Financial Position or a tax-based balance sheet. It is not currently expected that there will be any future material impact as a result of adoption of this standard.

Notes to the Half Year Financial Statements (Cont'd)

(c) Going concern

This financial report has been prepared on a going concern basis. This is not withstanding the appointment of a voluntary administrator to ECSI's subsidiary E-Control. The creditors of E-Control have resolved to liquidate the company.

ECSI has written off its investment in E-Control and the liabilities of ECSI as at the date of this report have been valued as per the deed of company arrangement approved by ECSI's creditors.

Although this report has been prepared on a going concern basis should the entity not be successful in its objectives, to enter into revised arrangements with Jeton for the participation in the NAR system and to generate local income producing activities, then a different basis of preparation may need to be adopted.

Liabilities as at the date of this report will be met under the Deed of Company arrangement executed on 10 September 2004. Directors have resolved that until such time as the stability of future operations can be ascertained no further liabilities will be incurred unless they can be met from the entities short term assets.

	31 December 2004 $	31 December 2003 $
2. PROFIT FROM ORDINARY ACTIVITIES		
Revenue from ordinary activities		
Revenue from sales or services	-	187,990
Foreign currency gain	-	25,044
Interest income	1,296	209,008
Expenses		
Depreciation and amortisation	-	2,563
Borrowing costs	4,800	36,147
Foreign exchange loss (unrealised) – loss on conversion of Jeton loan as at 31 December 2004	1,062,829	-

3. CONTRIBUTED EQUITY	31 December 2004 $	30 June 2004 $
Issued and paid up capital		
Ordinary shares fully paid	229,149,586	229,149,586

	31 December 2004		30 June 2004	
Movements in shares on issue	No.	$	No.	$
Beginning of period	229,149,586	89,516,486	200,469,969	88,305,220
Issued during the year	-	-	28,679,617	1,211,266
	229,149,586	89,516,486	229,149,586	89,516,486

No shares were issued during the period 1 July 2004 to 31 December 2004.

Notes to the Half Year Financial Statements (Cont'd)

	31 December 2004 $	30 June 2004 $
4. RESERVES AND ACCUMULATED LOSSES		
Foreign currency translation		
Balance at beginning of period	-	(3,130,395)
Gain (loss) on translation of overseas controlled entities	-	(248,985)
Loss of control of subsidiary		3,379,380
Balance at end of year	-	-
Accumulated losses		
Accumulated losses at the beginning of the period	(80,051,795)	(80,567,136)
Foreign currency translation variance on opening balance	-	-
Net (loss)/ profit for the period	(1,128,098)	515,339
Accumulated losses at the end of the period	(81,179,893)	(80,051,796)

5. CONTINGENT LIABILITIES

ECSI is the defendant in proceedings lodged with the Supreme Court in Victoria in September 2002.

The proceedings relate to a previous business venture, unrelated to the company's present business. Whilst the Directors believe the proceedings are without merit, the Omni Creditors Trust, established in October 2001, indemnifies ECSI from previous liabilities in any case.

6. CONTINGENT ASSETS

The Directors are not currently aware of any contingent assets.

7. SUBSEQUENT EVENTS

There are no significant subsequent events. Refer to the Directors Report for comments on likely future developments.

8. SEGMENT INFORMATION

Segment business and locations

The consolidated entity operated in one industry segment during the current reporting period.

Geographically, the group also only operated in one segment being Australia.

Notes to the Half Year Financial Statements (Cont'd)

8. SEGMENT INFORMATION (cont'd)

	Australia		China		Elimination's		Consolidated	
	2004 $	2003 $	2004 $	2003 $	2004 $	2003 $	2004 $	2003 $
Revenue:								
Segment revenues	1,296	25,044	-	187,990	-	-	1,296	213,034
Unallocated revenues							-	209,008
Total consolidated revenue							1,296	422,042
Results:								
Segment result	(1,128,098)	(417,949)	-	267,334	-	-	(1,128,098)	(150,615)
Unallocated expenses							-	(36,147)
Net profit / (loss) from ordinary activities							(1,128,098)	(186,762)

Directors Declaration

The directors of the company declare that:

(a) the financial statements and notes as set out on page 3 to 9 :-

(i) give a true and fair view of the economic entity's financial position as at 31 December 2004 and of its performance for the half year ended on that date; and

(ii) comply with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations; and

(b) In the directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board

James Green
Director
19 March 2007

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CHARTERED ACCOUNTANTS

Partners:
William G Anderson F.C.A., C.F.P.
Andrew P Roscoe C.A.
Andrew R Duncan C.A.
Robert F Cincotta C.A.

Associates:
Russell W Drysdale C.A.
Tina Fiore-Scott C.A.

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ECSI LIMITED ABN 68 004 240 313
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ECSI LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2004, there have been:

(i) no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

ANDERSON ROSCOE
Chartered Accountants

ANDREW P ROSCOE
Partner

Date: 19 March 2007

Melbourne

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF ECSI LIMITED**

anderson
roscoe
CHARTERED ACCOUNTANTS

Partners:
William G Anderson F.C.A., C.F.P.
Andrew P Roscoe C.A.
Andrew R Duncan C.A.
Robert F Cincotta C.A.

Associates:
Russell W Drysdale C.A.
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Scope

The interim financial report and directors' responsibility
The financial report of ECSI Limited, comprises the statement of financial performance, statement of financial position, statement of cash flows, notes to the financial statements and directors' declaration for the half-year ended 31 December 2004. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

The directors of the company are responsible for preparing a half-year financial report that gives a true and fair view of the financial position and performance of the company, and that complies with Australian Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach
We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission and the Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows

A review is limited primarily to inquiries of the company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Director's Report.

Qualification

The company has entered into a Deed of Company Arrangement with its subsidiary companies E- Control Pty Ltd (E Control) and Electronic and Computer 21 Limited (EC 21), both companies were liquidated, to assign a loan amount of $8,619,248 (or RMB ¥55,204,298) from EC 21 to the company. The loan was originally lent to Jeton Yangtz Technology Company Limited (overseas partner) by EC 21. The loan is a non-current receivable that represents 99% of the company's total assets.

We are not satisfied with the recovery of this loan on the basis of evidence presented to us. Furthermore, without evidence of any settlement arrangement of the loan, there is significant uncertainty as to whether the company will be able to continue as a going concern.

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF ECSI LIMITED (CONT'D)**

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CHARTERED ACCOUNTANTS

Partners:
William G Anderson F.C.A., C.F.P.
Andrew P Roscoe C.A.
Andrew R Duncan C.A.
Robert F Cincotta C.A.

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Qualification (Cont'd)

If the company is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern. In our opinion, knowledge of the significant uncertainty affecting the company's ability to continue as a going concern is necessary for a proper understanding of the financial report, notwithstanding that the directors have stated that they are negotiating the continuation of the company with other parties.

Qualified Review Statement

Based on our review, which is not an audit, because of the existence of the limitation on the scope of our work, as described in the qualification paragraph, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed:

1. we are unable to make a statement as to whether the half-year financial report of ECSI Limited is in accordance with:

a. the Corporations Act 2001, including:
   i. giving a true and fair view of the company's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and
   ii. complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

b. other mandatory financial reporting requirements in Australia; and

2. we have not been given all information, explanation and assistance necessary for the conduct of the review.

Anderson Roscoe

ANDERSON ROSCOE
Chartered Accountants

Andrew Roscoe

ANDREW P ROSCOE
Partner

Date: 19 March 2007