Computronics Holdings Limited ABN 73 082 573 108
and Controlled Entities

Interim Financial Report

For the Half-Year Ended 31 December 2011

Appendix 4D

Half Year Report for the 6 Months ended 31 December 2011

The information in this Report is provided in accordance with ASX Listing Rule 4.2A and should be read in conjunction with the 2011 Annual Report.

Results for Announcement to the Market

				$A
Revenues from ordinary activities	Up	975%	to	32,512
Loss from ordinary activities after tax attributable to Members	Up	481%	to	(544,032)
Net Loss for the period attributable to members	Up	481%	to	(544,032)

Dividends*	Amount per security	Franked amount per security
Final dividend Interim dividend	-¢ -¢	-¢ -¢
Previous corresponding period	-¢	-¢

* No dividends have been paid or declared since the start of the financial year, and the directors do not recommend the payment of a dividend in respect of the financial year.

+ Record date for determining entitlements to the dividend.

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

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NET TANIBLE ASSET BACKING	Half-Year 31 Dec 2011 $	Full Year 30 Jun 2011 $
Net tangible asset backing per ordinary security	0.002	0.005

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DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2011.

Directors

The names of directors who held office during or since the end of the half-year:

Sachlan Fraval	(Resigned 08/02/2012)
Murray Smith	
David Hin-Leung Wu	
John Graham	(Appointed 14/02/2012)

Review of Operations

Operating Results

The loss of the consolidated group amounted to $544,032 (2010: $282,077). The net assets of the consolidated group have decreased since 30 June 2011 by $544,032 to $96,050 (30 June 2011: 2,308,627).

The Company has also broadened its licence technology base. The Company has entered into exclusive arrangements with third parties to licence Facial Recognition Technology and a LED based lighting technology. Both of these licence agreements include an option for the Company to purchase the business for a price five (5) times EBIT within 5 Years.

The directors pursued an expansion of the product marketing licences of technologies. This strategy has seen the completion of exclusive international agreements for the Facial Recognition Technology licensed to and currently in use by the Victoria Police and Vic Roads, and the LED lighting used in both forensic and commercial arenas and in use by various Australian and international law enforcement authorities. These technologies have resulted in orders being placed with Computronics Holdings Limited of which the Company has fulfilled and delivered. These licences earn Computronics Holdings Limited a margin of up to 30% on international transactions and up to 20% on domestic transactions.

The Directors are of the view that the income being generated from the marketing of its licensed technologies along with the potential income from option exercise should mean that the Company will have a secure income from sales and a solid base for expansion. The directors believe the Group is in a financial position to expand and grow its current licensing operations.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

DIRECTORS' REPORT

Future development prospects and business strategies

To further improve the consolidated group's profit and maximise shareholder wealth, the following developments are intended for implementation in the near future:

The entering into of the exclusive international licences for the marketing and development of the Facial Recognition products and of the LED lighting technology opens the company to the markets for identity theft and personal security, crime prevention and counter terrorism, and various other forensic areas with commercial acceptance both in Australia and internationally.

Auditor's Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 15 for the half-year ended 31 December 2011.

This report is signed in accordance with a resolution of the Board of Directors.

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Murray Smith

Director

Dated this 29st March 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Note	Consolidated Group	
		31.12.2011	31.12.2010
		$	$
Continuing operations			
Other revenues		**32,512**	731
Administrative expenses		**(518,866)**	(223,894)
Finance costs		**(57,678)**	(58,914)
Loss before income tax		**(544,032)**	(282,077)
Income tax expense		**-**	-
Loss from continuing operations		**(544,032)**	(282,077)
Loss for the year			
Other comprehensive income		**-**	-
Total comprehensive loss		**(544,032)**	(282,077)
Earnings per share			
From continuing operations:			
Basic (loss) per share (cents)		**(0.001)**	(0.001)
Diluted (loss) per share (cents)		**(0.001)**	(0.001)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	Consolidated Group	
		31.12.2011	**30.06.2011**
		$	**$**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		**152,622**	17,378
Trade and other receivables	4	**221,522**	1,280,616
Financial asset	5	**648,493**	648,493
TOTAL CURRENT ASSETS		**1,022,637**	1,946,487
NON-CURRENT ASSETS			
Other assets	6	**1,000,000**	1,000,000
Property, plant and equipment		**7,891**	2,222
TOTAL NON-CURRENT ASSETS		**1,007,891**	1,002,222
TOTAL ASSETS		**2,030,528**	2,948,709
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		**731,209**	1,163,034
Convertible notes	7	**1,203,269**	1,145,593
TOTAL CURRENT LIABILITIES		**1,934,478**	2,308,627
TOTAL LIABILITIES		**1,934,478**	2,308,627
NET ASSETS		**96,050**	640,082
EQUITY			
Issued capital	2	**14,179,810**	14,179,810
Accumulated losses		**(14,083,760)**	(13,539,728)
TOTAL EQUITY		**96,050**	640,082

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Issued Capital Ordinary	Accumulated losses	Total
	$	$	$
Balance at 1 July 2010	13,945,860	(14,066,627)	(120,767)
Total comprehensive loss for the period	-	(282,077)	(282,077)
Share issued during the period	43,950	-	43,950
Options exercised during period	190,000	-	190,000
Balance at 31 December 2010	14,179,810	(14,348,704)	(168,894)
Balance at 1 July 2011	**14,179,810**	**(13,539,728)**	**640,082**
Total comprehensive loss for the period	**-**	**(544,032)**	**-**
Balance at 31 December 2011	**14,179,810**	**14,083,760**	**96,050**

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Consolidated Group	
	31.12.2011	31.12.2010
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	**1,059,092**	-
Payments to suppliers and employees	**(950,691)**	(146,261)
Interest received	**32,512**	731
Net cash provided/(used in) by operating activities	**140,913**	(145,530)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for technology licences	**-**	(595,000)
Payment for plant and equipment	**(5,669)**	(1,894)
Net cash (used in) investing activities	**(5,669)**	(596,894)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Convertible facility	**-**	675,002
Net cash provided by financing activities	**-**	675,002
Net increase/(decrease) in cash held	**135,244**	(67,422)
Cash and cash equivalents at beginning of period	**17,378**	81,461
Cash and cash equivalents at end of period	**152,622**	14,039

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Computronics Holdings Ltd and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2011, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

NOTE 2: ISSUED CAPITAL

	2011	2010	**2011**	2010
	$	$	**No.**	No.
At the beginning of the financial period:	**14,179,810**	13,945,860	**356,357,325**	293,407,325
— Issue of shares (a)	**-**	233,950	-	62,925,000
At the end of the financial period:	**14,179,810**	14,179,810	**356,357,325**	356,357,325

(a) Included in the issue of shares in the 2010 period, is 43,950,000 shares issued to Nelcor Pty Ltd a related party of Executive Director Murray Smith for consulting services totalling $43,950. A share based payment expense has been recognised in the period.

NOTE 3: OPTIONS

	2011	2010
	$	$
At the beginning of the financial period:	**337,357,325**	19,500,000
— Issue of shares	**-**	-
— Options exercised	**-**	(19,000,000)
— Options lapsed	**-**	(500,000)
— Options issued		337,357,325
At the end of the financial period:	**337,357,325**	337,357,325

NOTE 4: TRADE RECEIVABLES

Trade receivables	**31,522**	1,090,616
Other receivable (a)	**190,000**	190,000
	221,522	1,280,616

(a) During the period the company's options holders exercised 19,000,000 options for consideration totalling $190,000. The company issued the shares to the option holders on 9 March 2011. Included within the balance is a total of $30,000 owing from a Director related entity. At the date of this report the consideration for the shares was outstanding.

NOTE 5: FINANCIAL ASSET

Loan provided (a)	**648,493**	648,493

(a) On the 18th of April 2011 the Company provided a secured loan totalling $648,748. The loan was provided at 10% interest with a repayment due on the 18th of July 2011. Subsequent to the repayment date the Company has extended the repayment terms on a monthly basis. As at the date of this report the loan amount has not been repaid. The loan is secured by a registered first charge against a residential property. The borrower is currently engaged by the Company as a consultant.

NOTE 6: OTHER ASSETS

Technology Licence **(a)**	**1,000,000**	1,000,000

(a) On 20 October 2010 the Company entered into an agreement with Point of Pay Pty Ltd (POP) to purchase the Australian Master Rights to point of pay EFTPOS technology. Consideration for the Australian Master Rights payable under this agreement is $1.0m. The EFTPOS technology has not yet reached product certification and there currently exists a dispute between the Company and POP in relation to the payment of the licence fee under the agreement. The Company intends to mediate with POP to resolve these matters, and commence commercialisation of the technology.

NOTE 7: BORROWINGS

Convertible notes (a)	**1,203,269**	1,145,948

a. Summary of terms of the Convertible Notes

Term - 1 year unsecured convertible notes.
In May 2010 the company entered into a Convertible note agreement, and drew down on the facility during this period. Subsequent to shareholder approval, the Company issued 69,135,891 convertible notes in September 2011.

Interest is accrued at a rate of 10% per annum. Any interest which remains unpaid for 14 days will be capitalised unless the noteholders have previously advised the company that interest cannot be capitalised for that period.

Conversion Price – Notes are redeemable for cash on the first anniversary of the issue of the convertible notes and convertible into shares at the option of the Company at $0.015, subject to shareholder approval and re-quotation to the ASX.

NOTE 8: CONTINGENT LIABILITIES AND COMMITMENTS

Melbourne Finance Broking Pty Ltd

On 13 July 2011 the company announced to the market that an action has commenced against the company in the County Court by Melbourne Finance Broking for the repayment of the amount $722,500 relating to the convertible note agreement in May 2010.

The Directors strongly believe the Court proceedings commenced by Melbourne Finance Broking will be successfully defended as their action is misconceived and ignores the clear terms of the Convertible Note Agreement which is the basis upon which the funds were provided.

Commitments to consultants

The company have entered into consulting arrangement with Murray Smith (Executive Director) and Peter McDougall (Consultant). The agreements provide an incentive for the re-quotation of Computronics Holdings Ltd to the ASX. The company have provided options to each individual on the following basis:

Name	Number of options granted	Exercise price	Expiry
Murray Smith	2,000,000	$0.02	5 year from issue
Peter McDougall	4,000,000	$0.02	5 year from issue

NOTE 9: GOING CONCERN

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Company reported a loss after tax of $544,032 and current liabilities exceeds current assets by $911,841.

The Company has refocused its direction to include distribution of LED and Facial recognition technology products. Further, during, this period the Company utilised a convertible note facility totalling $1.0m to acquire certain technology rights. Refer note 5.

On 18 April 2011 the Company loaned $648,748 which has been secured against a property. At the date of this report the loan has not been repaid. The company intend to call the facility to be repaid within 12 months of this report.

The financial report has been prepared on the going concern basis as the Directors believe that it will be able to generate future sustainable profits from its new technology licences and be repaid the loan of $648,748 and if required, raise debt and/or equity finance.

In the event that the Company is unable to continue as a going concern, it may be required to realise all assets at amounts different from that recorded in the statement of financial position, settle liabilities other than in the ordinary course of business, and make provisions for other costs which may arise as a result of cessation or curtailment of normal business procedures.

NOTE 10: SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics.

In prior reporting periods the Company had defined the segments relating to its controlled subsidiary Computronics Corporation Ltd as a separate reporting segment. During the prior reporting period the company placed Computronics Corporation Ltd into administration resulting in a significant reduction in the activities of the group. At the reporting date the company operates in one segment being the distribution of technological products.

As a result the Company's only material reportable segment for the financial period has been identified as the Company as a whole and as such the reporting segment is represented by the primary statements forming these financial statements.

NOTE 11: ACCOUNTING STANDARDS NOT PREVIOUSLY APPLIED

The Group has adopted the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current period.
Impact of new and revised Standards and amendments thereof and Interpretations effective for the current period that are relevant to the Group include:

AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project':
Amends a number of pronouncements as a result of the IASB's 2009-2010 cycle of annual improvements including:
• Clarification of content of statement of changes in equity, financial disclosures and significant events.
• Accounting policy changes relating to AASB 1 in year of adoption and amendments to deemed cost.

AASB 124 'Related Party Disclosure' (2009), AASB 2009-12 'Amendments to Australian Accounting Standards':
Amends the requirements of the previous version of AASB 124 to:
• Provide a partial exemption from related party disclosure requirements for government-related entities
• Clarify the definition of a related party
• Include an explicit requirement to disclose commitments involving related parties.

AASB 2010-5 'Amendments to Australian Accounting Standards':
This standard amends a range of existing standards to reflect changes made to the text of international Financial Reporting Standards. They have no major impact on the requirements of the amended pronouncements.

AASB 2010-6 'Amendments to Australian Accounting Standards – Disclosure on Transfers of Financial Assets':
Makes amendments to AASB 7 'Financial Instruments: Disclosures' including additional disclosures to allow users of the financial statements to improve their understanding of financial asset transfers and potential risks to the transferring entity.

The adoption of these amendments, have not resulted in any material changes to the Group's accounting policies and have no effect on the amounts reported for the current or prior periods.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 13 are in accordance with the *Corporations Act 2001*, including:

   a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and

   b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date.

2. 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.

Murray Smith
Director

Dated this 29th day of March 2012

Grant Thornton

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Auditor's Independence Declaration
To The Directors of Computronics Holdings Ltd

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Computronics Holdings Ltd for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W Vibert
Partner - Audit & Assurance

Perth, 29 March 2012

Grant Thornton

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Independent Auditor's Review Report
To the Members of Computronics Holdings Ltd

We have reviewed the accompanying half-year financial report of Computronics Holdings Ltd ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Computronics Holdings Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Basis for Qualified Conclusion

A limitation in scope of our work exists for the reasons described below:

As disclosed in Note 6 to the financial statements, the consolidated entity has included in other assets an amount of $1,000,000, relating to amounts paid or payable for an Australian Master Licence for a technology product (the Asset).

The recoverability of the carrying value of the Asset is dependent on the ability of the consolidated entity to settle all disputes with the technology licensor and for the licensor to develop the product to certification. Australian Accounting Standard AASB 136 Impairment of Assets requires an asset to be carried at no more than its recoverable amount. We have been unable to obtain sufficient appropriate audit evidence to support the directors' assessment of the recoverable amount of the Asset and, accordingly, we have been unable to determine whether the recoverable amount of the Asset is at least equal to its carrying value. In the event that the carrying value of the Asset exceeds its recoverable amount, it would be necessary for the carrying value of the Asset to be written down to its recoverable amount.

As disclosed in Note 4 to the financial statements, the consolidated entity has included in Other Receivables an amount of $190,000 relating to shares issued from the exercise of options. Included within the outstanding balance is $30,000 owed by a Director related entity.

The recoverability of the carrying values of the above receivables is dependent on the willingness and capacity of the shareholder debtors to settle the outstanding amounts. Australian Accounting Standard AASB 139 Financial Instruments: Recognition and Measurement requires an entity to assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. We have been unable to obtain sufficient appropriate audit evidence to support the directors' assessment of the existence or recoverability of these receivables and, accordingly, we have been unable to determine whether these receivables are impaired.

Qualified Conclusion

Based on our review, which is not an audit, with the exception of the matters described in the proceeding paragraphs, we have not become aware of any matter that makes us believe that the half-year financial report of Computronics Holdings Ltd is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding continuation on a going concern basis

Without further qualification to the conclusion expressed above, we draw attention to Note 9 in the half-year financial report which discloses that the consolidated entity reported a loss after tax of $544,032 during the half-year ended 31 December 2011 and current liabilities exceed current assets by $911,841 at balance date. These conditions, along with other matters as set forth in Note 9, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W Vibert
Partner - Audit & Assurance

Perth, 29 March 2012