ECSI LIMITED
(Administrator Appointed)

ABN 68 004 240 313

HALF-YEAR REPORT

For the half-year ended
31 December 2012

The information in this half-year report should be read in conjunction with the annual report of ECSI Limited for the year ended 30 June 2012 and any announcements to the market by ECSI Limited for the half-year ended 31 December 2012

ECSI Limited (Administrator Appointed)
ABN 68 004 240 313

Half-Year Report - 31 December 2012

Corporate Information

Appointed Administrator	Mr Giovanni Carello
Directors	Mr George Karafotias – Executive Chairman & CEO Mr Ashley Kelly – Director Mr Eric Jiang – Non-Executive Director Mr Jeffrey Tan – Non-Executive Director Mr Wilton Yao – Non-Executive Director
Company Secretary	Mr George Karafotias (Interim)
Registered Office	Level 11, 499 St Kilda Road MELBOURNE VIC 3000
Auditors	William Buck Level 20, 181 William Street MELBOURNE VIC 3000
Bankers	Commonwealth Banking Corporation Limited
Stock Exchange	Australian Securities Exchange 20 Bridge Street SYDNEY NSW 2000
Stock Code	'ECS'
Share Register	Boardroom Pty Ltd Level 7, 207 Kent Street SYDNEY NSW 2000

CONTENTS

Directors' Report

Your directors present their report on ECSI Limited (Administrator Appointed) for the half-year ended 31 December 2012. The company was placed into voluntary administration on 11 June 2013.

Information on directors

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

George Karafotias	Executive chairman
Ashley Kelly	Director
Eric Jiang	Non-executive director
Wilton Yao	Non-executive director
Jeffrey Tan	Non-executive director

Review of operations, going concern, financial position, subsequent events, future developments and significant changes in affairs

For the half-year ended 31 December 2012 the company recorded a loss of $424,339 (an 87% increase on the $226,834 loss for the half-year ended 31 December 2011), cash outflows from operations of $63,697 (to December 2011: outflows of $303,699) and a working capital and net assets deficiency of $554,603 (June 2012: $130,264). All the liabilities were at call and payable. There were not dividends paid or recommended for payment during the half-year (2012: nil). The company abandoned its former plans to acquire Synclean KFT, conduct a share consolidation and acquire Green Mineral Resources.

Notwithstanding this, the directors have prepared the accompanying financial statements on a going concern basis for the following reasons:

Approval of the Deed of Company Arrangement

On 12 June 2013 the directors announced that the company was placed into voluntary administration on 11 June 2013. At this date, the responsibility for the management and administration of the company passed from the company's directors to the appointed administrator, Giovanni Carello of BRI Ferrier from Western Australia. On 2 September 2013 Mr. Carello wrote to the company's creditors, recommending a Deed of Company Arrangement (DOCA), which would see the creditor claims resolved and paid out in order for the company to exit its voluntary administration and recommence trade under its former directors. The DOCA included a proposal whereby those claims would be funded through a $200,000 loan from Mi Media Holdings Limited that will subsequently convert to the issue of 300m ordinary shares upon shareholder ratification (refer below).

In September 2013, the creditors voted in favour of the proposed DOCA transaction. At this date, a line of credit for the $200,000 loan was advanced to the company. Furthermore, the convertible note holders (as described in Note 5) elected to activate the equity conversion clauses written into their convertible note agreements. In-addition, the loan holder (also described in Note 5) voted to extend the maturity of the outstanding loan, which was in technical default from the date that the company went into voluntary administration, by another 12 months. It is for these reasons that the convertible notes and the secured loan as disclosed in Note 5 were specifically excluded from the DOCA process.

The vote of the creditors will now be ratified by shareholders at a general meeting at the end of January 2014. The directors are confident that the resolutions put forward ahead of the meeting, including the conversion of the DOCA loan into 300m ordinary shares, will be passed successfully. Distributions from the DOCA will be made at this date in order to complete the DOCA process.

A proposed reverse takeover transaction with Mi Media Holdings Limited and prospectus thereon

The company has entered into a share sale contract with an unlisted public company, Mi Media Holdings Limited with the intention of entering into a reverse takeover transaction. Mi Media Holdings Limited is a start-up technology provider that develops business media solutions specialising in consumer electronic products to access a collection of internet media from a single source. Mi Media has signed a non-exclusive contract with a major global automotive manufacturer. From this arrangement, Mi Media will have access to intellectual property of considerable value that may be on-sold, leased or used as collateral in obtaining debt financing. Were the transaction with Mi Media to complete successfully, this source of cash inflows could then be used to support ECSI Limited (Administrator Appointed) as it will be part of the group ultimately controlled by Mi Media following the reverse takeover transaction.

In the process of completing the transaction, the company anticipates that once the DOCA process is completed that it will lodge a prospectus in order to issue share capital to raise between a minimum of $3m and a maximum of $5m. As with all such transactions, this will be contingent upon the necessary regulatory and shareholder approvals being received, and also meeting the minimum amount stipulated in the prospectus of $3m.

To date, Mi Media Holdings Limited has raised $600,000 in seed capital to fund working capital requirements in its pre-transaction phase. Based upon this evidence, which demonstrates strong appetite for the proposed transaction which has been announced to the shareholders of both ECSI Limited and Mi Media Holdings Limited, the directors of ECSI Limited have confidence that the minimum proceeds and regulatory and shareholder approvals needed to complete the transaction will be met when the transaction concludes in the first half of the 2014 calendar year.

Once the transaction concludes, the shareholders of Mi Media Holdings Limited will ultimately control the new merged group entity.

An ability to scale down the present activity and cash flows of the company

With no current employment contracts or agreements with direcotrs in place with no onerous commitments that arise on termination, nor any lease contracts or other binding non-cancellable contracts and through the recent approval by creditors to waive or convert to share equity their outstanding claims through the DOCA, the company has the ability to scale down its operations and manage its cash outflows from operations.

Options

During the half-year 130,688,888 options, with an exercise price of 3 cents per share, which were on issue as at 30 June 2012, expired as at 31 December 2012. As at 31 December 2012 and up to the date of this report there are no other share options on issue. No share options were granted or issued during the half-year.

Auditor's independence declaration

The lead auditor's independence declaration for the half-year ended 31 December 2012 has been received and can be found attached to this report.

Signed in accordance with a resolution of the directors.

George Karafotias

Acting as a representative of Giovanni Carello, Sole Appointed Administrator

Melbourne, 9 January 2014

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ECSI LIMITED (ADMINISTRATOR APPOINTED)

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2012 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

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

William Buck

William Buck Audit [Vic] Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director

Dated this 9th day of January, 2014

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

Melbourne: Level 20, 181 William Street, Melbourne VIC 3000 | **Hawthorn:** Level 1, 465 Auburn Road, Hawthorn East VIC 3123
PO Box 185, Toorak VIC 3142 • Telephone: +61 3 9824 8555 • Facsimile: +61 3 9824 8580
williambuck.com

Statement of Comprehensive Income

Half-year ended 31 December 2012

	Note	December 2012 $	December 2011 $
Administrative and corporate expenses		(96,606)	(153,086)
Due diligence costs		(124,105)	-
Employment costs and directors' fees		(151,494)	-
Finance costs		(6,558)	(789)
Impairment charge	2	(21,130)	(72,959)
Occupancy costs		(24,446)	-
Loss before income tax		(424,339)	(226,834)
Income tax expense		-	-
Loss for the half-year attributable to members of the company		(424,339)	(226,834)
Other comprehensive income		-	-
Total comprehensive loss for the half-year attributable to members of the company		(424,339)	(226,834)

LOSS PER SHARE			
Basic and diluted loss per share (cents per share)		(0.07)	(0.04)
Weighted average number of shares used in determining basic and diluted loss per share (note that the effect of unexercised share options and convertible notes has not been included, as, due to the company's loss position, the effect of those options and convertible notes in the calculation would be anti-dilutive)		570,536,387	520,879,166

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 31 December 2012	Note	December 2012 $	June 2012 $
Current assets			
Cash and cash equivalents		-	12,032
Other current assets	2	-	-
Total current assets		-	12,032
Total assets		-	12,032
Current liabilities			
Bank overdraft		1,665	-
Unsecured trade and other payables		390,863	37,896
Financial Liabilities	5	162,075	104,400
Total current liabilities		554,603	142,296
Total liabilities		554,603	142,296
Net deficiency of assets		(554,603)	(130,264)
Equity			
Issued capital		93,480,850	93,480,850
Accumulated losses		(94,035,453)	(93,611,114)
Total equity		(554,603)	(130,264)
NET DEFICIENCY OF TANGIBLE ASSETS PER SHARE			
Net deficiency of tangible assets per share (cents per share)		(0.10)	(0.02)
Number of shares used in determining net deficiency of tangible assets per share (note that the effect of unexercised share options and convertible notes has not been included, as, due to the company's net deficiency position, the effect of those optionsand convertible notes in the calculation would be anti-dilutive). As at 31 December 2011 the net deficiency of tangible assets per share was (0.01) cents.		570,536,387	570,536,387

The accompanying notes form part of these financial statements

Statement of Changes in Equity

Half-year ended 31 December 2012

	Issued Capital $	Accumulated Losses $	Total $
As at 1 July 2011	93,165,250	(92,986,059)	179,191
Total comprehensive loss for the half-year	-	(226,834)	(226,834)
As at 31 December 2011	93,165,250	(93,212,893)	(47,643)
As at 1 July 2012	93,480,850	(93,611,114)	(130,264)
Total comprehensive loss for the half-year	-	(424,339)	(424,339)
As at 31 December 2012	93,480,850	(94,035,453)	(554,603)

The accompanying notes form part of these financial statements

Statement of Cash Flows

Half-year ended 31 December 2012	Note	December 2012 $	December 2011 $
Cash flows from operating activities			
Payments to suppliers and employees		(63,697)	(303,699)
Net cash used in operating activities		(63,697)	(303,699)
Cash flows from financing activities			
Proceeds from borrowings		50,000	191,383
Net cash provided by financing activities		50,000	191,383
Net decrease in cash and cash equivalents held		(13,697)	(112,316)
Cash and cash equivalents at the beginning of half-year		12,032	254,267
Cash and cash equivalents (including bank overdrafts) at the end of the half-year		(1,665)	141,951

The accompanying notes form part of these financial statements

Notes to the Financial Statements

1. Statement of significant accounting policies

These are the financial statements of ECSI Limited (Administrator Appointed) (the company) for the half-year ended 31 December 2012. ECSI Limited (Administrator Appointed) is a listed public company, incorporated and domiciled in Australia.

These financial statements are general purpose interim financial statements that have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that these financial statements and notes also comply with International Financial Reporting Standards.

These interim financial statements are intended to provide users with an update of the latest annual financial statements of ECSI Limited (Administrator Appointed). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year of the company. It is therefore recommended that these financial statements be read in-conjunction with the annual financial statements of the company for the year ended 30 June 2012, together with any public announcements made during the half-year.

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

Going concern and subsequent events

For the half-year ended 31 December 2012 the company recorded a loss of $424,339 (an 87% increase on the $226,834 loss for the half-year ended 31 December 2011), cash outflows from operations of $63,697 (to December 2011: outflows of $303,699) and a working capital and net deficiency of assets totalling $554,603 (June 2012: $130,264). All the liabilities were at call and payable. There were not dividends paid or recommended for payment during the half-year (2012: nil). The company abandoned its former plans to acquire Synclean KFT, conduct a share consolidation and acquire Green Mineral Resources.

Notwithstanding this, the directors have prepared the accompanying financial statements on a going concern basis for the following reasons:

Approval of the Deed of Company Arrangement

On 12 June 2013 the directors announced that the company was placed into voluntary administration on 11 June 2013. At this date, the responsibility for the management and administration of the company passed from the company's directors to the appointed administrator, Giovanni Carello of BRI Ferrier from Western Australia. On 2 September 2013 Mr. Carello wrote to the company's creditors, recommending a Deed of Company Arrangement (DOCA), which would see the creditor claims resolved and paid out in order for the company to exit its voluntary administration and recommence trade under its former directors. The DOCA included a proposal whereby those claims would be funded through a $200,000 loan from Mi Media Holdings Limited that will subsequently convert to the issue of 300m ordinary shares upon shareholder ratification (refer below).

In September 2013, the creditors voted in favour of the proposed DOCA transaction. At this date, a line of credit for the $200,000 loan was advanced to the company. Furthermore, the convertible note holders (as described in Note 5) elected to activate the equity conversion clauses written into their convertible note agreements. In-addition, the loan holder (also described in Note 5) voted to extend the maturity of the outstanding loan, which was in technical default from the date that the company went into voluntary administration, by another 12 months. It is for these reasons that the convertible notes and the secured loan as disclosed in Note 5 were specifically excluded from the DOCA process.

The vote of the creditors will now be ratified by shareholders at a general meeting at the end of January 2014. The directors are confident that the resolutions put forward ahead of the meeting, including the conversion of the DOCA loan into 300m ordinary shares, will be passed successfully. Distributions from the DOCA will be made at this date in order to complete the DOCA process.

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1. Statement of significant accounting policies (cont'd)

In the process of completing the transaction, the company anticipates that once the DOCA process is completed that it will lodge a prospectus in order to issue share capital to raise between a minimum of $3m and a maximum of $5m. As with all such transactions, this will be contingent upon the necessary regulatory and shareholder approvals being received, and also meeting the minimum amount stipulated in the prospectus of $3m.

To date, Mi Media Holdings Limited has raised $600,000 in seed capital to fund working capital requirements in its pre-transaction phase. Based upon this evidence, which demonstrates strong appetite for the proposed transaction which has been announced to the shareholders of both ECSI Limited and Mi Media Holdings Limited, the directors of ECSI Limited have confidence that the minimum proceeds and regulatory and shareholder approvals needed to complete the transaction will be met when the transaction concludes in the first half of the 2014 calendar year.

Once the transaction concludes, the shareholders of Mi Media Holdings Limited will ultimately control the new merged group entity.

An ability to scale down the present activity and cash flows of the company

With no current employment contracts or agreements with directors in place with no onerous commitments that arise on termination, nor any lease contracts or other binding non-cancellable contracts and through the recent approval by creditors to waive or convert to share equity their outstanding claims through the DOCA, the company has the ability to scale down its operations and manage its cash outflows from operations.

Should the company be unable to achieve the matters set out above, there is uncertainty as to whether the company will be able to continue as a going concern and therefore, whether they will be able to realise their assets and extinguish their liabilities in the normal course of business.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the company not be able to continue as a going concern.

2. Other current assets

The company had $21,130 in input tax credits which may be available upon lodgment of its outstanding business activity statements (June 2012: $58,083). Consistent with its prior year accounting treatment, the directors have impaired these credits to nil as their collectibility is not virtually certain.

3. Commitments and contingent liabilities

The company currently has no commitments or contingent liabilities at the date of signing this report. (2012: Nil)

4. Segment reporting

The company operated in one business and geographic segment during the current reporting period that being investing and due diligence activities in Australia.

5. Financial liabilities

	December 2013	June 2012
	$	$
Convertible notes (i)	55,037	52,200
Convertible notes (ii)	55,037	52,200
Convertible notes (ii)	52,001	-
	162,075	104,400

Convertible Notes (i)
The Company signed a Convertible Notes Agreement dated 20th October 2011 and on this date drew down a principal of $50,000. The Note is secured by fixed and floating charge over the assets of the company. As at the date of this report, this charge has not been registered in the Property Securities Register. The convertible note is convertible within 3 months upon the passing of a resolution at a general meeting to approve the conversion. In the event of conversion (after shareholder and regulatory approval is obtained), the Company is required to satisfy payment of the advance via subscription of shares at a price of 0.3 cents per share (or adjusted pro-rata in the event of a share restructure event). In the event that approval for the conversion is not obtained, the convertible note will be repayable to the note holder including an accrued interest charge of 8% per annum (calculated daily).

Convertible Notes (ii)
The Company signed Convertible Notes Agreements dated 20th October 2011 and 6th July 2012 and on these dates drew down tranches of $50,000 each. The Convertible Notes are convertible within 3 months upon the passing of a resolution at a general meeting to approve the conversion. In the event of conversion (after shareholder and regulatory approval is obtained), the Company is required to satisfy payment of the advance via subscription of shares at a price of 0.3 cents per share (or adjusted pro-rata in the event of a share restructure event). In the event that approval for the conversion is not obtained, the convertible note will be repayable to the note holder including an accrued interest charge of 8% per annum (calculated daily).

Secured loan (iii)
Subsequent to 31 December 2012, on 20 January 2013 the company entered into a loan agreement, which entitled the company to an advance of $296,500 on this date. The loan accrues interest at 11% per annum. Upon the first anniversary of the loan, it may be either called by the borrower, at the borrower's discretion, or rolled into another 12-month loan agreement, accruing interest however at 12% per annum. There is no share conversion option attached to the loan. The loan is secured by a registered charge over the company's real and intangible property which has been lodged with the Property Securities Register.

For details concerning subsequent events which affect all of these financial liabilities, refer to Note 1 Going Concern.

Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 5 to 11, are in accordance with the Corporations Act 2001 and:

   (i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

   (ii) give a true and fair view of the financial position as at 31 December 2012 and of the performance for the half-year ended on that date of the company;

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.

On behalf of the Board

George Karafotias

Acting as a representative of Giovanni Carello, Sole Appointed Administrator

Melbourne, 9 January 2014

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ECSI LIMITED (ADMINISTRATOR APPOINTED)

Report on the Half-Year Financial Report
We have reviewed the accompanying half-year financial report of ECSI Limited (Administrator Appointed) (the company), which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report
The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with 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 company's financial position as at 31 December 2012 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 ECSI Limited (Administrator Appointed), 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 have complied with the independence requirements of the Corporations Act 2001.

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ECSI LIMITED (ADMINISTRATOR APPOINTED) (CONT)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ECSI Limited (Administrator Appointed) is not in accordance with the Corporations Act 2001 including:

a) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the half year ended on that date; and

b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, attention is drawn to the following matter. As a result of the matters described in the going concern paragraph in note 1 to the financial statements, there is a material uncertainty whether the company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J.C. Luckins
Director

Dated this 9th day of January, 2014