



**ECSIlimited**

ABN 68 004 240 313

145 Flinders Lane  
Melbourne, 3000  
Victoria, Australia

25<sup>th</sup> May 2010

Suzanna Dabski  
Australian Stock Exchange  
Companies Department  
20 Bridge St.,  
Sydney 2000

Dear Suzanna

**RE: Re-Quotation of ECSI Limited – Annexure B**

Listing rule 12.3. The Company will continue to help expand the China business to produce revenue by resuming the initial Jeton/IMJ projects with the intention of helping roll out the next city and to list Jeton/IMJ on the Hong Kong Exchange to make our profit easily payable to ECSI in Australia. We also intend to negotiate and take over a small company in Australia to import and distribute the same security equipment that we will handle in China.

**ECSI Limited initial expenditure business summary**

ECSI will inject A\$1,083,000 (6,506,000 yuan) into commencing the next city in the NAR (National Alarm Response) system in China. This city will be Wuxi, situated close to Shanghai. With this capital input ECSI will begin to receive its portion of on-going profits within 12 months from commencement. This is subject to further due diligence on the investment amounts and the overall project viability. ECSI continues to look at other business opportunities to strengthen its position and add value for shareholders.

**Expenditure**

Renew City Licence and inject 6,506,000 yuan.

**Breakdown summary:**

- Central equipment for Public Security Headquarters	1,440,000 yuan
- Central equipment for Jeton Headquarters	2,910,000 yuan
- Installation cost	756,000 yuan
- Testing and initialisation cost	280,000 yuan
- Management travel and accommodation	<u>1,120,000 yuan</u>
	6,506,000 yuan

**Return**

Based on previous experience with the NAR system in Chengdu, the installation, testing and commissioning of the monitoring headquarters will take around 12 months. During the later part of this period, clients will begin to be introduced to the system. It is anticipated that within 18 months there will be more than 1,000 clients. This will increase to around 10,000 over the following 3 years.

1,000 clients will give a gross return of 6,000,000 yuan and a net profit of 2,400,000 yuan per annum. After 3 years there will be a net return of 24,000,000 yuan per annum, of which ECSI will receive 6,000,000 yuan (approximately A\$1,000,000 p.a.)

**Company's future objectives**

Immediately subsequent to the quotation of its shares' the Company will be focusing on ensuring it can negotiate with an Australian based business (in the same field – Security equipment) with the intension of acquiring it for scrip (and minimal cash outlay). This will provide an Australian Income source and the base for further expansion of the business.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jim Green', with a long, sweeping underline.

**Mr Jim Green**  
**Chairman**