



HiTech Group Australia Limited

2017 Annual General Meeting – 24 November 2017

Chairman's Address to Shareholders

Welcome to our 18th Annual General Meeting as a publicly listed company.

FY2017 Results: Another Record Year!

For the financial year ended 30 June 2017, the consolidated entity's operating **revenue is \$23,345,598 an increase of 27% over the previous corresponding period (pcp)**. The contracting revenue was 28% higher and permanent placement income was 13% higher than pcp.

Gross Profit is \$4,705,131 an increase of 21% over pcp (FY16: \$3,892,918).

Net profit after taxation (NPAT) and Earnings before interest, taxes, depreciation and amortization (EBITDA) are normalised figures reflecting the profit attributable to the underlying business operation for FY2017.

Underlying NPAT up 34% to \$2.4m

Underlying EBITDA up 36% to \$3.4m

Our Net Tangible Assets (NTA) are \$0.19 per share.

Cash is approximately \$5m

The directors have declared a fully franked dividend of 3 cents per share. The dividend was paid on 14 September 2017 to shareholders registered on close of business on 31 August 2017. Total amount is \$1,054,500. This represents a gross dividend **yield of 10.7%** at the current share price of 80 cents.

The HiTech Group is stronger than ever with a strong balance sheet and no debt which is unique in our industry.

We are committed to improving our revenues and profitability which are at record high. Our major revenue is still generated from our core ICT recruitment business and we are active in non-ICT areas of recruitment. We have been active in securing clients all around Australia to expand our client base.

We are ready to take advantage of market opportunities, potential accretive acquisitions to increase stakeholder returns. The future for HiTech continues to look bright.

The directors extend their appreciation to all our team members for their efforts during the year.

Outlook for FY2018 is positive and optimistic

Our outlook for FY2018 is positive and optimistic -depending on the prevailing economic conditions at the time and the demand for human talent from the private sector and government.

Based on internal management accounts for the period up to end of October 2017, **the Group's expected Revenue, Gross Profit and Operating Profit for the first half of FY2018 will be 10-20% higher than pcp.**

We expect continuing similar significant growth for the full year FY2018.

Exact results can't yet be predicted but we will keep the market updated as required.

To sum up, HiTech remains resilient, with significant growing revenues, profit, a strong balance sheet, solid cash reserves and no debt, as always.

We are determined to improve our profit results and will continue to do our best to improve overall performance and growth.

I am delighted with the results of Q1. It is a great start for the year! The future is bright. HiTech will do better than ever.

I thank you all for your support and commitment as shareholders, staff members, candidates, contractors and valued clients.

Ray Hazouri
Chairman

24 November 2017