



HiTech Group Australia Limited

2019 Annual General Meeting - 29 November 2019

Chairman's Address to Shareholders

Welcome to our 20th Annual General Meeting as a publicly listed company.

FY2019 Results:

For the financial year ended 30 June 2019, the consolidated entity's operating **revenue was \$30,284,662, an increase of 15% over the previous corresponding period (pcp).**

The revenue is a combination of contracting fees and permanent placement fees.

Gross Profit was \$5,777,819, an increase of 9% over pcp (FY18: \$5,279,899).

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 FY2019.

Underlying NPAT was up 13% to \$2.89m

Underlying EBITDA was up 10% to \$4.08m

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

The directors have declared a fully franked dividend of 4 cents per share. The dividend was paid on 12 September 2019 to shareholders registered on close of business on 29 August 2019. The total amount paid was \$1,522,000. This represents a gross annualised dividend **yield of 10.25%** (at a share price of \$1.115).

During FY2019, HiTech performed stronger than ever, a record result yet again, whilst maintaining a robust balance sheet and no debt which is unique in our industry.

We are committed to improving our revenues and profitability which are at record highs. The majority of our revenue is still generated from our core ICT recruitment and contracting business and we are active in non-ICT areas of recruitment as well. We have been focused on securing new clients all around Australia to successfully expand our client base.

We remain ready to take advantage of market opportunities promising organic growth, potential accretive acquisitions to increase stakeholder returns. The future for HiTech continues to look brighter than ever.

The directors extend their appreciation to all our team members for their efforts during the 2019 financial year.

Outlook for FY2020 remains positive and optimistic

Our outlook for FY2020 remains positive and optimistic - depending on the prevailing economic conditions and the demand for ICT human talent from both government and private sectors.

Based on unaudited internal management accounts for the period up to end of October 2019, **the Group's expected Profit for the first half of FY2020 is expected to be greater than the pcp.** I am delighted with our results so far.

Exact results can't yet be predicted but we expect continuing growth for the full year FY2020. We will keep the market updated as required.

HiTech remains a well-placed, strong and resilient business, with growing revenue and record profit, a strong balance sheet, solid cash reserves and no debt.

We are determined to improve our financial performance and profit results and will continue to do our best to improve growth both organically and via EPS accretive, disciplined external acquisitions as appropriate.

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

Ray Hazouri
Chairman

29 November 2019