



HiTech Group Australia Limited

DIRECTORS' REPORT

The directors of HiTech Group Australia Limited ("HiTech Group" or "the company") submit herewith the financial report of the consolidated entity for the half-year ended 31 December 2016. To comply with the provisions of the Corporations Act 2001, the directors report the following:

Directors

The names of directors of the company during or since the end of the half-year are:

Mr Raymond Hazouri, Chairman
Mr Elias Hazouri, Chief Executive Officer
Mr George Shad

Principal activities

The consolidated entity's principal activity, during the financial year, was the supply of recruitment services for permanent and contract staff to the ICT sector.

Review of operations

HiTech's core business is the provision of recruitment services to both the private and Australian government sectors. HiTech sources and places ICT, Finance and Office support personnel for permanent and contracting positions.

The directors are pleased to release to the market HiTech's half yearly FY2017 results. The details are as follows:

Revenue increased by 36% to \$11,147,423 over the previous corresponding period (pcp) (FY16: \$8,172,099).

EDITDA increased by 32% to \$1,324,603 over pcp (FY16: \$997,255).

EBIT increased by 32% to \$1,311,485 over pcp (FY16: \$987,066).

Net profit before tax increased by 34% to \$1,321,065 over pcp (FY16: \$987,565).

Net profit after tax (NPAT) increased by 33% to \$925,084 over pcp (FY16: \$695,263).

Our Net Tangible Assets (NTA) is \$0.20 per share.

Cash for the half year increased by 52% to \$5,107,318 over pcp (FY16: \$3,358,788)

This substantial improvement in results is, primarily, due to new business and stronger contracting numbers.

We have sold all our remaining investment in listed entities on the Australian Stock Exchange in July 2016 and have no further investments.

HiTech remains fully prepared to take advantage of the recruitment market and potential growth of the Australian economy. We are working towards winning new business in both the federal government and private corporate sector whilst ensuring that operating costs are kept to a minimum.

HiTech has a proven business model that has evolved over the past 24 years. 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.

Outlook for FY2017

The outlook for FY2017 is quite positive with significantly increased revenue and profit results expected, commensurate with the first half results, depending primarily on the prevailing economic conditions at the time. Our significant, but steady, growth should continue in the future as expected.

Auditor's declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is attached.

Signed in accordance with a resolution of the directors
On behalf of the Directors

A handwritten signature in black ink, appearing to be 'R. Hazouri', written in a cursive style.

R. Hazouri, Director
Sydney, 14 February 2017

HiTech Group Australia Limited

DIRECTORS' DECLARATION

The directors declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2016 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.

Signed in accordance with a resolution of the directors.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'R Hazouri', written in a cursive style.

R Hazouri
Director

Sydney, 14 February 2017