



S.S.H.medical Limited

28 November 2003

The Company Announcements Office
Australian Stock Exchange
Level 6, 20 Bridge Street
Sydney
NSW 2000

Dear Sirs

Annual General Meeting, SSH Medical Limited.

Please find attached the Chairmans Address to shareholders for the 2003 Annual General Meeting taking place on 28 November 2003.

Yours faithfully

D W Ward
Chief Financial Officer



SSH.medical Limited

28 November 2003

Chairman's Address to Shareholders at the AGM

Dear Shareholders

I would like to take this opportunity to provide shareholders with an overview of the Company's present situation regarding the status of its manufacturing business, the upgraded Workstation product, and funding of these operations. John Dunn will provide details beyond this overview, after which shareholders will have the opportunity to ask questions and make comments as required.

Firstly, about our manufacturing businesses. From an operational perspective we are in the process of merging the production of Easy Medical and Veterinary Equipment ("EME") and Oxford Medical Equipment ("Oxford") into a single facility, Oxford EME, which is housed in leased premises at Seven Hills in Western Sydney.

Both business units continue to operate as sales activities, Oxford in Melbourne, and EME in Sydney, but it has not been economically viable to maintain duplicated manufacturing facilities. We expect completion of the merged unit will be achieved by mid December.

Monthly revenue levels of Oxford EME are presently running at an annualized rate in excess of \$5 million pa. At this level the manufacturing subsidiary is marginally above break-even, but is not yet making any contribution towards offsetting the costs of the consolidated entity.

The other major activity of SSH Medical is of course, the product now identified as the 12 function medical Workstation or WSXII. Progress towards commercialization of that product has been slow – in part because of funding restraints (a subject on which I have more to say shortly).

In the period since we first displayed a prototype at this AGM, over a year ago, much detailed change has been effected even though the current product looks similar to that of a year ago. The Workstation includes amongst its 12 functions, the digital version of the Veda-Scope, or the Veda-Scope MkII.

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The complete Workstation has passed the electrical safety requirements of the TCA or Testing & Certification Australia organisation, and is about to undergo necessary testing by the TGA or Therapeutic Goods Administration. Subject to gaining TGA certification the Workstation can then be offered for sale or lease as a medical product.

Turning now to the question of funding of the ongoing activities. Firstly let me summarise the balance sheet position as at 30 June 2003.

At that time, approximately \$17.5 million had been raised by shareholder subscriptions for equity in SSH Medical Limited, including and since its IPO in April 2000.

Of that \$17.5 million an amount of approximately \$14.1 million or 80% had been expended; more than 90% of that on the Research & Development, manufacturing and marketing of the Veda-Scope product.

Thus, at 30 June 2003, the effective value of our balance sheet was approximately \$3.5 million. That value was represented by the Workstation, the Oxford and EME businesses, and the Company's cash reserve which stood at approximately \$1.2 million.

As far back as this same meeting last year, the Board noted its recognition of the need to bolster the working capital reserve of the Company, depending on the trading performance of the manufacturing subsidiary, and the readiness for marketing of the Workstation.

By May/June of this year we were actively engaged in the pursuit of several funding options, including a rights issue. Key concerns for us were the relative dilution of present shareholders interests caused by different methods of funding, and the strategic value of any alliances formed as a result of additional funding.

It is now a matter of record that post 30 June 2003, under conditions made extremely difficult (and costly) by the senseless attempted takeover bid by Analytica Limited, we have succeeded in forming a strategic alliance with Macquarie Health Corporation and new director, Mr John Maher.

With that alliance we have increased equity reserves by approximately \$1 million with minimal dilution of ordinary shareholders interests.

To further support our working capital base, we have just this week, set in process a Share Purchase Plan (SPP) enabling all shareholders to increase by between 12,500 and 62,500 shares, their present holdings in the Company. Whilst we hope that all existing shareholders will participate in the SPP offer, we are particularly keen that holders of less than 5,000 ordinary shares (which represents the current threshold for a marketable parcel of SSH shares) consider increasing their holding by taking up the SPP offer.

Proceeds from the SPP will be applied to maintaining working capital requirements and to the commercialisation and marketing of the Workstation.

Mr Clem van der Weegen will from the close of this AGM, retire from this Board, and take up the important role of heading the subsidiary established specifically to take the Workstation to market.

I would like to take this opportunity to express the thanks of this Board for the work done to date by Clem, and obviously to wish him all success with the Workstation.

Thank You