

ATECH HOLDINGS LIMITED

(ACN 004 080 460)

14th Floor

607 Bourke Street

Melbourne, Victoria, 3000 Australia

Telephone: (03) 9614 4444

Fax: (03) 9629 5716

Presentation to shareholders at the AGM held on 21 November 2006 on progress of potential acquisitions and re-listing on the ASX.

This report is intended to update shareholders on the status of the potential acquisition in the retirement village sector announced in an ASX announcement earlier this year.

The Board of Atech is committed to pursuing an acquisition opportunity for a viable business and achieving the re-listing of Atech on the ASX.

The Board is pleased to advise that progress has been made in exploring and developing options for the Company. However, no concluded deal has been reached and much more progress is required. The Board is not in a position to provide details today of any proposed transaction, but the Board will outline the status of progress.

At the AGM in 2004, shareholders considered the proposal for the Company to be liquidated and for net assets to be distributed to shareholders. Shareholders rejected this proposal. In 2005 the Board was reconstituted and commenced the process of exploring potential transactions that could transform the Company from a corporate shell holding cash to a Company operating a business. The Company still remains on this journey of transformation, and the Board remains committed to pursuing the appropriate opportunity.

In 2005, the then reconstituted Board commenced a review of opportunities. One of those opportunities that presented to the Company was in the retirement village sector.

The Company announced on 30 March 2006 that it was in discussions about a possible transaction.

The Company further announced on 3 May 2006 that it had reached a non-binding memorandum of understanding (MOU). In this announcement, the Board communicated that the particular transaction was in the retirement village sector. The Board considered that the particular opportunity was unique as well as the Board being comfortable that the industry dynamics of the retirement village sector as being of some interest when considered in the context of the particular opportunity under consideration.

It is important to recognise that the MOU announced in May 2006 was non-binding and this remains the current status. The Company is not committed to the particular opportunity but the Board remains interested in pursuing the proposed transaction.

The Company had expected to enter into detailed due diligence with the counterparty in June 2006, but this has been delayed for a variety of reasons, but is now proceeding through an initial phase of intense review and rigour. Part of the reason for

ATECH HOLDINGS LIMITED

(ACN 004 080 460)

14th Floor

607 Bourke Street

Melbourne, Victoria, 3000 Australia

Telephone: (03) 9614 4444

Fax: (03) 9629 5716

this delay related to issues relating to the counter-party. Despite these issues, the Board remain interested in pursuing the opportunity.

The Company has recently appointed Blake Dawson Waldron as legal advisers, and Hindal Securities Pty Ltd as its corporate adviser to assist the Company to review the opportunity. Blake Dawson Waldron is a leading law firm, operating throughout Australia. Hindal Securities Pty Ltd is a boutique corporate advisory firm, focussing on M&A and capital raising, with offices in Melbourne and Sydney. This process of appointing advisers took several months. The Board met with and sought proposals from a range of firms before settling on, and selecting both Blake Dawson Waldron and Hindal Securities Pty Ltd. The appointment of Blake Dawson Waldron was announced in an ASX announcement on 6 September 2006, and the appointment of Hindal Securities Pty Ltd was announced in an ASX announcement more recently on 14 November 2006.

As shareholders are aware, the Company has a cash balance of just over \$2m. The Company also has a clean corporate shell and provides an opportunity for the right business to be sold into the Company and for the Company to seek a re-listing. This is a good position to be in, and provides the Company with some valuable leverage for the right deal.

The opportunity that the Company is currently pursuing is open to be structured in various ways. It could be the acquisition of some relatively small assets, with possible further acquisitions in time. Alternatively, it may be open to acquire further developmental projects now. The potential scope of the project has in part contributed to delays to date. The challenge for the Board is to structure as meaningful transaction as possible, without taking on too much, or alternatively not missing the right opportunity.

Any acquisition is likely to require raising some debt, and potentially issuing further shares. The Board is mindful that in order for the Company to satisfy the requirements of the ASX for re-listing, that any business it acquires will need to be of a sufficient base.

The Board expects over the next few months for the Company to formulate a proposed form of transaction with the counterparty and to advance negotiations.

At this stage the identity of the target business is confidential. The Board recognises that there still remain many hurdles before the Company progresses the proposed transaction. Before any formal legal arrangement is entered into with the counterparty which binds the Company to proceed with the transaction, the Board will undertake detailed due diligence.

From time to time third parties have approached the Board with a possible idea for a transaction. The Board is not actively seeking alternative transactions at this stage, as the Board remains focussed on the proposed transaction in the retirement village sector. However, if ultimately the Board is not in a position to pursue the proposed

ATECH HOLDINGS LIMITED

(ACN 004 080 460)

14th Floor

607 Bourke Street

Melbourne, Victoria, 3000 Australia

Telephone: (03) 9614 4444

Fax: (03) 9629 5716

retirement village sector transaction, then the Board will actively look for alternative transactions. Similarly, if a third party brings a developed proposal, then the Board will consider such a proposal. We remind shareholders that third parties can always bring ideas to the Board. The dilemma for the Board is to exercise judgment between considering ideas and not allowing the Company to be distracted when the Board is currently pursuing a particular transaction. A third party could always launch a formal takeover offer for the Company, and the Board would deal with such a formal take-offer appropriately, which would include making a recommendation to shareholders. However, a proposal, which does not amount to a formal takeover offer, will only be dealt with by the Board if the Board consider, in its judgment, that the Company and its shareholders would be best served by exploring such a proposal. At the moment, the Board consider that the Company and its shareholders are best served by the Company further exploring the proposed retirement village sector transaction.

The Board know that Shareholders have been waiting a long time. The Board has made it a priority to look for the right business opportunity that will be beneficial to the Company and also facilitate a re-listing on the ASX. However, the Board are not going to choose any transaction, nor negotiate a weak deal, just in order to do something. If the Board's rigour means that the current transaction doesn't meet the Board's criteria, or a satisfactory negotiation cannot be achieved, then the Board will not pursue the current transaction just to do something.

The Board is committed to determine whether the current transaction under review is worth pursuing. The Board has now appointed two organisations to advise and to assist the Company. The Board is committed to being able to report to shareholders on an ongoing basis whether the transaction is still being pursued or not, and to set out a more definitive timetable for expected progress.

The Board remain committed to pursue the meaningful business opportunity to a successful conclusion to allow the Company to operate a viable business and in so doing, also facilitates an eventual re-listing on the ASX.



Tan Sri Dato Ir Talha bin Haji Mohamad Hashim
Chairman
Atech Holdings Ltd