ASX RELEASE

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HALF-YEAR RESULTS FY2003

HiTech Group Australia Limited (HIT) today released its financial report for the half-year ended 31 December 2002.

During the half-year to 31 December 2002, revenues from ordinary activities were $2,032,939. Earnings before providing for interest, taxation and deprecation (EBITDA) were ($86,636). The net loss after tax was $235,000. These results are commensurate with the significant 'slow down' in the IT and recruitment sectors of the economy, as foreshadowed at the AGM in November 2002.

As a result of the continuing downturn in the IT sector, HiTech Group, together with other firms in the industry, have continued to experience difficult trading conditions over the first six months of the 2003 financial year.

Whilst contracting income has decreased, the effect of the downturn in the economy has been felt mostly in the high margin permanent placement sector where placements have decreased substantially as a result of employers delaying employment decisions.

Increased competition has also seen a drop in permanent placement fees as more IT&T recruitment firms compete in a reduced market.

The difficult market conditions have resulted in a number of trade debtors experiencing financial difficulties that have led to bad debt write offs. The directors expect a similar result for the 6-month period to 30 June 2003 unless trading conditions improve.

Further growth in the future is subject to prevailing economic conditions at the time. HiTech intends to expand its business and grow into other non- IT recruitment areas. In the next six months, HiTech will incur additional costs in implementing this new growth programme.

HiTech has a proven business model, depth of management, strong balance sheet, adequate working capital and a low gearing ratio. Our infrastructure is now better than ever. This will position HiTech to take full advantage of any upswing in the economy.

HiTech Group will continue its organic growth and focus on increasing shareholder value.

The directors extend their appreciation for the efforts of the HiTech staff and the support of our clients and shareholders in a difficult market.

For further information, please contact the chairman and CEO, Mr Ray Hazouri on 02 9241 1919.