HiTech Group Australia Limited

2008 Annual General Meeting – 7 November 2008

Chairman's Address to Shareholders

Welcome to our 9th Annual General Meeting as a publicly listed company.

FY2008 Results

For the financial year ended 30 June 2008, the consolidated entity's operating revenue for the financial year is $5,109,796 (FY07:5,073,848). Net profit after taxation (NPAT) is $217,897 (FY07: $260,713).

The above results show a slight improvement over last year's revenue results and the directors are pleased with that. Revenue has increased by 0.7% as a result of a 14% increase in permanent placement fees which have a higher profit margin.

NPAT decreased by $42,816 largely due to a fall in equity market prices at year end (necessitating the taking up of an unrealised loss on equity investment), increased recruiter costs and a lower level of income tax benefit taken up (past tax losses brought to account).

HiTech remains profitable, with a strong balance sheet and no debt. HiTech continues to win new business and is increasing its client base steadily.

Outlook for FY2009

The outlook for FY2009 is dependent primarily on the prevailing economic conditions at the time and the stock market fluctuations. Our operating profit for the financial year 2009 to date is about break even. Our revenue to date has increased due to more contracting but less permanent placements.

The recent world wide meltdown of the stock market has affected our investment exposure. As a result, we may incur an **unrealised loss** of around $600,000 in the first half. This is only an accounting standard 'unrealised loss' based on current stock market prices which may vary in the future.

This situation could dramatically change to a positive profit result when the stock market recovers. Regardless of whether the stock market improves or not, HiTech has more than sufficient cash reserves for working capital and does not have to sell its investments until they are profitable.

The improvement in the ICT recruitment sector is crucial as there continues to be a shortage of good ICT candidates. There may be less job vacancies, in this economic downturn, which may affect our market.

We have diversified into non-ICT areas and increased our client base. We continue to win new business.

We continue to explore participation in the rationalisation of the recruitment and ICT industries. HiTech is seeking suitable EPS positive acquisitions in addition to organic growth and we are working on winning more new business in the future.

To sum up, HiTech remains resilient with a strong balance sheet, solid cash reserves and no debt.

We are determined to improve our results and will continue to do our best to improve overall performance and growth.

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

Ray Hazouri
Chairman and Chief Executive Officer

7 November 2008