APPENDIX 4E

PRELIMINARY FINAL REPORT

FINANCIAL YEAR ENDING 30 JUNE 2009

HiTech PERSONNEL
Excellence in Recruitment & Consulting

HiTech Group Australia Limited

A.B.N. 41 062 067 878

APPENDIX 4E

Preliminary Final Report

HiTech Group Australia Limited	
A.B.N 41 062 067 878	**Financial Year ended 30 June 2009**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				$A
Revenues from ordinary activities	Up	**11.62%**	**Up**	**$5,703,604**
Loss from ordinary activities after tax attributable to members				**$1,020,511**
Net Loss for the period attributable to members				**$1,020,511**

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	No final dividend proposed	
Previous corresponding period	Nil	Nil

Comment on figures reported:

HiTech's core business is the recruitment of ICT professionals and the supply of contracting services, a sector of the market that has seen a decline in jobs since the global financial crisis hit last year.

While total revenue increased by 11.62% over the previous financial year, the high margin permanent placement income was 39.6% lower and contracting revenue 24.9% higher.

Net loss after taxation (NLAT) is $1,020,511 (FY08 net profit: $217,897) due mainly to **unrealised** losses of $769,311 from investment in the stock market. The international financial meltdown has had a serious affect on the Group's investments in listed companies resulting in a substantial write down which has contributed 75% to the Group's loss for the year, in addition to the effect on profit from the reduction in permanent placement income. Depending on the stock market performance, this unrealised loss (an accounting 'loss') could change to a profit.

HiTech remains fully prepared to take advantage of any improvement in the ICT sector. We are working towards winning new business, increasing profit and ensuring that operating costs are kept to a minimum.

1. INCOME STATEMENT

	Note	Financial year ended 30 June 2009 $	30 June 2008 $
Sales Revenue - Services	5(a)	5,640,848	5,030,342
Other revenue		62,756	79,454
		5,703,604	5,109,796
Other income		-	292,065
Cost of providing services	6	(4,713,429)	(3,981,587)
Marketing expenses		(34,656)	(40,854)
Occupancy expenses		(104,690)	(109,182)
Insurance and legal expenses		(22,176)	(15,569)
Administration expenses		(1,097,813)	(888,328)
Impairment of financial assets		(769,311)	(159,103)
Other expenses from ordinary activities		(109,821)	(85,451)
Profit before Income Tax		(1,148,292	121,787
Income tax benefit	7	127,781	96,110
Profit attributable to Members of the parent entity		(1,020,511)	217,897
Earnings per Share:			
Basic (cents per share)		(3.29)	0.70
Diluted (cents per share)		(3.29)	0.68

2. BALANCE SHEET

	Note	Financial year ended 30 June 2009 $	30 June 2008 $
CURRENT ASSETS			
Cash and cash equivalents	4	772,875	536,545
Trade and other receivables	8	617,737	566,842
Financial assets	9	292,320	1,550,450
Other current assets		-	2,818
TOTAL CURRENT ASSETS		1,682,932	2,656,655
NON-CURRENT ASSETS			
Available for sale financial assets	9	24,062	26,081
Plant and equipment	10	76,259	44,742
Deferred tax assets		348,580	220,998
Intangible assets	11	5,530	4,224
TOTAL NON-CURRENT ASSETS		454,431	296,045
TOTAL ASSETS		2,137,363	2,952,700
CURRENT LIABILITIES			
Trade and other payables	12	363,216	333,309
Short-term provisions		23,224	
TOTAL CURRENT LIABILITIES		386,440	333,309
NON-CURRENT LIABILITIES			
Deferred tax liability		906	1,105
Long term provisions		15,457	6,021
TOTAL NON-CURRENT LIABILITIES		16,363	7,126
TOTAL LIABILITIES		402,803	340,435
NET ASSETS		1,734,560	2,612,265
EQUITY			
Issued equity	3, 14	2,869,213	2,869,213
Reserves	3	301,995	159,189
Accumulated losses	3	(1,436,648)	(416,137)
TOTAL EQUITY		1,734,560	2,612,265

3. STATEMENT OF CHANGES IN EQUITY
For the Financial Year Ended 30 June 2009

	Share Capital Ordinary	Retained Profits	Employee Equity-settled benefits Reserve	Total
	$	$	$	$
Balance at 1/7/2007	2,869,213	(634,034)	94,239	2,329,418
Loss attributable to members of parent entity	-	217,897	-	217,897
Revaluation increment		-	64,950	64,950
Balance at 30/6/2008	2,869,213	(416,137)	159,189	2,612,265
Balance at 1/7/2008	2,869,213	(416,137)	159,189	2,612,265
Profit attributable to members of parent entity	-	(1,020,511)	-	(1,020,511)
Revaluation increment	-	-	142,806	142,806
Balance at 30/6/2009	2,869,213	(1,436,648)	301.995	1,734,560

4. STATEMENT OF CASH FLOWS

	Note	Financial year ended 30 June 2009 $	30 June 2008 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		6,149,172	5,546,819
Payments to suppliers and employees		(6,409,162)	(5,801,975)
Dividends received		41,571	32,060
Interest received		43,554	47,550
Interest paid		(487)	-
Net cash provided by operating activities	16	(175,352)	(175,546)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		-	(3,278,197)
Proceeds on sale of investments		472,227	2,751,964
Purchase of property, plant and equipment		(65,563)	(28,771)
Net cash provided by/(used in) investing activities		409,664	(555.004)
CASH FLOWS FROM FINANCING ACTIVITIES			
Deposits re couped		2,018	8,663
Deposits paid		-	(1,236)
Net cash (used in) financing activities		2,018	7,427
Net increase (decrease) in cash held		236,330	(723,123)
Cash at the beginning of the financial year		536,545	1,259,668
Cash at the end of the financial year	16(a)	772,875	536,545

5. REVENUE

Revenue from continuing operations:

	Note	30 June 2009 $	30 June 2008 $
(a) Revenue			
- Contracting and permanent placement revenue	(i)	5,640,848	5,030,342
- Interest received – other entities		19,380	47,394
- Dividends received		43,251	32,060
- Other		125	-
		5,703,604	5,109,796

(i) Contracting revenue includes permanent placement fees and contract services provided.

(b) Other Income			
Gain on disposal of current investments		-	292,065
		-	292,065

6. EXPENSES

	Note	Financial year ended 30 June 2009 $	30 June 2008 $
Cost of providing services		4,713,429	3,981,587
Rental expense on operating leases			
- minimum lease payments		84,352	80,587
Depreciation and amortisation of non-current assets			
- plant and equipment		7,410	9,007
- office fit out		5,409	10,818
- motor vehicles		14,446	
- intangibles		2,475	1,521
Net loss on disposal of assets		-	819
Fair value losses on financial assets at fair value through profit and loss		769,311	159,103
Loss on disposal of financial assets at fair value through profit and loss		16,591	-

7. INCOME TAX

(a) Income tax expense:		
- current tax	-	-
- deferred tax	(127,781)	58,466
- under provision for income tax in prior year	-	4,075
- recoupment of prior year tax losses	-	(158,651)
	(127,781)	(96,110)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing activities before income tax expense at 30% (2007:30%)	(344,488)	36,536
Add Tax effect of:		
- Imputation credits	4,059	-
- Other assessable income	4,977	
- non-deductible depreciation and amortisation and other non-allowable items	251,138	8,463
- share options expensed	42,840	19,485
Less tax effect of:		
- non-assessable income and imputation credit	(5,390)	(6,018)
- Deductible expenses	(12,525)	-
- under provision for income tax in prior year	-	4,075
- recoupment of DTA previously not recognised	(68,394)	(158,651)
Income tax expense/(benefit)	(127,781)	(96,110)

8. TRADE AND OTHER RECEIVABLES

Trade receivables	551,801	547,080
Provision for impairment	-	-
	551,801	547,080
Other receivables	65,936	19,762
	617,737	566,842

9. FINANCIAL ASSETS

	Note	Financial year ended 30 June 2009 $	30 June 2008 $
Current assets			
Financial assets at fair value through profit and loss			
Shares in listed entities		1,169,738	1,658,556
(Less)/fair value(losses) on investment		(877,418)	(108,106)
		292,320	1,550,450

9. FINANCIAL ASSETS (continued)

	Note	Financial year ended 30 June 2009 $	30 June 2008 $
Non-current assets			
Available-for-sale fiancial assets			
Security deposits for leased premises		24,062	26,081

10. PLANT & EQUIPMENT

	Plant & Equipment at cost $	Leasehold Improvement at cost $	Motor Vehicles at cost $	TOTAL $
Gross Carrying Amount				
Balance at 30 June 2008	198,090	32,453	19,727	250,270
Additions	3,990	-	54,792	56,834
Balance at 30 June 2009	202,080	32,453	74,519	306,834
Accumulated Depreciation/ Amortisation				
Balance at 30 June 2008	(177,945)	(27,044)	(539)	(205,528)
Write back on disposal				
Depreciation/amortisation expense	(7,410)	(5,409)	(14,446)	(27,086)
Balance at 30 June 2009	(185,355)	(32,453)	(14,985)	(232,614)
Net Book Value				
As at 30 June 2008	20,145	5,409	19,188	44,742
As at 30 June 2009	16,725	-	59,534	76,259

11. INTANGIBLE ASSETS

Computer software at cost	
Gross carrying amount	
Balance at 30 June 2008 at cost or fair value	1,078,869
Additions	3,782
Balance at 30 June 2009 at cost or fair value	1,082,651
Accumulated depreciation/amortisation	
Balance at 30 June 2008	(1,074,645)
Depreciation/amortisation expense	(2,475)
Balance at 30 June 2009	(1,077,121)
Net Book Value	
As at 30 June 2008	4,224
As at 30 June 2009	5,530

12. TRADE AND OTHER PAYABLES

	Financial year ended 30 June 2009 $	30 June 2008 $
Unsecured liabilities		
Trade payables	89,467	161,603
Sundry payable and accrued expenses	273,749	171,706
	363,216	333,309

14. ISSUED EQUITY

31,000,000 fully paid ordinary shares	(2007: 31,000,000)	2,869,213	2,869,213

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Share Options

Share options are issued to staff under the employee share option plan. There were no options issued under the plan to staff including executive directors during the financial year and no options were exercised. However 200,000 options lapsed and 50,000 options were cancelled on resignation of an employee. At year end, there were 9,550,000 outstanding options which were issued in previous years.

15. SEGMENT INFORMATION

The Consolidated Group operates primarily in one geographical and in one business segment, namely the ICT recruitment industry in Australia

16. NOTES TO STATEMENT OF CASH FLOWS

	Note	Financial year ended 30 June 2009 $	30 June 2008 $
(a) *Reconciliation of Cash*			
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flow is reconciled to the related items in the statement of financial position as follows:			
Cash		252,858	154,230
Deposits at call		520,017	382,315
		772,875	536,545
(b) *Reconciliation of Profit from Ordinary Activities After Related Income Tax to Net Cash Flows From Operating Activities*			
Profit from ordinary activities after related income tax		(1,061,293)	217,897
Depreciation and amortisation of non-current assets		29,740	21,346
Net loss on disposal of non-current assets		-	819
Net loss/(gain) on sale of financial assets		16,591	(292,065)
Equity settled share based payments		55,807	64,950
Unrealized (gain)/ loss on financial assets		769,311	159,103
Decrease/ (Increase) in assets			
Current receivables		(50,894)	17,281
Deferred tax assets		-	(80,357)
Other current assets		2,818	(2,383)
Increase/(decrease) in liabilities			
Provisions		9,436	(14,899)
Current trade payables		53,132	(251,485)
Deferred tax liability		-	(15,753)
Net cash from operating activities		(175,352)	(175,546)

17. NTA BACKING

Net tangible asset backing per ordinary security (per share)	$0.06	$0.08

18. COMMENTARY ON RESULTS FOR THE PERIOD

General

The group's core business is in recruitment of permanent and contracting ICT professionals, a sector of the market that has lately suffered from a significant shortage of available jobs due to the global financial crisis.

While total revenue increased by 12.8% over the previous financial year, the high margin permanent placement income was 36.6% lower and contracting revenue 24.9% higher.

Net loss after taxation (NLAT) is $1,020,511 (FY08 net profit: $217,897) due mainly to unrealised losses of $769,311 from investments in the stock market. The international financial meltdown has had serious affect on the Group's investments in listed companies resulting in a substantial write down which has contributed mostly (75%) to the Group's loss for the year. Depending on the stock market performance, this unrealised loss (a theoretical accounting 'loss') could change to a profit.

EPS

Earnings per share for the current financial year was minus 3.29 cents per share as compared with 0.70 cents per share in the previous corresponding period. While at 30 June 2009, there were 9,550,000 outstanding options, that were issued in previous years, none of these options are dilutive and have therefore not been included in the total of the weighted average number of ordinary shares of 31,000,000 million and potential ordinary shares used in the calculation of diluted earnings per share. As a result the diluted earnings per share in the current financial year was minus 3.29 cents per share (2008: 0.68 cents).

Dividends

It has been the dividend policy of the board since listing to make an annual fully franked dividend payout of approximately 65% of net profit after tax. This, however, has been dependent on a number of factors including profits and the financial and taxation position of the group. While the profitability of the group in the 2009 financial years has deteriorated and the availability of undistributed profits has precluded the payment of dividends to shareholders in this year, it is the intention of the board to once again implement the declared dividend policy when profits are available for distribution.

Significant features of operating performance

HiTech currently supplies permanent and contract staff from its large personalised database of over 45,000 specialised ICT professionals which has been developed over the years through various strategies of recruitment.

The HiTech client base of over 300 active corporate clients is well established, with strong representation by high technology companies, banking/financial services companies plus State and Federal Government departments and agencies. HiTech has also entered into preferred supplier agreements for the supply of staff in both the public and private sectors.

Permanent recruitment, which comprises the search and selection of candidates for full time employment, is characterised by high profit margins.

ICT contracting, comprising the provision of ICT professionals for temporary and other non-permanent staffing needs of clients for specific projects, has continued to supply HiTech with cash flow. ICT contracting is viewed as a relatively higher volume business with lower margins.

Factors which are likely to affect results in the future

The global financial crisis (GFC) has affected jobs in Australia and may continue for a while in the foreseeable future. Performance will depend on the number of job vacancies increasing or decreasing.

Additionally, any increase in demand for ICT services and continuing shortage of qualified candidates will result in higher margins. But this is offset by declining job vacancies due to the GFC.

We have retained our preferred supplier status with our valued clients and are working towards further developing these relationships. We are constantly evolving and improving our systems and productivity to assist and provide a better service to our clients and candidates.

We expect to win more new business as the economy improves.

19. AUDIT OF ACCOUNTS

This report is based on accounts that are in the process of being audited and are not likely to be subject to dispute or qualification.

Barry F. Neal,
Company Secretary
26 August 2009