APPENDIX 4D

HALF YEAR REPORT

PERIOD ENDING 31 DECEMBER 2015

HiTech PERSONNEL

Excellence in Recruitment & Consulting

HiTech Group Australia Limited

A.B.N. 41 062 067 878

APPENDIX 4D

Half Year Report

HiTech Group Australia Limited	
A.B.N 41 062 067 878	**Half Year ended 31 December 2015**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				$A
Revenues from ordinary activities	Up	**27%**	**To**	**8,172,099**
Profit from ordinary activities after tax attributable to members	Up	**295%**	**To**	**695,263**
Net profit for the period attributable to members	Up	**295%**	**To**	**695,263**
NTA per share	$0.14 (31 Dec 2015)		$0.10 (31 Dec 2014)	
Dividends (distributions)	Amount per security		Franked amount per security	
Interim dividend	No interim dividend proposed.			
Previous corresponding period	Nil		Nil	

Comment on figures reported:

HiTech's core business is the provision of recruitment services to both the private and Australian government sectors. HiTech sources and places ICT, Finance and Office support personnel for permanent and contracting positions.

Revenue for the first half of FY2016 increased by 27% to $8,172,099 compared to $6,453,252 for the previous corresponding period (pcp).

Contracting income increased by 27% in the first half of FY2016 compared to the previous corresponding period. Permanent placement income increased by 87% compared to pcp.

Gross Profit increased by 25% to $1,578,146 over pcp (FY15: $1,259,244).

EDITDA increased by 197% to $997,255 over pcp (FY15: $335,410).

EBIT increased by 199% to $987,066 over pcp (FY15: $330,153).

Net profit before tax increased by 199% to $987,565 over pcp (FY15: $330,390).

Net profit after tax (NPAT) increased by 295% to $695,263 over pcp (FY15: $176,100).

Our Net tangible Assets (NTA) is $0.14 per share.

The higher profit was principally due an increase in contracting income and overall business growth. There is a $966,352 unrealised loss on investment in the Australian stock market as of 31 December 2015. As of today's date the unrealised loss has decreased to $887,589.

HiTech has increased revenue and profit by winning new business. HiTech remains fully prepared to take advantage of the recruitment market and growth of the Australian economy. We are working towards winning new business in both the federal government and private corporate sector whilst ensuring that operating costs are kept to a minimum.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

		Consolidated Group	
		31 December 2015 $	31 December 2014 $
Sales Revenue	3(a)	8,145,745	6,402,761
Cost of Sales	4	(6,567,599)	(5,143,517)
Gross Profit		*1,578,146*	*1,259,244*
Other revenue	3(b)	26,354	50,491
Unrealised gain/(loss) on financial assets	4	(13,713)	(483,902)
Marketing expense		(59,416)	(18,527)
Occupancy expense		(62,100)	(57,937)
Administration expense		(425,808)	(393,922)
Borrowing expense		-	(6,301)
Insurance and legal expenses		(27,785)	(6,088)
Other expenses from ordinary activities		(28,113)	(12,668)
Profit before income tax		987,565	330,390
Income tax expense		(292,302)	(154,290)
Net profit attributable to members of the parent entity		695,263	176,100
Other comprehensive income		-	-
Total comprehensive income for half year		695,263	176,100
Earnings per share:			
Basic earnings (cents per share)		2.24	0.57
Diluted earnings (cents per share)		2.24	0.56

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT HALF-YEAR ENDED 31 DECEMBER 2015

	Notes	Consolidated Group 31 December 2015 $	30 June 2015 $
CURRENT ASSETS			
Cash and cash equivalents		3,358,788	1,838,730
Trade and other receivables		1,704,249	2,636,241
Financial assets at fair value through profit and loss		640,630	654,343
Other current assets		37,205	22,717
TOTAL CURRENT ASSETS		5,740,872	5,152,031
NON-CURRENT ASSETS			
Plant and equipment	5	85,050	30,163
Deferred tax assets		310,349	297,535
Intangible assets		3,016	3,610
Other non-current assets		24,063	24,063
TOTAL NON-CURRENT ASSETS		422,478	355,371
TOTAL ASSETS		6,163,350	5,507,402
CURRENT LIABILITIES			
Trade and other payables		724,837	1,033,034
Provision for Taxation		920,583	620,715
Short-term provisions	6	61,889	95,526
TOTAL CURRENT LIABILITIES		1,707,309	1,749,275
NON-CURRENT LIABILITIES			
Long Term Provisions		11,279	8,628
TOTAL NON-CURRENT LIABILITIES		11,279	8,628
TOTAL LIABILITIES		1,718,588	1,757,903
NET ASSETS		4,444,762	3,749,499
EQUITY			
Issued capital	7	2,869,213	2,869,213
Reserves		308,489	308,489
Accumulated losses		1,267,060	571,797
TOTAL EQUITY		**4,444,762**	**3,749,499**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Issued Capital Ordinary $	Retained Profits/ (Accumulated Losses) $	Employee Equity-settled benefits Reserve $	Total $
Balance at 1/7/2014	2,869,213	(235,924)	307,060	2,940,349
Employee share options – value of employee services	-	-	1,430	1,430
Total comprehensive income for the half year	-	176,100	-	176,100
Balance at 31/12/2014	2,869,213	(59,824)	308,490	3,117,879
Balance at 1/7/2015	2,869,213	571,797	308,489	3,749,499
Total comprehensive income for the half year	-	695,263	-	695,263
Balance at 31/12/2015	2,869,213	1,267,060	308,489	4,444,762

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Consolidated Group	
	31 December 2015 $	31 December 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	3,417,912	6,958,118
Payments to suppliers and employees	(1,854,859)	(6,557,839)
Interest received	6,852	1,667
Dividends received	498	34,144
Finance costs paid	-	(10,000)
Income tax paid	-	(64,070)
Net cash provided by operating activities	**1,570,403**	**362,020**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds of sale for investment securities	-	934,632
Proceeds of disposal of motor vehicle	23,530	-
Purchase of plant & equipment, motor vehicle	(73,875)	(216)
Net cash (used in)/ provided by investing activities	**(50,345)**	**934,416**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(900,000)
Net cash used in financing activities	-	**(900,000)**
Net increase in cash held	1,520,058	396,436
Cash at the beginning of the half year	1,838,730	632,716
Cash at the end of the half year	**3,358,788**	**1,029,152**

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Summary of Significant Accounting Policies
The condensed consolidated financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and activities of the consolidated entity as the full financial report. It is recommended this condensed consolidated financial report be read in conjunction with the most recent annual financial report.

It is also recommended that the condensed consolidated financial report be considered together with any public announcements made during the half year to 31 December 2015 in accordance with the continuous disclosure obligations within the Corporations Act 2001.

b) Basis of Preparation
The condensed consolidated financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001, applicable Accounting Standards (including AASB 134 Interim Financial Reporting) and other mandatory professional reporting requirements.

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

c) New and Amended Standards Adopted
A number of new or amended standards became applicable for the current reporting period however there are no changes to accounting policies or retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the 30 June 2016 annual report as a consequence of these amendments.

d) Impact of Standards Issued but not yet Applied
AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2017 but is available for early adoption. When adopted the standard will affect accounting for available-for-sale financial assets since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments will therefore have to be recognized directly in profit or loss.

There will be no impact on the group's accounting for financial liabilities as the new requirements only affect the accounting of financial liabilities that are designated at fair value through profit or loss and there are no such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instrument: Recognition and Measurement and have not been changed.

e) Principles of Consolidation
The consolidated financial statements incorporate all the assets, liabilities and results of the parent HiTech Group Australia Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiary companies of HiTech Group Australia Limited are HiTech Contracting Pty Ltd and eConsulting Pty Ltd.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the group from the date on which control is obtained by the group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealized gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the group.

2. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group operates one business in IT recruitment and contracting and in one geographical area and report to management on a comprehensive basis on the performance of the whole Group.

3. REVENUE

	Half year ended	
	31 December 2015 $	31 December 2014 $
Revenue from operating activities		
(**a) Contracting and permanent placement revenue**	8,145,745	6,402,761
(**b) Other Revenue**		
- Interest received - other entities	498	1,667
- Dividends received – other entities	9,788	48,824
- Gain on disposal of property, plant and equipment	13,500	-
- Sundry Income	2,568	-
	8,172,099	6,453,252

4. EXPENSES

Cost of providing services	6,567,599	5,143,517
Rental expenses on operating leases		
- Minimum lease payments	46,656	46,046
Depreciation and amortisation of non-current assets		
- Plant and equipment	2,522	3,304
- Motor vehicles	6,436	2,426
- Software	840	957
Loss on sale of shares	-	2,975
Net transfers to provisions – employee benefits	18,840	1,002
Fair value losses on financial assets at fair value through profit and loss	13,713	483,902

5. PLANT AND EQUIPMENT

	Consolidated Entity			
	Plant & Equipment	**Leasehold Improvements**	**Motor vehicles**	**TOTAL**
	$	**$**	**$**	**$**
As at 30 June 2015				
Cost or fair value	225,461	32,453	82,974	340,888
Accumulated depreciation	(212,663)	(32,453)	(65,609)	(310,725)
Net book value	12,798	-	17,365	30,163
Half Year ended 31 December 2015				
Opening net book balance	12,798	-	17,365	30,163
Additions	2,981	-	70,894	73,875
Disposals	-	-	(10,030)	(10,030)
Depreciation charge	(2,522)	-	(6,436)	(8,958)
Net book balance	13,257	-	71,793	85,050
As at 31 December 2015				
Cost or fair value	228,442	32,453	99,076	359,971
Accumulated depreciation	(215,185)	(32,453)	(27,283)	(274,921)
Net book value	13,257	-	71,793	85,050

6. CURRENT PROVISIONS

Current provisions are for staff entitlements and accrued expenses expected to be settled with twelve months.

7. EQUITY SECURITIES

No shares were issued in the reporting period or in the previous financial year. There are 31 million listed shares on issue.

8. SHARE-BASED PAYMENTS

No options were outstanding at the end of the period 31 December 2015.

5,300,000 Ordinary Share Options were issued under the Employee Share Plan with an issue date of 17 February 2016 and exercise price of $0.22.

Option series	No.	Grant Date	Expiry date	Exercise Price $
Issued 2/2016	3,400,000	17/2/2016	16/2/2020	0.22
Issued 2/2016	600,000	17/2/2016	16/2/2019	0.22
Issued 2/2016	1,300,000	17/2/2016	16/2/2019	0.22
	5,300,000			

9. NTA BACKING

	Half year ended 31 December 2015 $	Half year ended 31 December 2014 $
Net tangible asset backing per ordinary security (per share)	0.14	0.10

10. CONTINGENT LIABILITIES

There are no contingent liabilities and contingent liabilities at balance date.

11. EVENTS SUBSEQUENT TO REPORTING DATE

There are no circumstances that have arisen since the end of the financial period which significantly affect or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

12. CONTROL GAINED OR LOST OVER ENTITIES HAVING MATERIAL EFFECT

The group has not gained or lost control over any entity during the financial period.

13. DETAILS OF ASSOCIATE OR JOINT VENTURES ENTITIES

The group has no associate or joint venture entities.

14. RELATED PARTIES DISCLOSURES

For the whole of the half year period, Elias Hazouri provided his services to HiTech Group Australia Limited as a contractor on a commercial basis with payments being made to Aitchandar Trust an entity controlled by Elias Hazouri.

Temporary loans were made to a Director and other key management personnel. No interest was charged on loans due to their temporary nature and repayment terms. The amount of loans outstanding at 31 December 2015 was $1,010 (2014: $1,284).

All other arrangements with related parties are consistent with those disclosed in the 2015 Annual Report.

15. COMMENTARY ON RESULTS FOR THE PERIOD

General

The group's core business is in recruitment of permanent and contracting ICT professionals. We have won new business which led to increasing our revenue and profit.

EPS

Basic earnings per share for the first half of the current financial year were 2.24 cents per share compared to 0.57 cents per share in the previous corresponding period.

Segment Information

The consolidated entity reports to management and allocates resources on a single reporting entity basis.

Significant features of operating performance

HiTech currently supplies permanent and contract staff from its large proprietary database of over 300,000 specialised and skilled professionals that have been secured through a strategy of multiple sourcing tools and networking drives. HiTech's candidate database is the primary source of skilled professionals that we draw upon to fulfil our clients' personnel demands. This is a proprietary database that is invaluable to our business and ensures we maintain our sustainable competitive advantage in the market place.

The HiTech Client base of over 300 active corporate and government clients is well established, with strong representation by high technology companies, banking/financial services companies plus 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 strong cash flow. ICT contracting is viewed as a relatively higher volume business with lower margins. We have worked on reducing low margin contracting business and building higher margin contract opportunities. This strategy has delivered favourable results without the need to significantly increase the operating cost base.

Factors which are likely to affect results in the future

While there is still a relatively short supply of good quality candidates, any potential drop in ICT resources demand will result in lower margins and downward pressure on permanent placement numbers.

Our stock market investments will be affected by the state of the market.

We continue to explore participation in the rationalisation of the recruitment and ICT industries. We have looked and are still looking at potential acquisitions that are EPS positive and suit our criteria.

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

HiTech has tendered for private and government recruitment business recently and has been successful. We expect to secure further contracts in the near future and win more business as the economy improves.

16. REVIEW OF ACCOUNTS

This report is based on accounts that have been reviewed and are not subject to dispute or qualification. Copies of the review report and independence declaration from Raymond Yi Kuen Lee are attached.

R. Hazouri
Director

Sydney, 24 February 2016

HiTech Group Australia Limited
DIRECTORS' REPORT

The directors of HiTech Group Australia Limited ("HiTech Group" or "the company") submit herewith the financial report of the consolidated entity for the half-year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors of the company during or since the end of the half-year are:
Mr Raymond Hazouri, Chairman and Chief Executive Officer
Mr George Shad
Mr Elias Hazouri

Principal activities

The consolidated entity's principal activity in the course of the financial year was the supply of recruitment services for permanent and contract staff to the ICT sector.

Review of operations

HiTech's core business is the provision of recruitment services to both the private and Australian government sectors. HiTech sources and places ICT, Finance and Office support personnel for permanent and contracting positions.

Contracting income increased by 27% in the first half of FY2016 compared to the previous corresponding period. Permanent placement income increased by 87% compared to pcp.
Gross Profit increased by 25% to $1,578,146 over pcp (FY15: $1,259,244).
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HiTech has increased revenue and profit by winning new business. HiTech remains fully prepared to take advantage of the recruitment market and growth of the Australian economy. We are working towards winning new business in both the federal government and private corporate sector whilst ensuring that operating costs are kept to a minimum.

Auditor's declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is attached.
Signed in accordance with a resolution of the directors
On behalf of the Directors

R. Hazouri, Director
Sydney, 24 February 2016

HiTech Group Australia Limited
DIRECTORS' DECLARATION

The directors declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:

    (a) comply with Accounting Standards AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*; and

    (b) give a true and fair view of the economic entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

On behalf of the Directors

R Hazouri
Director

Sydney, 24 February 2016

Auditor’s Independence Declaration

To The Directors of HiTech Group Australia Limited

In accordance with the requirements of section 307C of the *Corporation Act 2001*, as lead auditor for the review of HiTech Group Australia Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and behalf, there have been:

a) no contraventions of the auditor independence requirements of the *Corporation Act 2001* in relation to the review; and
b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of HiTech Group Australia Limited and the entities it controlled during the period.

Raymond Yi Kuen Lee
Registered Company Auditor

Sydney
24 February 2016

Office Address: Suite 272 Level 2, The Miramar,
398-408 Pitt Street Sydney NSW 2000
Postal Address: P O Box 20003, World Square 2002
Tel: 02-9281 9797 Fax: 02-9281 9985

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of HiTech Group Australia Limited

We have reviewed the accompanying half-year financial report of HiTech Group Australia Limited ("Company"), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information, and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report
The directors of HiTech Group Australia Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the HiTech Group Australia Limited consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of HiTech Group Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence
In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Electronic presentation of reviewed financial report

The auditor's review report relates to the financial report of HiTech Group Australia Limited for the half-year ended 31 December 2015 included on the website of HiTech Group Australia Limited. The Company's directors are responsible for the integrity of website. We have not been engaged to report on the integrity. The auditor's review report refers only to the statements named above. It does not provide an option on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of HiTech Group Australia Limited is not in accordance with the Corporations Act 2001 including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Raymond Yi Kuen Lee
Registered Company Auditor

Sydney, 24 February 2016

Suite 272, 398-408 Pitt Street
Sydney NSW 2000