



# ENERGY TECHNOLOGIES LIMITED

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Australian Stock Exchange  
Company announcements platform  
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ABN 38 002 679 469

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## Results – Annual General Meeting

The Directors of Energy Technologies Limited (ASX: EGY) advise the following results from the Annual General Meeting of EGY held today, Wednesday 23 November 2016.

### Resolution 1: Remuneration Report

That the remuneration report for the year ended 30 June 2016 be adopted

The resolution was passed by shareholders present at the meeting.

22 valid proxies were received, representing 38,677,646 Votes in Favour; 14,832,254 Votes Against; 33,557,884 votes Abstaining and 97,095,936 Votes Disregarded.

### Resolution 2: Re-election of Director

That Mr Yulin Hu, who retires by rotation in accordance with Article 10.03 of the Company's Constitution, and being eligible, offers himself for re-election, be elected as a director of the Company.

The resolution was passed by shareholders present at the meeting.

22 valid proxies were received, representing 100,462,851 Votes in Favour; 20,000 Votes Against, 1,600 Votes Abstaining and 83,679,269 Votes Disregarded.

### Resolution 3: Re-appointment of Auditor

That Nexia Sydney Audit Pty Ltd be reappointed as statutory auditor of the Company.

The resolution was passed by shareholders present at the meeting.

22 valid proxies were received, representing 184,163,720 Votes in Favour.

### Financial Statements and Reports

The Audited Financial Statements and the Reports of the Directors and Auditor were considered and received.

## Chairman's Address

The continuing loss position of the company is of great concern however the board and management is convinced that the Bambach Wires and Cables Pty Ltd (BWC) business plan in place is the correct plan to bring the company to a situation of sustained profitability. In summary the plan includes an expansion of the product offering, a focus on infrastructure and defence markets and the installation of new more efficient production equipment.

Losses for the year have largely been covered by the injection of debt and equity from Directors and a major shareholder and as such have not substantially impacted on the operations of the company or execution of the BWC business plan. Improved BWC sales in the second half FY2016, until the election was called, confirmed to Directors that the product development strategy of the company was sound.

To give you an idea of what we have been doing in regard to product development, over the past 36 months the BWC business has completely re-developed all its most popular flexible and variable speed drive cables, developed a full range of Traffic signal cables for the Australian market and obtained approvals in all states, developed and obtained approvals for a full range of rail signal and LV power cables and has begun winning major rail projects with those cables. BWC has also developed four further main ranges of cables for the defence, commercial/residential, renewables, and rolling stock markets with all those cables currently under testing and approval and it has developed and obtained approval for various other secondary cables to suit certain niche markets such as audio, detonation and alarm control. In all, this amounts to the development, testing and approval of literally hundreds of new cables, a feat which takes time, but which will vastly increase the market scope, potential and ultimately revenues of the business.

Hand in hand with product improvement and development is the need for the company to increase its production efficiency. Modelling has been undertaken which shows that even at the current revenue levels, the introduction of new equipment would bring the operating subsidiary into profit. This gain coupled with the increased sales due to quicker lead times and the ability to manufacture larger sized cables gives the board confidence that the business will become a very strong performer once the business plan in regard to new equipment is fully implemented.

The main limiting factor for BWC is the size of the existing manufacturing facility which will not allow all the desired expansion in the longer term.

EGY and Bambach have been successful in undertaking a refinancing program which will allow the completion of the upgrade of factory equipment and greatly improve margins. This funding is now substantially in place and in addition to facilitating the factory upgrade, it will assist sales through increased branch stock levels.

Bambach will open a South Australian Branch in December this year and already has won significant orders in this state via the personnel already employed to oversee the set up. It is anticipated that the South Australian branch will add significant revenue to the business in the first year.

In addition to this increase in sales resources the company has also appointed additional highly experienced sales people to its WA, QLD and NSW Branches.

As a result of all this activity and due to infrastructure projects finally coming on stream across most states I am pleased to report that Bambach has experienced a 28% increase in order intake in the first four months of the current financial year compared to the same time last year and since 1 October an 82% increase in order intake compared to the same time last year. The good news with these increases is that they come from multiple customers across a variety of industry sectors and not just one single "lucky" large order or one predominant customer. But they all involve newly developed cables.

The factory is now running 24 hours to cope with the increase in demand.

Margins remain tight and will not improve greatly until the new equipment is installed. The first new machine is due for installation in January with full installation of all equipment scheduled to be in place by May 2017.

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For further information please contact:

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