

Shoply Ltd - ASX: SHP

15 July 2016

ASX and Media Release

Chairman's Address to Shareholders

Good afternoon ladies and gentlemen. On behalf of the Board, it is my pleasure to welcome you to Shoply Limited's Extraordinary General Meeting. My name is Andrew Plympton, Chairman of the Board.

The main purpose of today's meeting is to seek all necessary approvals from shareholders in connection with the Company's proposed merger with the Anyware and Harris Technology Group, which will be effected by way of Shoply acquiring all the shares on issue in Anyware. At the meeting there will also be a number of other resolutions proposed, including a share consolidation resolution.

I would like to begin by explaining the strategic rationale behind the proposed merger. As shareholders are aware, Shoply carries on an e-commerce business. Though Shoply's range of retail websites, the Company sells products in various categories including homewares, kitchenware and business technology equipment.

Shoply's objective is to be a leading ASX-listed online shopping company. The Board has consistently sought to achieve this objective by executing a dual, organic and acquisitive growth strategy, which enables the Company to expand its range of product offerings and the scale of its online distribution platform.

Anyware has been a distributor of business technology equipment since 1997, and acquired the Harris Technology online retail business from Officeworks in 2014. The Anyware / Harris Technology Group has grown rapidly since its inception and now is a major vendor and distributor of technology products to retailers and end users. The Group sources its products from major vendors, including manufacturers in mainland China. The Group operates from its headquarters in South Dandenong, Victoria, and is supported by offices and warehouses in Sydney, Perth, Adelaide and Brisbane.

The merger represents a unique opportunity to strengthen Shoply's competitive position in the online retail industry, by enhancing the scale of Shoply's distribution platform for its main product category of business technology equipment. Importantly, if the merger is approved by shareholders, Shoply will be able to benefit from economies of scale and will have access to additional and complementary growth opportunities.

The proposed merger is a natural and synergistic fit for Shoply, and will enable Shoply to deliver on its key strategic objectives of growth through acquisition.

If all resolutions proposed to shareholders at today's meeting are approved and the merger completes, the Company will change its name to **Harris Technology Group Limited**, and its ASX issuer code will change to "**HT8**".

In addition, there will be a number of changes that will be made to the Board and management team. One new Non-Executive Director, Howard Chen, will be appointed to the Board. Garrison Huang and Bob Xu, existing Non-Executive Directors of Shoply, will respectively be appointed as Managing Director and Executive Director of the merged entity. Garrison is the co-founder and managing director of Anyware, and Bob currently serves as a business director of Anyware. Both Garrison and Bob have been instrumental to the success of the Anyware / Harris Technology Group to date, and are well positioned to spearhead the merged entity's forward strategy. In light of these new appointments, I will cease my interim executive role with the Company, and resume my position as independent Non- Executive Chairman of the Board.

As part of the organisational changes, where the merger completes, my fellow Director Domenic Carosa will be retiring from the Board. Domenic has been integral in laying the solid foundations for the Company's business, which will now pave the way for our longer term objectives. On behalf of shareholders and the Board I wish to extend my sincere gratitude to him for his contribution to Shoply. We look forward to Domenic's continued support as a major shareholder of the Company.

Shoply's proposed merger with the Anyware / Harris Technology Group has been a significant work in progress for the last few months, during which the Board and management team have undertaken extensive due diligence investigations and preparations which has culminated in today's shareholder's meeting. We are enthusiastic at the prospect of embarking upon this significant phase of the Company's growth strategy, and believe that the proposed merger will create value for all shareholders. On behalf of the Board of Shoply, I am pleased to commend the proposed merger to shareholders.

-ENDS

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About Shoply Limited

Shoply's objective is to be a leading ASX listed online shopping company. Shoply is rapidly executing a dual, organic and acquisitive growth strategy, acquiring or creating positions in attractive retail categories.

<http://www.shoply.com.au>