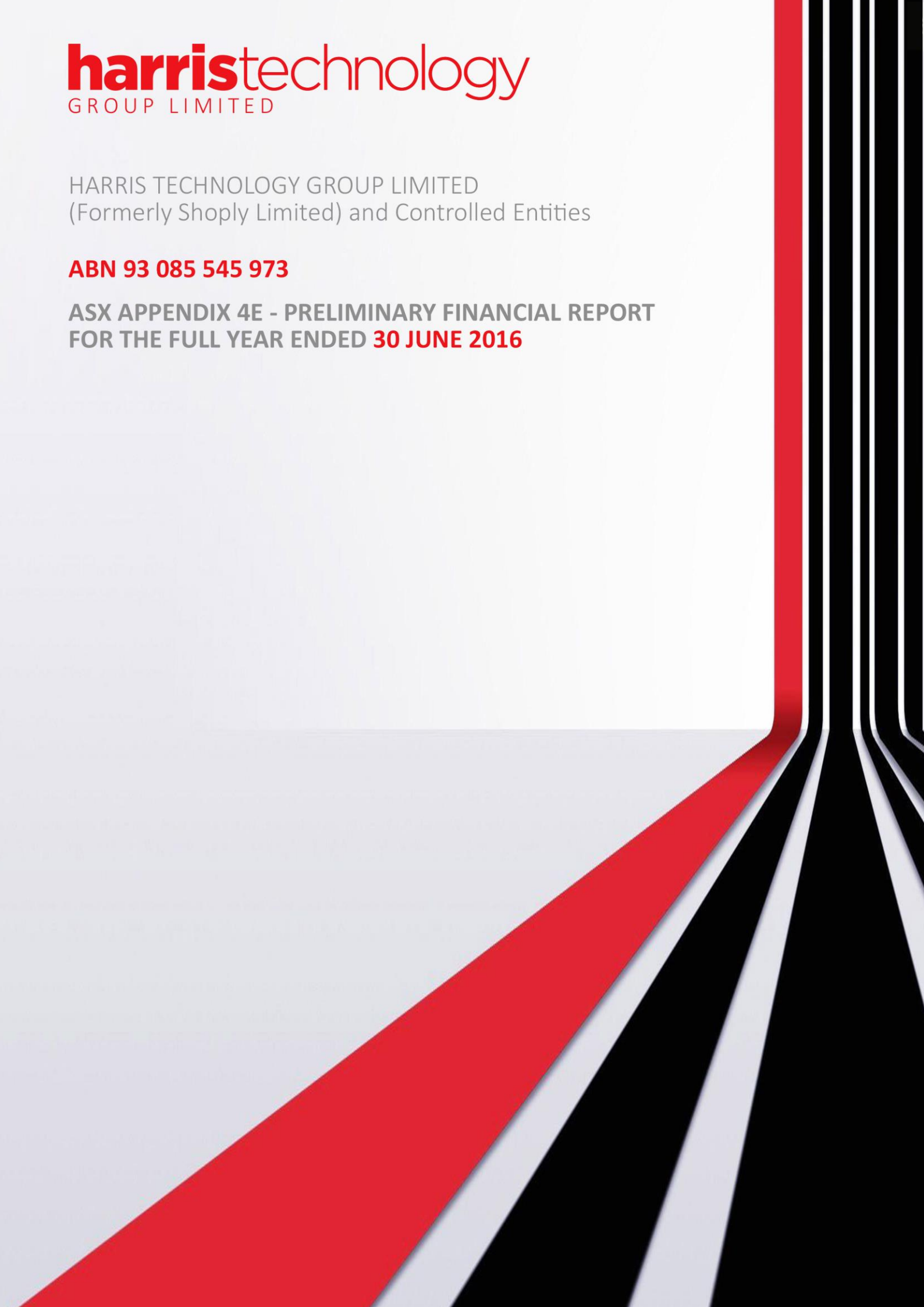


HARRIS TECHNOLOGY GROUP LIMITED
(Formerly Shoply Limited) and Controlled Entities

ABN 93 085 545 973

**ASX APPENDIX 4E - PRELIMINARY FINANCIAL REPORT
FOR THE FULL YEAR ENDED 30 JUNE 2016**



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ASX Announcement - Appendix 4E

FULL YEAR REPORT TO 30 JUNE 2016

Name of Entity	Harris Technology Group Limited (formerly Shoply Limited)
Australian Business Number	93 085 545 973
Report for Financial Year Ending	30 June 2016
Previous corresponding Financial Year Ending	30 June 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET

		% Change	\$
Revenues from ordinary activities	down	3.60	to 17,789,785
Loss from ordinary activities after tax attributable to members	up	154.15	to (6,543,393)
Loss for the period attributable to members	up	162.35	to (6,510,012)
Dividends (distributions)	Amount per share	Franked amount per share	
Final dividend	Nil ¢	Nil ¢	
Interim dividend	Nil ¢	Nil ¢	
Previous corresponding period	Nil ¢	Nil ¢	
Record date for determining entitlements to the dividends	N/A		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:			
Revenue for the financial year ended 30 June 2016 was \$17,789,785 decrease of 3.60% over the previous corresponding period (2015: \$18,453,912).			
Net loss from continuing operations was \$6,543,393 an increased loss of 154.15% over the previous corresponding period (2015: operating net loss \$2,574,631).			
Net tangible asset backing per ordinary share at 30 June 2016 was (0.53) cents (2015: 0.13 cents).			
The Company does not propose to pay a dividend. No dividend or distribution plans are in operation.			

HARRIS TECHNOLOGY GROUP LIMITED AND CONTROLLED ENTITIES DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2016

Review and results of operations

Harris Technology Group Limited (the **Company**) and its controlled entities (the **Group**) present its preliminary results for the financial year ended 30 June 2016 (**FY16**). The results reflect the Group's continuing capital investment in building a scalable operating platform, and expenditure associated with developing associated capabilities.

During FY16, the Group generated revenue of \$17,789,785, down 3.60% on the previous year (FY15: \$18,453,912). The Group incurred a net loss from continuing operations of \$6,543,393, and a net loss of \$6,510,012.

Subsequent to the end of FY16 on 19 July 2016, the Company completed its merger with Anyware Corporation Pty Ltd, a distributor of business technology equipment and owner of the Harris Technology online retail business (**Merger**). After completion of the Merger, the Company determined to undertake a consolidation of its websites and platforms, in order to facilitate operational efficiencies and realise cost savings in respect of development and IT expenses. As part of the website and platform consolidation, the Company closed down its existing Warcom and eStore websites, and redirected traffic from those websites to its centralised business technology website ht.com.au.

The Company reported an impairment expense of \$1,027,386 for FY16, which relates primarily to goodwill and intangible assets associated with the website closure and migration, and platform consolidation. Depreciation and amortisation was \$405,721 for FY16, up from \$392,974 in the prior year.

Professional fees incurred in FY16 was a total of \$453,882, up from \$445,720 in the prior year, as a result of one-off accounting and legal fees of approximately \$130,000 incurred in respect of the Merger.

As the Merger was completed after the end of FY16, the Group's reported results do not include trading results of Anyware Corporation Pty Ltd or its subsidiary Harris Technology Pty Ltd.

Forward Strategy

The Company continues to pursue its objective of being 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, and is optimistic that the Merger will enable the Company to strengthen its competitive position in the online retail industry, by enhancing the scale of its distribution platform for its main product category of business technology equipment.

Since the Merger completed in July 2016, the Company has commenced implementing initiatives to enable it to benefit from economies of scale, and is executing a strategy to standardise and enhance business disciplines across the merged entity's operations and websites. In particular, the Company is seeking to encourage organic growth through a cutting-edge digital marketing strategy, and actively engage with suppliers to enhance brand awareness and product category offerings, in order to position itself as a leading Australian online retailer of products in IT, homewares and baby product categories.

Outlook

The Company is well advanced in its execution of the initiatives and strategies outlined above, and will shortly be re-launching its homewares website (Your Home Depot) and baby products website (WowBaby) over its centralised operating platform.

The Company considers that its initiatives will result in the stabilisation of and growth in sales per website by Christmas 2016, with operational cost savings to be realised in parallel through identified synergies.

The distribution business carried on by Anyware Corporation Pty Ltd and the retail business carried on by its subsidiary Harris Technology Pty Ltd continue to perform in line with expectations, and the Company looks forward to reporting the results of the merged Group, inclusive of the trading results of those businesses, to shareholders.

Andrew Plympton

A handwritten signature in black ink, appearing to read 'Andrew Plympton', with a long horizontal stroke extending to the left.

Non-Executive Chairman
31 August 2016

**HARRIS TECHNOLOGY GROUP LIMITED
& CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	Full Year to 30-Jun-16 \$	Full Year to 30-Jun-15 \$
Revenue			
Sales revenue	1	17,789,785	18,453,912
Direct costs		(16,565,733)	(15,297,214)
Gross profit		1,224,052	3,156,698
Other Income	1	131,774	41,945
Distribution expense	2	(92,107)	(108,326)
Performance marketing expense		(1,136,107)	(834,566)
Transaction expense		(587,251)	(366,447)
Employee contractor and director expenses	2	(2,568,861)	(2,655,466)
Occupancy costs		(481,603)	(509,307)
Onerous contract expense	2	(608,793)	-
Professional fees		(453,882)	(445,720)
Depreciation and amortisation expenses	2	(405,721)	(392,974)
Impairment expenses	2	(1,027,386)	
Other expenses	2	(511,737)	(345,038)
Performance rights issued (non-cash)		128,105	(61,489)
Finance costs	2	(147,850)	(53,941)
Exchange gain / (loss)	2	(6,025)	
(Loss) / Profit before income tax		(6,543,393)	(2,574,631)
Income tax benefit / (expense)		-	-
(Loss) / Profit from continuing operations		(6,543,393)	(2,574,631)
Discontinued operations	13	33,381	93,199
Other Comprehensive Income		-	-
Total Comprehensive (loss) / profit for the period		(6,510,012)	(2,481,432)

Earnings per share from continuing operations (cents per share)

- Basic earnings/(loss) per share	(1.08)	(0.47)
- Diluted earnings/(loss) per share	(1.08)	(0.47)

The accompanying notes form part of these financial statements.

**HARRIS TECHNOLOGY GROUP LIMITED
& CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	Note	Consolidated 30-Jun-16 \$	Consolidated 30-Jun-15 \$
Current Assets			
Cash and cash equivalents	3	418,622	2,307,247
Trade and other receivables	4	117,586	650,686
Inventories	5	673,833	1,756,381
Prepayments and deposits	6	178,216	189,801
Total Current Assets		1,388,257	4,904,115
Non-current Assets			
Property, plant and equipment	7	57,210	243,364
Intangible Assets	8	1,508,630	3,116,510
Total Non-current Assets		1,565,840	3,359,874
Total Assets		2,954,097	8,263,989
Current Liabilities			
Trade and other payables	9	1,400,834	3,587,161
Financial liability	10	1,281,252	564,135
Employee benefit liabilities	11	29,351	58,076
Onerous contract provision	12	178,645	-
Deferred Income		75,382	-
Liabilities classified as held for disposal		-	31,764
Total Current Liabilities		2,965,465	4,241,136
Non-current Liabilities			
Financial liability	10	1,241,552	173,369
Onerous contract provision	12	430,148	-
Employee benefit liabilities	11	931	12,459
Total Non-current Liabilities		1,672,631	185,828
Total Liabilities		4,638,096	4,426,964
Net Assets		(1,683,999)	3,837,025
Equity			
Contributed equity		34,546,214	33,469,847
Reserves		40,726	128,105
Accumulated losses		(36,270,938)	(29,760,927)
Total equity		(1,683,999)	3,837,025

The accompanying notes form part of these financial statements.

**HARRIS TECHNOLOGY GROUP LIMITED
& CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FULL YEAR ENDED 30 JUNE 2016**

	Share Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 July 2015	33,469,847	128,105	(29,760,927)	3,837,025
Loss for the period	-	-	(6,543,393)	(6,543,393)
Other comprehensive income	-	-	33,381	33,381
Total comprehensive income	-	-	(6,510,012)	(6,510,012)
Transactions with owners in their capacity as owners				
Placement and rights issued	1,000,000	-	-	1,000,000
Share issued	76,367	-	-	76,367
Performance rights expense	-	(128,105)	-	(128,105)
Share option reserve from convertible loan	-	40,726	-	40,726
At 30 June 2016	34,546,214	40,726	(36,270,938)	(1,683,999)
	Share Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 July 2014	32,868,235	66,616	(27,279,495)	5,655,356
Loss for the period	-	-	(2,481,432)	(2,481,432)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(2,481,432)	(2,481,432)
Transactions with owners in their capacity as owners				
Placement and rights issued	603,604	-	-	603,604
Cash on exercise of share options	181	-	-	181
Performance rights expense	-	61,489	-	61,489
Transaction costs on shares issued	(2,173)	-	-	(2,173)
At 30 June 2015	33,469,847	128,105	(29,760,927)	3,837,025

The accompanying notes form part of these financial statements.

**HARRIS TECHNOLOGY GROUP LIMITED
& CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FULL YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		20,238,094	19,742,103
Payments to suppliers and employees		(25,305,970)	(19,897,878)
Interest received		9,939	41,945
Finance costs		(30,370)	(9,453)
Net cash flows (used in) / provided by operating activities	14	(5,088,307)	(123,283)
Cash flows from investing activities			
Acquisition of intangible assets		(280,893)	(376,598)
Acquisition of businesses, net of cash consideration		-	(500,000)
Payments for property, plant and equipment		(11,925)	(16,191)
Net cash flows used in investing activities		(292,818)	(892,789)
Cash flows from financing activities			
Proceeds from placement and rights issued		1,000,000	-
Proceeds from borrowings		2,500,000	-
Repayment of borrowings		(7,500)	-
Payment for security deposits		-	(145,408)
Cash from the exercise of share options		-	181
Capital raising costs		-	(41,712)
Net cash flows provided by financing activities		3,492,500	(186,939)
Net increase in cash and cash equivalents		(1,888,625)	(1,203,011)
Cash and cash equivalents at the beginning of the financial year		2,307,247	3,510,259
Cash and cash equivalents at the end of the financial year		418,622	2,307,247

The accompanying notes form part of these financial statements.

**HARRIS TECHNOLOGY GROUP LIMITED
& CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FULL YEAR ENDED 30 JUNE 2016**

1. Revenue	Consolidated 2016 \$	Consolidated 2015 \$
Sales	17,789,785	18,453,912
<i>Other Income</i>		
Interest received	9,939	41,945
Gain on acquisition	121,835	-
Total Other Income	131,774	41,945
2. Operating profit (loss)	Consolidated 2016 \$	Consolidated 2015 \$
Net profit (loss) and expenses		
Profit (loss) before income tax includes the following specific expenses		
Distribution expenses		
Packing materials	68,558	97,106
General warehouse expenses	23,549	11,220
Total distribution expenses	92,107	108,326
Employee benefits expenses		
Wages, salaries and contractors	2,120,002	2,043,895
Director expenses	149,187	145,511
Defined contribution plan expense	185,933	174,897
Other employee benefits	59,365	163,672
Payroll Tax expense	54,374	127,491
Total employee contractor and director expenses	2,568,861	2,655,466
Onerous contract expense	608,793	-
Total Onerous contract expense	608,793	-
Depreciation		
Plant and equipment	131,067	43,825
Total depreciation	131,067	43,825
Amortisation		
Intangible assets	18,714	271,768
Software development	255,940	77,381
Total amortisation	274,654	349,149

The accompanying notes form part of these financial statements.

Impairment expenses		
Goodwill	807,912	-
Intangible assets	111,023	-
Software development	108,451	-
Total Impairment expense	1,027,386	-

Other expenses

Advertising	113,881	169,282
Contractors development	27,820	23,118
General expenses	48,639	8,128
Insurance	30,249	21,807
Hosting & Domain Licenses	100,930	41,057
Internet & telephone	45,499	32,698
Software Licenses & Subscriptions	76,726	48,948
Loss on sales of non-current assets	67,993	-
Total Other expenses	511,737	345,038

Finance costs		
Interest costs	137,222	44,502
Bank and merchant fee	10,628	9,439
Total finance costs	147,850	53,941

3. Current assets – Cash and cash equivalents

	Consolidated 2016 \$	Consolidated 2015 \$
Cash at bank and on hand	418,622	2,307,247
Total	418,622	2,307,247

4. Current assets – Trade and other receivables

	Consolidated 2016 \$	Consolidated 2015 \$
Trade receivables	85,512	426,510
Allowance for Impairment loss	-	-
	85,512	426,510
Other receivables	32,074	224,176
Total	117,586	650,686

5. Inventory

Consolidated 2016 \$	Consolidated 2015 \$
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The accompanying notes form part of these financial statements.

Inventories	701,131	1,828,102
Goods in transit	36,804	-
Provision for Stock obsolescence	(64,102)	(71,721)
	<u>673,833</u>	<u>1,756,381</u>

6. Prepayments and deposits

	Consolidated 2016	Consolidated 2015
	\$	\$
Prepaid insurance	9,989	2,846
Rental deposit	22,574	29,500
Hosting servers	245	12,048
Deposits	145,408	145,407
Total	<u>178,216</u>	<u>189,801</u>

7. Non-current assets – Property, plant and equipment

	Consolidated 2016	Consolidated 2015
	\$	\$

Improvements

At cost	121,145	205,310
Less: Accumulated amortisation	(102,877)	(21,176)
Total Improvements	<u>18,268</u>	<u>184,134</u>

Office equipment

At cost	12,579	10,280
Less: Accumulated depreciation	(3,022)	(1,215)
Total Office equipment	<u>9,557</u>	<u>9,065</u>

Computer equipment

At cost	82,021	75,145
Less: Accumulated depreciation	(52,636)	(24,980)
Total Computer equipment	<u>29,385</u>	<u>50,165</u>

Total property plant and equipment

	<u>57,210</u>	<u>243,364</u>
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8. Non-current assets – Intangible assets

	Consolidated 2016	Consolidated 2015
	\$	\$

Goodwill	784,193	2,177,857
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Software development	405,293	328,515
Less: Accumulated amortisation	(246,015)	(77,381)
	<u>159,278</u>	<u>251,134</u>

Identified intangible assets	703,617	996,112
Less: Accumulated amortisation	(138,458)	(308,593)

The accompanying notes form part of these financial statements.

	565,159	687,519
Total	1,508,630	3,116,510

9. Current Liabilities – Trade and other payables

	Consolidated 2016 \$	Consolidated 2015 \$
Trade payables	1,105,845	2,922,309
Other payables	294,990	664,852
Related payables	-	-
Total	1,400,834	3,587,161

10. Financial liability

	Consolidated 2016 \$	Consolidated 2015 \$
<i>Current</i>		
Loan and Interest payable	281,252	
Director's convertible notes	1,000,000	-
<i>\$1,000,000 director's convertible notes have been converted to 146,964,775 pre-consolidated shares on 19th July 2016</i>		
Deferred consideration	-	564,135
Total Current	1,281,252	564,135

Non - Current

Third party loans	1,241,552	-
Deferred consideration	-	173,369
Total	1,241,552	173,369

11. Employee Entitlements

	Consolidated 2016 \$	Consolidated 2015 \$
<i>Current</i>		
Provision for annual leave	29,351	58,076
<i>Non - Current</i>		
Provision for long service leave	931	12,459
Total	30,282	70,535

12. Onerous contract provision

	Consolidated 2016 \$	Consolidated 2015 \$
<i>Current</i>		
	178,645	-
<i>Non - Current</i>		
	430,148	-

13. Discontinued operations

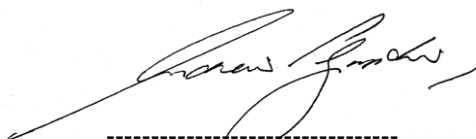
Consolidated	Consolidated
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The accompanying notes form part of these financial statements.

	2016	2015
	\$	\$
Administrative (expense) write-back	33,381	93,199
14. Reconciliation of net (loss) / profit after tax to net cash flows from operations	Consolidated 2016	Consolidated 2015
	\$	\$
Net (loss) / profit before tax	(6,510,012)	(2,481,432)
Adjustments to reconcile (loss) / profit before tax to net cash flows		
Depreciation of non-current assets	131,067	45,098
Amortisation	274,654	347,876
Finance costs	117,480	44,489
Profit/(loss) on Sales of non-current Assets	67,993	-
Capital raising costs	-	39,539
Performance rights expense	(128,105)	61,489
Impairment expense	1,027,386	-
Gain on acquisition	(121,835)	-
Changes in assets and liabilities		
(Increase) / decrease in Trade and other receivables	533,100	(577,316)
(Increase) / decrease in Inventories	1,082,548	(223,950)
(Increase) / decrease in Prepayments & deposits	11,585	-
Increase/(Decrease) in Trade & Other Payables	(2,182,962)	2,620,924
Increase/(Decrease) in Onerous contract provision	608,793	-
Net Cash Flows from Operating Activities	(5,088,307)	(123,283)

15. This report is based on accounts that are in the process of being audited.

Signed in accordance with a resolution of the Directors



Andrew Plympton
Non-Executive Chairman

Melbourne, 31 August 2016

The accompanying notes form part of these financial statements.