

Harris Technology Group Limited
ASX:HT8

31 August 2018

ASX Announcement

Sale of Anyware Business

Harris Technology Group Limited (ASX: **HT8**) (the **Company**) advises that following a strategic review of the Company's business portfolio, the Company is pleased to announce it has signed a Business Asset Purchase Agreement whereby the Company will sell all of the assets of Anyware Corporation Pty Ltd – a wholly owned subsidiary of the Company (**Anyware**), to Leader Computers Pty Ltd (**Purchaser**) – a national IT hardware distributor headquartered in Adelaide (**Transaction**).

Anyware Corporation Pty Ltd is a subsidiary of the Company and operates a B2B IT accessories wholesale and distribution business in Australia with warehouses in Melbourne, Sydney, Brisbane and Perth. The HT8 Board has carefully considered the strategy and future direction of the Company and decided that it is in the best interest of the shareholders that the Company divests the Anyware business. The Transaction will allow the Company's management to focus on its core B2C and M2C businesses and strengthen the Company's balance sheet.

The key terms of the Transaction are:

- The Purchaser will acquire the majority of the inventory held by Anyware estimated at approximately \$4.5 million, account receivables, accounts payables and a goodwill amount of \$250,000 subject to certain conditions.
- The Purchaser will assume all liabilities related to employee entitlements.
- The Purchaser will acquire the Anyware business name including trademarks and domain names and all customer and supplier database.
- The Purchaser will resume the current warehouse lease agreement in New South Wales in connection with Anyware Business.
- The expected date of settlement of the Transaction is 3 October 2018.

Chairman Andrew Plympton commented:

"The Anyware business has been the significant revenue base for the Group, the operation has also contributed the majority of the losses recorded in the last 12 months notwithstanding considerable effort to implement costs reduction. Gross Margins have been under enormous pressure together with changes in customer demand driven by move away from traditional PC hardware to hand-held devices and tablet. The Purchaser has substantive interests and revenue in this sector with traditional bricks and mortar distribution.

The Company will use its energy and expertise on core activities in the B2C and M2C sectors."

The Company continues with strategic review to optimises the resources available to the Company.

The Company has consulted with ASX and was advised that no shareholder approval is required pursuant to ASX Listing Rules Chapter 11 in connection with the Transaction.

-ENDS

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