

Harris Technology Group Limited
ASX:HT8

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ASX and Media Release

Harris Technology launches M2C model with Hong Kong joint venture and streamlines current business with non-core divestment

Highlights

- Harris sells non-core Your Home Depot business
- Focus for company now on developing Manufacturer To Consumer model (**M2C**)
- New Hong Kong joint venture for M2C growth of new products and service
- Ongoing strategic review continues to provide cost efficiencies and growth

Harris Technology Group Limited (ASX: **HT8**) (**Harris Technology** or the **Company**) is pleased to provide an update to shareholders on the results of the Board's ongoing review of the Company's businesses to ensure that its strategy continues to meet and grow with the challenges of changing market conditions.

As a result of this review, Harris Technology has determined to divest its 'Your Home Depot' (**YHD**) business, which was part of the Shoply group of businesses acquired some 16 months ago.

Your Home Depot, a supplier of kitchen appliances and homeware products was deemed to be outside the core of the Harris Technology business offering and has been sold with all stock and goodwill. Most of the YHD employees will be absorbed internally to other roles within Harris Technology due to the business operations already being cross operated at local warehousing. The sale of the YHD business will allow management to focus on the core strategy of further developing the M2C or Manufacturer-To-Consumer model business that brings cost and consumer benefits from cross border direct shipment while having the benefit of a local presence.

As part of the ongoing initiatives being implemented to optimise the Harris Technology business strategy, the Company will also absorb the Audion business internally to the Anyware business in order to maximise synergies, further reduce operational costs and streamline functions.

The Company also continues to focus on pursuing growth opportunities, and is in the process of establishing a joint venture in Hong Kong to facilitate and strengthen the M2C strategy with partners in Shenzhen, China. This joint venture will substantially increase Harris Technology's potential to provide a broad and profitable range of products that will be supplied direct from manufacturers in China, to consumers in Australia, while having a local presence to distribute and deal with. Harris Technology are one of the leading local e-retail companies in the improving M2C landscape and anticipate strong and sustainable growth to develop from this business model as more quality products and brands become available.

Harris Technology CEO Garrison Huang commented, "Retailing in Australia is experiencing a generational change and Harris Technology, by leading with innovative and efficient supply chain strategies such as our M2C model, will grow with the new market dynamic. Harris has a 30-year retail history and we are confident that we can continue to develop into the emerging online retail industry with focus on efficiencies that allow us to meet consumer demand and grow our company".

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