

Harris Technology Group Limited ASX:HT8

14 November 2016

ASX and Media Release

Acquisition of Audion Innovision Pty Ltd

Harris Technology Group Limited (ASX: HT8) (**Harris Technology** or the **Company**) is pleased to announce that it has signed a binding Share Purchase Agreement (**Agreement**) to acquire 100% of the issued share capital in Audion Innovision Pty Ltd (**Audion**). Audion is a wholly-owned Australian subsidiary of Ban Leong Technologies Limited, a technology driven specialist distributor in South East Asia which is listed on the Singapore Stock Exchange (SGX: B26).

About Audion Innovision Pty Ltd

Audion is an Australian distributor of audio, video and multimedia accessories to conventional channel distributors, dealers and major retail chain stores nationwide. Audion was established in 2006 as a specialist distributor in the information technology (**IT**) and consumer electronics (**CE**) industries, and strives to be first-to-market with the latest technologies from a variety of quality international vendors.

Audion currently distributes an extensive portfolio of products from leading international brands across the IT/CE industry, including Danish audio brand Bang & Olufsen (B&O Play), German gaming brand ROCCAT, Netherlands' brand Allocacoc which developed PowerCube products, Chinese speaker brand Edifier and Italian bag brand Tucano.

Based in Melbourne, Audion is resourced by a team of employees who manage Audion's national sales, product management, operations, logistics and warehousing.

For further information about Audion, visit: <http://audion-mm.com/>

Terms of proposed acquisition

Completion of the acquisition of 100% of the issued share capital in Audion (**Acquisition**) is subject to a number of customary closing conditions. The purchase price payable by Harris Technology in consideration for the Acquisition (excluding inventory) will be calculated as a sum of:

1. Fixed amount of \$150,000 for intangible assets (goodwill and customer relationships of Audion);
2. Value of fixed assets owned by Audion as at the calendar month end immediately preceding completion of the Acquisition (**Completion**); and
3. 95% of the value of Audion's accounts receivable at the calendar month end immediately preceding Completion, as reflected in Audion's unaudited financial statements as at the close of business on the last day of the calendar month immediately prior to Completion.

Prior to Completion, Audion will be required to ensure that its business is conducted in the ordinary and usual course of business, with customary restrictions on changes to its issued capital. The Agreement also contains a number of standard warranties and representations from the parties which are typical for a transaction of this nature.

Subject to a number of closing formalities, the Acquisition is expected to be completed shortly.

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Commenting on the acquisition, Managing Director Garrison Huang said: “We are delighted to have entered into an agreement to acquire Audion Innovision. The acquisition is highly complementary to the distribution arm of our business, and is expected to add annualised revenue of \$4 – 5 million per year to the Group. In particular, the acquisition will diversify and expand our product portfolio through the addition of leading international brands distributed by Audion; this will enhance our local distribution profile and solidify our competitive edge as a distributor.

“Our traditional distribution network generally consists of independent reseller channels across the country. The acquisition will expand our Group’s distribution network to include Audion’s customers such as major tier 1 retail chain stores in Australia. This presents opportunities for us to market our entire range of product offerings to a wider distribution network, and we are optimistic that these synergies will deliver cost savings and revenue uplift.

“The acquisition is consistent with our key strategic objectives of growth through acquisition, and on behalf of the Board I am pleased to commend it to shareholders.”

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