

**Harris Technology Group Limited**  
**ABN 93 085 545 973**

**Appendix 4D and Financial Report**  
**For the half year ended 31 December 2020**

**Lodged with ASX under Listing Rule 4.2A**

# Harris Technology Group Limited

## ABN 93 085 545 973

**Current reporting period:** 1 July 2020 to 31 December 2020

**Previous corresponding period:** 1 July 2019 to 31 December 2019

## Results for Announcement to the Market

		<b>% Change from previous corresponding period</b>		<b>Current reporting period \$A</b>
Revenues from ordinary activities	up	365	to	19,394,305
Profit from ordinary activities after tax attributable to members	up	741	to	1,061,983
Profit for the period attributable to members	up	741	To	1,061,983
<b>Dividends (distributions)</b>		<b>Amount per share</b>		<b>Franked amount per share</b>
Final dividend				
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 from continuing operations for the half year ended 31 December 2020 was \$19,394,305 representing an increase of 365% from the previous corresponding period (2019: \$4,168,587).

Net Profit from continuing operations was \$1,061,983 an increase in profit of 741% from the previous corresponding period (2019: loss of \$165,684).

The Company does not propose to pay a dividend. No dividend or distribution plans are in operation.

<b>Net tangible assets</b>	<b>Dec 2020</b>	<b>June 2020</b>
Net tangible assets per ordinary security	0.7 cents	(2.89) cents

### **Review opinion**

This report is based on accounts which have been independently reviewed by the Company's external auditors. A copy of the directors' report and financial statements, together with the auditor's review report, is attached.

**Other information required by Listing Rule 4.2A**

Other information requiring disclosure to comply with Listing Rule 4.2A is contained in the accompanying half-yearly report for the period ended 31 December 2020.

This half-yearly reporting information should be read in conjunction with the most recent annual financial report of the Company.

A handwritten signature in black ink, appearing to read 'Alan Sparks', with a long, sweeping flourish extending to the right.

**Alan Sparks**

Non-Executive Chairman  
26 February 2021

# HARRIS TECHNOLOGY GROUP LIMITED AND CONTROLLED ENTITIES

## DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

The Directors present their report together with the condensed financial report of the consolidated entity of Harris Technology Group Limited and the entities it controlled for the half-year ended 31 December 2020 and independent auditor's review report thereon. This financial report has been prepared in accordance with AASB 134 *'Interim Financial Reporting'* and the *Corporations Act 2001*.

### Directors

The names of the Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Alan Sparks                      Non-Executive Chairman (appointed 1 December 2020)

Garrison Huang                Managing Director & Chief Executive Officer

Andrew Plympton              Non-Executive Director (resigned 23 February 2021)

Howard Chen                  Non-Executive Director

Company Secretary          Brett Crowley

### Principal activities

The Group's principal activities during the course of the half-year were in the area of online retailing and distribution. There has been no significant change in the nature of these activities during the half-year.

### Review and results of operations

Revenue from continuing operations for the half year ending 31 December 2020 was \$19,394,305. This revenue was attributable to Harris Technology operations and APCA operation. The net profit for the period was \$1,061,983.

### Events Occurring After the Reporting Period

No other matters or circumstances have arisen since the end of the reporting period which significantly affects the operations of the consolidated group, results of these operations, or the state of affairs of the consolidated group in future financial periods

### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

## **HARRIS TECHNOLOGY GROUP LIMITED AND CONTROLLED ENTITIES**

### **DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

#### **Auditor's Independence Declaration**

The Auditor's Independence Declaration under section 307C of the Corporation Act 2001 is included on the following page and forms part of Harris Technology Group Limited's Directors' report for the period from 1 July 2020 to 31 December 2020.

This report is made in accordance with a resolution of directors pursuant to section 306(3)(a) of the Corporation Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Alan Sparks', with a long, sweeping horizontal stroke extending to the right.

**Alan Sparks**

Non-Executive Chairman  
26 February 2021

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF HARRIS TECHNOLOGY  
GROUP LIMITED**

As lead auditor, I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

ShineWing Australia

**ShineWing Australia**  
Chartered Accountants



Nick Michael  
Partner

Melbourne, 26 February 2021

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## HARRIS TECHNOLOGY GROUP LIMITED AND CONTROLLED ENTITIES

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Notes	Half Year to 31-Dec-20 \$	Half Year to 31-Dec-19 \$
<b>Revenue</b>			
Sales revenue		19,394,305	4,168,587
Cost of sales		(15,568,649)	(3,436,710)
<b>Gross profit</b>		<b>3,825,656</b>	<b>731,877</b>
Other income		51,326	52,331
Distribution expenses		(218,016)	(53,037)
Marketing expenses		(19,082)	(98,979)
Transaction expenses		(1,522,283)	(32,072)
Employee and director benefits		(813,237)	(438,715)
Occupancy costs		(11,433)	(24,931)
Technology expenses		(36,545)	(31,085)
Holding company expenses		(219,112)	(87,468)
Depreciation and amortisation expenses		(29,696)	(30,985)
Bad debt (expense) / recovery		78,117	(6,947)
Impairment expense		-	(105,253)
Other expenses		(9,414)	(8,196)
Finance costs		(14,298)	(32,224)
<b>Profit / (loss) before income tax</b>		<b>1,061,983</b>	<b>(165,684)</b>
Income tax benefit / (expense)		-	-
<b>Profit / (loss) from continuing operations</b>		<b>1,061,983</b>	<b>(165,684)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>1,061,983</b>	<b>(165,684)</b>
<b>Earnings per share</b>			
		<b>Cents</b>	<b>Cents</b>
- Basic earnings/(loss) per share	3	<b>0.5</b>	(0.09)
- Diluted earnings/(loss) per share	3	<b>0.5</b>	(0.09)

The accompanying notes form part of these financial statements.

## HARRIS TECHNOLOGY GROUP LIMITED AND CONTROLLED ENTITIES

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Notes	31-Dec-20 \$	30-Jun-20 \$
<b>Current assets</b>			
Cash and cash equivalents		2,229,299	1,171,184
Trade and other receivables		1,543,145	736,549
Inventories		6,063,147	3,322,985
Other assets		138,761	36,800
<b>Total current assets</b>		<b>9,974,352</b>	<b>5,267,518</b>
<b>Non-current assets</b>			
Right of use asset		210,816	198,524
<b>Total non-current assets</b>		<b>210,816</b>	<b>198,524</b>
<b>Total assets</b>		<b>10,185,168</b>	<b>5,466,042</b>
<b>Current liabilities</b>			
Trade and other payables		4,259,113	3,125,241
Financial liabilities		983,469	867,727
Deferred revenue		-	318,369
Lease liabilities		83,801	50,594
Employee benefit provisions		72,691	66,022
<b>Total current liabilities</b>		<b>5,399,074</b>	<b>4,427,953</b>
<b>Non-current liabilities</b>			
Financial liabilities		2,730,559	4,764,212
Lease liabilities		139,502	155,279
Employee benefit provisions		33,805	11,993
<b>Total non-current Liabilities</b>		<b>2,903,866</b>	<b>4,931,484</b>
<b>Total liabilities</b>		<b>8,302,940</b>	<b>9,359,438</b>
<b>Net assets</b>		<b>1,882,228</b>	<b>(3,893,395)</b>
<b>Equity</b>			
Share capital		12,516,764	7,803,124
Share based payment reserve		11,432	11,432
Accumulated losses		(10,645,968)	(11,707,951)
<b>Total equity</b>		<b>1,882,228</b>	<b>(3,893,395)</b>

The accompanying notes form part of these financial statements.

## HARRIS TECHNOLOGY GROUP LIMITED AND CONTROLLED ENTITIES

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Share capital	Share based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
<b>At 1 July 2020</b>	<b>7,803,124</b>	<b>11,432</b>	<b>(11,707,951)</b>	<b>(3,893,395)</b>
Profit for the period	-	-	1,061,983	1,061,983
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,061,983</b>	<b>1,061,983</b>
Issue of shares	4,713,640	-	-	4,713,640
<b>At 31 December 2020</b>	<b>12,516,764</b>	<b>11,432</b>	<b>(10,645,968)</b>	<b>1,882,228</b>

  

	Share capital	Share based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
At 1 July 2019	7,654,464	-	(12,717,472)	(5,063,008)
Loss for the period	-	-	(165,684)	(165,684)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(165,684)	(165,684)
Issue of shares	60,000	-	-	60,000
At 31 December 2019	7,714,464	-	(12,883,156)	(5,168,692)

The accompanying notes form part of these financial statements.

## HARRIS TECHNOLOGY GROUP LIMITED AND CONTROLLED ENTITIES

### CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	<b>Half Year to 31-Dec-20</b>	<b>Half Year to 31-Dec-19</b>
<b>Notes</b>	<b>\$</b>	<b>\$</b>
<hr/>		
<b>Cash flows from operating activities</b>		
Receipts from customers	19,099,110	4,905,120
Payments to suppliers and employees	(20,940,773)	(4,994,459)
Government Grant received	100,000	-
Interest and finance costs paid	-	(25,221)
<b>Net cash flows (used in) / provided by operating activities</b>	<b>(1,741,663)</b>	<b>(114,560)</b>
<b>Cash flows from investing activities</b>		
<b>Net cash flows (used in) / provided by investing activities</b>	-	-
<b>Cash flows from financing activities</b>		
Proceeds from share issue	4,724,840	-
Repayment of borrowings	(1,925,062)	(321,089)
<b>Net cash flows (used in) / provided by financing activities</b>	<b>2,799,778</b>	<b>(321,089)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,058,115</b>	<b>(435,649)</b>
Cash and cash equivalents at the beginning of the financial year	1,171,184	1,008,416
<b>Cash and cash equivalents at the end of the financial year</b>	<b>2,229,299</b>	<b>572,767</b>

The accompanying notes form part of these financial statements.

## HARRIS TECHNOLOGY GROUP LIMITED AND CONTROLLED ENTITIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

#### Note 1. Basis of preparation of the half-year financial report

##### (a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with financial report of the company for the year ended 30 June 2020, and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

##### (b) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. There are no new or amended Accounting Standards or Interpretations that are not yet mandatory that are expected to have a material impact on the Group.

#### Note 2. Operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Markers (CODM)) in assessing the performance of the consolidated group, and determining investment requirements. The operating segments are based on the manner in which services are provided to the market.

The consolidated group consists of one business segment which operates in one geographical area, being Australia.

## HARRIS TECHNOLOGY GROUP LIMITED AND CONTROLLED ENTITIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

#### Note 3. Earnings per share

	Half Year to 31-Dec-20	Half Year to 31-Dec-19
	\$	\$
Weighted average number of ordinary shares used in calculating basic earnings per share	223,065,130	186,203,997
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	386,667	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>223,451,797</u>	<u>186,203,997</u>
	Cents	Cents
Earnings per share from		
- Basic earnings/(loss) per share	0.5	0.09
- Diluted earnings/(loss) per share	0.5	0.09

#### Note 4. Events after the reporting period

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### Note 5. Contingent liabilities and contingent assets

The Group has no contingent liabilities or contingent assets.

## HARRIS TECHNOLOGY GROUP LIMITED AND CONTROLLED ENTITIES

### DIRECTORS' DECLARATION FOR THE HALF YEAR ENDED 31 DECEMBER 2020

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



**Alan Sparks**

Non-Executive Chairman

26 February 2021

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF HARRIS TECHNOLOGY GROUP LIMITED

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Harris Technology Group Limited (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Harris Technology Group Limited does not comply with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date, and
- b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Responsibility of the Directors' for the Financial Report

The directors of Harris Technology Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date and

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complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

ShineWing Australia

**ShineWing Australia**  
Chartered Accountants



Nick Michael  
Partner

Melbourne, 26 February 2021