



SHOPLY LIMITED

ACN 085 545 973

PROSPECTUS

1. For the offer of a pro-rata renounceable rights issue of approximately **60.2** million New Shares on the basis of one (1) New Share for every five (5) Shares held on the Record Date at an issue price of 3 cents per New Share to raise up to **\$1.8** million, with one (1) free Attaching Option (exercisable at 3.5 cents and expiring on 31 July 2015) for every two New Share subscribed (**Rights Issue Offer**); and
2. 30 million New Options for nil consideration to the parties that participated in the placement recently completed by the Company on the basis of one New Option for every two Shares subscribed in the placement (**Placement Option Offer**).

LEAD MANAGER AND UNDERWRITER

Patersons Securities Limited
ABN 69 008 896 311
AFSL 239 052

CLOSING DATE: 5.00pm AEDT on Wednesday, 2 April 2014

IMPORTANT NOTICE

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth). This Prospectus does not, itself, contain all the information that is generally required to be set out in a document of this type, but refers to other documents, the information of which is deemed to be incorporated into this Prospectus. This Prospectus and any such incorporated documents should be read in their entirety before deciding whether to apply for New Securities. If you have any queries about any part of the Prospectus, please contact your professional adviser without delay. The New Securities offered by this Prospectus should be considered speculative.

TABLE OF CONTENTS

TABLE OF CONTENTS	1
IMPORTANT INFORMATION	2
CORPORATE DIRECTORY	3
TIMETABLE AND IMPORTANT DATES	4
CHAIRMAN'S LETTER	5
SECTION 1 - DETAILS OF THE OFFERS	7
SECTION 2 - RISK FACTORS	16
SECTION 3 - PURPOSE AND EFFECT OF THE OFFERS	22
SECTION 4 - RIGHTS ATTACHING TO SECURITIES	26
SECTION 5 - ADDITIONAL INFORMATION	28
SECTION 6 - INFORMATION AVAILABLE TO SHAREHOLDERS	40
SECTION 7 - DIRECTORS' CONSENT	41
SECTION 8 - DEFINITIONS	42

IMPORTANT INFORMATION

This Prospectus is dated 7 March 2014 and was lodged with ASIC on that date. Neither ASIC nor ASX, nor any of their officers, take any responsibility for the contents of this Prospectus.

No Securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. An application will be made to ASX within 7 days after the date of this Prospectus for the quotation of the Securities the subject of this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe the requirements of these laws. Non-observance by such persons may violate securities laws. Any recipient of this Prospectus residing outside Australia should consult their professional advisers on requisite formalities.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that is generally required to be included in a document of this type. Refer to section 5.1 for details of the information deemed to be incorporated into this Prospectus by reference.

The Offers to New Zealand investors are regulated offers made under the mutual recognition provisions in Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings—Australia) Regulations 2008. The Offers and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the Offers must be made. There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

This document is important and it should be read in its entirety along with all information that is deemed to be incorporated. The Securities to be issued pursuant to this Prospectus should be viewed as a speculative investment and Shareholders should refer to the Risk Factors affecting the Company set out in section 2. Shareholders should consult their stockbroker, solicitor, accountant or other professional adviser if necessary.

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

A copy of this Prospectus can be downloaded from the Company's website at www.Shoply.com.au. The offer constituted by an electronic version of this Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. Any Shareholder may obtain a hard copy of this Prospectus by contacting the Company.

A number of terms and abbreviations used in this Prospectus have defined meanings set out in section 8. All amounts are in Australian dollars unless otherwise specified.

CORPORATE DIRECTORY

Directors

Mr Andrew Plympton (Non-Executive Chairman)
Mr Domenic Carosa (Non-Executive Director)
Mr Mark Goulopoulos (Non-Executive Director)
Mr Damian London (Non-Executive Director)
Sophie Karzis (Non-Executive Director & Company Secretary)

Registered Office

Level 1, 6 Spring Street
Melbourne VIC 3000
Telephone: +61 3 9286 7500
Facsimile: +61 3 9662 1472

Underwriter*

Patersons Securities Limited
Level 15, 333 Collins Street
Melbourne VIC 3000

Share Registry*

Computershare Investor Services Pty Ltd
452 Johnston Street
Abbotsford VIC 3067

Website

www.shoply.com.au

*These parties are included for information purposes and have not been involved in the preparation of this Prospectus.

TIMETABLE AND IMPORTANT DATES

EVENT	DATE (2014)
Announcement of Rights Issue	Tuesday, 4 March
Prospectus lodged with ASIC and ASX	Friday, 7 March
Notice to Option holders	Friday, 7 March
Notice of Rights Issue sent to Shareholders	Tuesday, 11 March
“Ex” Date (date from which Shares commence trading with the entitlement to participate in the Rights Issue)	Wednesday, 12 March
Rights trading commences on ASX	Wednesday, 12 March
Record Date (date for determining Shareholder entitlements to participate in the Rights Issue)	Tuesday, 18 March (7.00pm AEDT)
Prospectus sent to Shareholders Opening Date of Rights Issue offer	Wednesday, 19 March
Rights trading on ASX ends	Wednesday, 26 March
Securities are quoted on a deferred settlement basis	Thursday, 27 March
Closing Date of Rights Issue	Wednesday, 2 April (5.00pm AEDT)
Notification of under-subscriptions to Underwriter and ASX	Thursday, 3 April
Underwritten Shortfall settled	Tuesday, 8 April
Shares and Options entered into Shareholders’ security holdings	Thursday, 10 April
Deferred settlement trading ends.	Friday, 11 April

Dates are indicative only. Subject to the Listing Rules, the Directors, in consultation with the Underwriter, may vary the dates without prior notice.

CHAIRMAN'S LETTER

Dear Shareholder

Rights Issue Offer

On behalf of the directors of Shoply, I am pleased to present you with an opportunity to participate in a renounceable pro-rata rights issue to raise approximately \$1.8 million, before costs and expenses ("**Rights Issue**").

The Rights Issue offers Shareholders the right to take up one New Share for every five Shares held as at 7.00pm AEDT on Tuesday, 18 March 2014 at an issue price of 3 cents per New Share ("**Entitlement**"). If you accept your Entitlement, either fully or in part, you will also receive one free Attaching Option for every two New Shares subscribed for under the Rights Issue. Attaching Options are exercisable at 3.5 cents each on or before 31 July 2015. You may also apply to take up additional Shares in excess of your full Entitlement.

The Rights Issue Offer is underwritten by Patersons Securities Limited ("**Underwriter**") to \$1.8 million. After payment of the costs and expenses of the Offers, the proceeds from the Rights Issue will be applied towards the acquisition of the assets of Your Home Depot Pty Ltd ("**YHD**") as announced to ASX on 17 February 2014 as well as for working capital.

The Company intends to purchase the assets and business of YHD for \$2.85 million. The primary assets of YHD include:

- the domain name and website assets associated with yourhomedepot.com.au which generated \$12.9 million in revenue in the 2013 financial year and earnings before interest, tax, depreciation and amortization of \$1.0 million;
- a database of approximately 130,000 retail and commercial customers;
- stock on hand to the value of \$1.5 million; and
- a recently fitted out leasehold warehouse facility of around 2,300m² located approximately 24km north-west of Sydney's CBD.

YHD was founded in 2003, and is one of Australia's leading online home wares and home appliances retailers. The proposed acquisition of the business and assets of YHD accelerates the Company's strategy of becoming a leading Australian online shopping company. In particular:

- the acquisition of YHD brings significant scale to Shoply – YHD generated sales of \$12.9 million for the 2013 financial year;
- the YHD product offering complements and broadens Shoply's existing computer and electronic product online stores, Eljo.com.au, EzyDirect.com.au and Ohki.com.au;
- Shoply adds significant capability through its customer acquisition and resource capabilities and consolidated operating platform to further grow the demand and customer base already existing in the YHD business;
- YHD will enable the Company to leverage and derive considerable synergies with the recently acquired HomeAppliances.com.au domain name;
- YHD currently has over 130,000 customers to supplement Shoply's 60,000 customers, which should enable cross-selling opportunities across the combined base of almost 200,000 customers; and
- the acquisition will add additional distribution capacity for faster fulfillment in NSW to complement Shoply's existing warehousing and distribution facility in Victoria. The

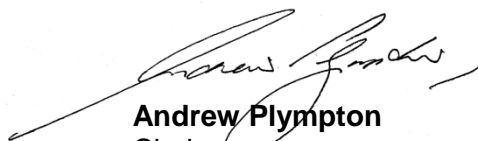
combined distribution infrastructure will enable the Company to better service the two largest online shopping markets in Australia (Victoria and New South Wales) as well as cost effectively add further online shopping businesses (via organic growth and acquisitions) to this platform in the future.

The acquisition of Your Home Depot represents a significant opportunity for Shoply to grow into a leading Australian online shopping company.

Shareholders are encouraged to read this Prospectus and the accompanying Acceptance Form fully. If you have any questions about the Rights Issue, you should consult your stockbroker or other professional adviser.

On behalf of the Board, I commend this offer to you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Plympton', written over a horizontal line.

Andrew Plympton
Chairman
7 March 2014

SECTION 1 - DETAILS OF THE OFFERS

1.1 Details of the Rights Issue Offer

The Company is making a pro rata renounceable offer to issue approximately 60.2 million New Shares under this Prospectus at an issue price of 3 cents per New Share to raise approximately \$1.8 million. For every two shares subscribed, the Company will issue one free Attaching Option, such that a maximum of approximately 30.1 million Attaching Options are to be issued.

The New Shares are being offered to Eligible Shareholders on the basis of one New Share for every five Shares held on the Record Date of 7.00pm AEDT Tuesday, 18 March 2014. Any fractional entitlements to a New Share will be rounded up to the nearest whole New Share.

The New Shares offered pursuant to this Prospectus will rank equally with existing Shares on issue. The Attaching Options will have an exercise price of 3.5 cents and an expiry date of 31 July 2015. The full terms and conditions of the New Shares and Attaching Options are set out in sections 4.1 and 4.2 respectively.

As at the date of this Prospectus, the Company has 241,055,747 Shares on issue. The Company also has on issue:

- (a) 160,872,596 listed Options trading under the ASX code "SHPO" exercisable at 1.5 cents each and expiring on 30 June 2014; and
- (b) 11,600,000 unlisted Options (refer to section 3.4 for further details).

Subject to the restrictions specified in section 1.16, all holders of Shares in the Company on the Record Date are entitled to participate in the Rights Issue.

Option holders who exercise their Options after the date of this Prospectus but prior to the Record Date are also entitled to participate in the Rights Issue Offer.

The number of New Shares and Attaching Options to which you are entitled as an Eligible Shareholder is shown on the accompanying personalised Rights Issue Offer Entitlement and Acceptance Form. The Entitlement and Acceptance Form also allows you to apply for New Shares in addition to your Entitlement (refer to section 1.7).

The Rights Issue Offer is underwritten to \$1.8 million by Patersons Securities Limited ("**Underwriter**"). Refer to section 5.5 of this Prospectus for further details of the terms of the Underwriting Agreement.

1.2 Placement Option Offer

On 4 March 2014 the Company announced that it had received commitments from institutional and sophisticated investors to subscribe for 60 million Shares at 3 cents per share to raise gross proceeds of \$1.8 million ("**Placement**"). Pursuant to the Placement, the Company has agreed to issue the participating investors New Options with the same terms as the Attaching Options (refer to section 4.2 for the terms of the Attaching Options and the New Options) on the basis of one New Option for every two Shares subscribed in the Placement.

The Company expects that settlement of the Placement will occur on 7 March 2014, and Shares under the Placement will be issued to subscribers on 10 March 2014.

The issue of New Options to subscribers in the Placement is conditional on the Company obtaining Shareholder approval for their issue pursuant to ASX Listing Rule 7.1 at an Extraordinary General Meeting to be convened in mid-April 2014 for this purpose. Should Shareholders not approve the issue of the New Options:

- (a) the Placement Option Offer will not proceed and the New Options will not be issued; and
- (b) the Company has agreed to pay compensation to investors in the Placement of \$0.01 per New Option that was to be issued.

The Placement Option Offer pursuant to this Prospectus is a separate offer to the Rights Issue offer, and only those persons directed by the Lead Manager (being subscribers to the Placement) should submit an application form in connection with the Placement Option Offer.

1.3 Rights Trading

Entitlements to Securities pursuant to the Rights Issue Offer are renounceable and, accordingly, Rights will be traded on ASX. Details on how to sell your Rights are set out in sections 1.4.2 and 1.4.3 below.

1.4 How to Accept the Rights Issue Offer

1.4.1 If you wish to take up your Rights

If you are an Eligible Shareholder and you wish to take up all or part of your Rights, you must accept the Rights Issue Offer by completing the personalised Entitlement and Acceptance Form mailed to you with this Prospectus. Your personalised Entitlement and Acceptance Form will detail your entitlement to New Shares and Attaching Options under the Rights Issue Offer. Any fractional entitlements to a New Share will be rounded up to the nearest whole New Share. You should complete the form in accordance with the instructions set out on the reverse side of the form.

Your completed Entitlement and Acceptance Form must be accompanied by the requisite Application Monies calculated at 3.0 cents in aggregate for each New Share or payment must be made via BPAY following the instructions on your personalised Entitlement and Acceptance Form. Please ensure that the completed Entitlement and Acceptance Form, together with your Application Monies is received by the Share Registry by not later than 5.00pm AEDT on Wednesday, 2 April 2014 or such later date as the Directors advise.

1.4.2 If you wish to sell your Rights on ASX

If you wish to sell all of your Rights on ASX, follow the instructions on the back of the accompanying Entitlement and Acceptance Form headed "Sale of your Entitlement in full by your Stockbroker/Agent".

If you wish to sell part of your Rights on ASX and take up the balance, follow the instructions on the back of the accompanying Entitlement and Acceptance Form headed "Sale of your Entitlement in part by your Stockbroker/Agent and acceptance of the balance".

You can sell your Rights on ASX from Wednesday 12 March 2014. Any sale of part of your Rights on ASX must be effected by the close of trading on Wednesday 26 March 2014, when Rights trading ends on ASX.

To take up the remaining part of your Rights, your stockbroker will need to ensure that the completed Entitlement and Acceptance Form together with the requisite Application Monies reaches the Share Registry by not later than 5.00pm AEDT on Wednesday 2 April 2014 or such later date as the Directors advise.

The Company does not accept any responsibility for any failure by your stockbroker to carry out your instructions.

1.4.3 If you wish to transfer all or part of your Rights to another person other than on ASX

If you hold Shares on the issuer-sponsored register and you wish to transfer all or part of your Rights to another person other than on ASX, forward a completed standard renunciation form (which can be obtained from your stockbroker or the Share Registry) signed by you (as the seller) and the buyer by not later than 5.00pm AEDT on Wednesday 26 March 2014, together with your Entitlement and Acceptance Form completed by the buyer and the buyer's cheque or bank draft for the appropriate Application Monies which should reach the Share Registry by not later than 5.00pm AEDT on Wednesday 2 April 2014 or such later date as the Directors advise.

If you are an Eligible Shareholder holding Shares on CHES and you wish to transfer all or part of your Rights to another person other than on ASX, you should contact your sponsoring participant.

If the Share Registry receives both a completed renunciation form and a completed Entitlement and Acceptance Form in favour of the same Shareholder in respect of the same Rights, the renunciation will be given effect in priority to the acceptance.

1.4.4 If you do nothing

If you are an Eligible Shareholder and you do nothing by 5.00pm AEDT on Wednesday 2 April 2014, being the Closing Date, your Rights will form part of the Shortfall which will be dealt with as outlined in section 1.11.

1.4.5 Form of Payment

All cheques must be drawn on an Australian Bank or Bank Draft made payable in Australian currency to "Shoply Limited Rights Issue" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form, together with your cheque, must be forwarded to:

By Mail:

Shoply Limited
Computershare Investor Services
Pty Limited
GPO Box 505
Melbourne VIC 3001

In Person:

Shoply Limited
Computershare Investor Services
Pty Limited
452 Johnston Street
Abbotsford VIC 3067

Those who elect to pay via BPAY must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. Investors who elect to pay via BPAY will not need to return their completed Entitlement and Acceptance Form.

You must use the specific biller code and Customer Reference Number detailed on your personalised Entitlement and Acceptance Form. If you have multiple holdings you will have multiple Customer Reference Numbers. To ensure you receive New Shares in respect of the correct holding, you must use the specific biller code and the Customer Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to accept in respect of that holding. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have accepted the New Shares to which that Customer Reference Number applies and any excess amount will be treated as an application for additional New Shares on that holding. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

Completed Entitlement and Acceptance Forms or payment by BPAY must be received no later than 5.00pm (AEDT) on the Closing Date of Wednesday 2 April 2014.

1.5 How to Accept the Placement Option Offer

The Placement Option Offer pursuant to this Prospectus is a separate offer to the Rights Issue Offer, and only those persons directed by the Lead Manager (being subscribers to the Placement) should submit an application form in connection with the Placement Option Offer.

1.6 Minimum Subscription

The minimum subscription to be raised pursuant to the Rights Issue Offer is the Underwritten Amount, being \$1.8 million (before costs).

1.7 Applications for Shares in addition to your Entitlement

The Entitlement and Acceptance Form allows you to apply for New Shares in addition to your Entitlement. The Company has sole discretion to issue all, none or some of any additional New Shares you may apply for. Additional New Shares will be issued at the same time as Shares applied for under your Entitlement. Application monies for any additional New Shares you apply for but which are not issued to you will be refunded without interest. The Company will only issue up to the aggregate number of New Shares that are offered under each Eligible Shareholder's Entitlement, therefore it may be necessary to scale-back applications for additional New Shares if applications exceed this number.

Shoply intends to honour all applications for additional New Shares where possible. This will reduce any Shortfall which may otherwise be issued to the Underwriter or Sub-Underwriters (refer to section 1.11).

1.8 Applications for less than your Entitlement

The Entitlement and Acceptance Form allows you to apply for less New Shares than your Entitlement.

1.9 New Shares

New Shares issued under the Rights Issue Offer will be fully paid ordinary shares ranking equally with Shares currently on issue.

No brokerage or stamp duty is payable on the issue of New Shares under the Offer.

1.10 Effect of the Offers on Shareholder dilution and the control of Shoply

If you exercise your full Entitlement under the Rights Issue Offer you will not be diluted by the issue of Shares under the Rights Issue. If you do not exercise your full Entitlement under the Rights Issue Offer you will be diluted. Ineligible Shareholders will have their holdings diluted by the Rights Issue Offer.

The effect of the Rights Issue Offer on the control of Shoply will depend upon a number of factors including:

- the level of Eligible Shareholder participation (including both the taking up of Entitlements and applications for additional New Shares);
- which Eligible Shareholders participate;
- the extent to which Rights are traded, exercised and who may decide to exercise them;
- the extent to which underwriting is called upon, and the identity of the allottees of the Shortfall (whether the Underwriter or Sub-Underwriters); and
- if applicable, the level of Shortfall remaining following the close of the Rights Issue Offer and after underwriting has been called upon, and the identity of subscribers to the Shortfall Offer.

If every Eligible Shareholder was to take up their full Entitlement, there would be a minimal effect on the control of Shoply (having regard to the small shareholdings of Ineligible Shareholders), as the Rights Issue Offer is made pro-rata and in that case there would not be any scope for any Shareholder to apply for additional New Shares under the Rights Issue Offer and there would be no Shortfall for the Underwriter (see section 1.11).

The final shareholding interests of each of the Underwriter and Sub-Underwriters upon completion of the Rights Issue Offer will depend upon the factors noted earlier in this section.

The following can be said about the potential effect of the Rights Issue Offer on the control of Shoply:

- as noted above, if every Shareholder was to take up their full Entitlement, there would be no effect on the control of Shoply;
- should some Shareholders elect not to participate in the Rights Issue Offer, it would result in the Underwriter and/or Sub-Underwriters increasing their holding in the Company, giving each of them increased voting rights as well as gaining a greater degree of influence over the operations of the Company; and
- following the Rights Issue Offer, if the Underwriter and/or Sub-Underwriters hold over 25% of the Company's Shares, they could collectively prevent the passing of a special resolution by the Shareholders.

1.11 Shortfall

If you do not wish to take up any part of your Entitlement or trade your Rights under the Rights Issue Offer, you are not required to take any action. That part of your Entitlement not taken up or traded will form part of the Shortfall and will be dealt with in

accordance with the provisions of the Underwriting Agreement and this section 1.11. In these circumstances, you will receive no benefit. Accordingly, it is important that you take action to either accept or renounce your Entitlement in accordance with the instructions in section 1.4.

Eligible Shareholders who have subscribed for their Entitlement in full may apply for additional New Shares and free Attaching Options by completing the relevant section of your Entitlement and Acceptance Form.

To the extent that Eligible Shareholders do not take up their Entitlement in full, the resultant Shortfall will be allocated at the discretion of the Underwriter in consultation with the Company and in accordance with the provisions of the Underwriting Agreement. In the event that applications for the Shortfall cannot be filled in full or in part, Application Monies (without interest) will be refunded by the Company in accordance with the provisions of the Corporations Act. Neither the Company nor the Underwriter guarantees that you will receive any Shortfall Shares.

1.12 Shortfall Offer

In the event that not all Eligible Shareholders accept their full entitlement pursuant to the Offer and any Shortfall is not taken up by Eligible Shareholders under the Rights Issue or the Underwriter pursuant to the Underwriting Agreement, the Directors reserve the right, subject to any restrictions imposed by the Corporations Act and the Listing Rules, to issue the Shortfall Shares at their sole discretion within 3 months after the Closing Date (**Shortfall Offer**).

If the Directors exercise their sole discretion to issue any Shortfall Shares then, pursuant to this Prospectus, the Company will offer the Shortfall Shares as a separate offer. The Company may send a shortfall application form with this Prospectus to the parties to whom the Company makes the Shortfall Offer. The Shortfall Offer will remain open for a period of three months from the Closing Date of the Rights Issue Offer or such shorter date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Shortfall Closing Date**). The Company will not accept any applications for the Shortfall Shares any later than the Shortfall Closing Date.

Shortfall Shares with free Attaching Options will be offered at an issue price of \$0.03 each which is the issue price at which the Rights Issue Offer has been made to Eligible Shareholders.

Applications for Shortfall Shares can only be made by completing and returning the Shortfall Application Form which will be sent with this Prospectus to the parties to whom the Company makes the Shortfall Offer.

In relation to the Shortfall Offer the Company reserves the right to issue to an Applicant a lesser number of Shortfall Shares than the number applied for on the Shortfall Application Form, reject an application or not proceed with the issuing of the Shortfall Shares or part thereof. If the number of Shortfall Shares issued is less than the number applied for in a Shortfall Application Form, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded.

No subscriber will be permitted to acquire a relevant interest in the Company's Shares that is in excess of 20% as a result of applying for and being issued Shares under the Shortfall Offer.

1.13 ASX Listing

The Company will apply to ASX for quotation of the Securities offered pursuant to this Prospectus within seven days after the date of this Prospectus. If an application for quotation of the Securities is not made within seven days after the date of this Prospectus, or ASX does not grant permission for official quotation of the Securities within three months after the date of this Prospectus, the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered under this Prospectus.

1.14 Allotment of Securities

Securities issued pursuant to the Offers will be allotted in accordance with the timetable provided in the Prospectus and otherwise in accordance with the Listing Rules. Where the number of Securities issued is less than the number applied for, or where no allotment is made under the Shortfall Offer, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Securities or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company on trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

1.15 CHESS and Issuer Sponsorship

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers make up the Company's register of Securities. The Company will not issue certificates to investors. Rather, holding statements (similar to bank statements) will be dispatched to investors as soon as practicable after allotment.

Holding statements will be sent either by CHESS (for new investors who elect to hold their Securities on the CHESS sub-register) or by the Company's Share Registry (for new investors who elect to hold their Securities on the Issuer sponsored sub-register). The statements will set out the number of New Shares and Attaching Options allotted under the Prospectus and provide details of a Holder Identification Number (for new investors who elect to hold their Securities on the Chess sub-register) or Reference Number (for new investors who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each new investor following the month in which the balance of their holding of New Shares and Attaching Options changes, and also as required by the Listing Rules or the Corporations Act.

1.16 Risks

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company and its business are detailed in section 2 of this Prospectus. The Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this

Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.17 Treatment of Ineligible Shareholders

The Company has decided that it is unreasonable to extend the Rights Issue Offer to any Shareholder with a registered address outside Australia or New Zealand, having regard to:

- the small number of shareholders with addresses in such other countries;
- the number and value of the shares they hold; and
- the cost to Shoply of complying with applicable legal and regulatory requirements in such other countries.

Accordingly, no person (including Eligible Shareholders, the Underwriter, the Sub-Underwriters as well as any participant in the Shortfall Offer) will be permitted, by virtue of item 10 of section 611 of the Corporations Act, to acquire Shares under the Rights Issue to the extent that such acquisition would result in that person having a voting power in Shoply in excess of 20% (on a post Rights Issue basis), unless:

- the Rights Issue Offer is revised to include all Shareholders, including those in foreign jurisdictions; or
- the Company applies to ASIC to appoint a foreign nominee under section 615 of the Corporations Act.

The Company confirms that it does not intend to revise the Rights Issue Offer to include Ineligible Shareholders, or make an application to ASIC for the appointment of a nominee for the purposes of section 615 of the Corporations Act.

Shareholders who are not eligible to apply for New Shares under the Rights Issue Offer will have their Rights sold for them by the Lead Manager, the nominee which has been appointed by Shoply (albeit not for the purposes of section 615 of the Corporations Act), and their proportionate share of any net sale proceeds will be remitted to them in accordance with the key dates set out on page 4.

It may be that there is no market for these Rights, or that the gross proceeds will be less than the expenses of the sale process. In this case, these Rights will, at Shoply's discretion, either be allowed to expire or be sold and the Company will retain any proceeds.

Patersons, as nominee, will have the discretion to determine the timing and the price at which the Rights may be sold and the manner in which any sale is made, but will be obliged to achieve the best price reasonably obtainable at the time of the sale.

The Company and its officers, employees, agents and contractors (including Patersons) disclaim all liability in tort (including negligence), contract, under statute or otherwise to any person for any failure to sell any Rights at any specific price or on any specific day.

Any net proceeds will be paid in Australian dollars in accordance with their existing payment instructions provided to the Company in respect of their shareholding (i.e. mailed to the address on the Company register of Shareholders or deposited into the nominated bank account), at the Ineligible Shareholder's risk.

1.18 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Securities in the Company.

1.19 Privacy Disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collects, holds and uses that personal information to assess applications for Securities to provide facilities and services to Shareholders and Option holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders and Option holders can be obtained by that Shareholder or Option holder through contacting the Company or the Share Registry.

1.20 Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions relating to the Offers, please contact the Company on (03) 9286 7500.

SECTION 2 - RISK FACTORS

2.1 Introduction

The Securities offered under this Prospectus should be considered speculative because of the nature of the Company's business.

This section identifies the areas the Directors regard as the major risks associated with an investment in Shoply. Investors should be aware that an investment in the Company involves risks which may be higher than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to appreciate fully such matters and the manner in which the Company intends to operate before any decision is made to apply for Securities.

Whilst the Directors recommend that Eligible Shareholders take up their Entitlement, there are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with Shoply's business.

Whilst some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, some of these risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company. **Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which the Securities will trade.**

The following list represents key risk factors of which the Directors are aware and of which, although not exhaustive, investors need to be aware. This list is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. However, the summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for Securities.

2.2 Specific Risks

A number of specific risk factors that may impact the future performance of the Company are described below. Shareholders should note that this list is not exhaustive.

2.2.1 Growing division

The Company's e-commerce division is a relatively new business offering. Whilst the new division is an extension of the Company's existing business and is being developed with minimal capital expenditure and resources, there is no guarantee that this division will generate profits in the near to medium term, particularly at this early stage of its development. In addition, the development of the Company's e-commerce division is dependent on growth through strategic acquisitions. Whilst the Directors continue to source reliable acquisition opportunities that will provide appropriate additions to the Company's e-commerce division, the Company cannot guarantee the success or indeed completion of any proposed acquisitions of new businesses. Accordingly, there is a risk that the Company will not, in the short to medium term, realise any value from its capital investments in these businesses.

2.2.2 E-commerce risks

There are a number of inherent risks associated with operating in the e-commerce sector, including but not limited to security breaches (particularly in relation to credit card security), fraud exposure, customer disputes and chargebacks. For instance, security risks arising from intrusions from viruses and hackers could disrupt the Company's business operations and may lead to loss in customer confidence and sales revenue.

2.2.3 Reliance on technology

The successful operation of the Company's business is dependent on various technologies including the internet and co-located dedicated servers. Any significant disruption to these systems could have a materially detrimental effect on the Company's business. Further, there is no guarantee that the technology utilised by the Company will not, in the future, be superseded by other technologies.

2.2.4 Competition

The Company is not unique in developing and marketing many of its products and services. There is a risk that its products and services may not, in the future, be able to compete with competitors' products and services on cost or technical grounds.

2.2.5 Negative Cash Operating Position

As at the date of this Prospectus the Company is operating on a negative cash operating basis, that is, its operating expenses exceed its revenues. The Company may be unable to enter into new contracts (and meet the requisite deliverables under such contracts) or identify new business opportunities (refer to section 2.2.8 below) whilst still operating the cash flow negative operating business. As such it is possible that the Company's cash flow position will remain negative and its financial position may therefore worsen. A failure by the Company to successfully mitigate the risk of this occurring may cause the Company's financial position to deteriorate and affect the Company's ability to operate as a going concern.

2.2.6 New Business Opportunities

In order to grow, the Company intends to pursue new business opportunities, possibly including opportunities in sectors other than the digital media industry in which it currently operates. Should a suitable new business opportunity be identified, it will then need to be assessed for its technical, legal and commercial suitability.

There can be no guarantee that any proposed acquisition of a new business or project will be completed or will be successful. The acquisition of new business opportunities (whether completed or not) may also require payment of monies (as a deposit or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence.

If any proposed acquisition is not completed, monies already advanced may not be recoverable. Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the risks associated with operating a new business or project will also apply. Any such new business or project will also be subject to the risks associated with the industry in which they operate.

2.2.7 Future capital needs and additional funding

The funding of any further ongoing capital requirements beyond the requirements as

set out in this Prospectus will depend upon a number of factors including the extent of the Company's ability to generate income from activities which the Company cannot forecast with any certainty.

Any additional equity financing will be dilutive to Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional funding as needed, it may not be able to take advantage of opportunities. Further, the Company may be required to reduce the scope of its operations or anticipated expansion and it may affect the Company's ability to continue as a going concern.

2.2.8 Acquisition of Your Home Depot Pty Ltd

As at the date of this Prospectus, the Company has entered into a letter of intent with Your Home Depot Pty Ltd ("YHD") for the proposed acquisition of the business and assets of YHD (refer to section 5.5.2). The proposed acquisition is subject to a number of conditions precedent, including that the parties must enter into a definitive assets purchase agreement. There is a risk that the proposed acquisition may not proceed for a number of reasons. In the event that the proposed acquisition does not proceed, and given that the main purpose of the Rights Issue is to fund such proposed acquisition, the Directors will withdraw the Rights Issue. Under these circumstances, all Application Monies received will be refunded without interest.

2.3 General Share Risk

An investment in the Company's Shares has the general risks associated with any investment in the share market. Returns from an investment in Shares will depend on general stock market conditions as well as the performance of the Company. Investors should recognise that the price of Shares may fall as well as rise, the price at which the Company's Shares trade may be above or below the issue price of those Shares and that concentrated shareholdings may affect liquidity of the Shares. The trading price of the Shares is likely to be subject to fluctuations in response to factors such as actual or anticipated variations in the Company's operating results, announcements of new products by the Company or its competitors, announcements by the Company or its competitors of significant acquisitions, technological developments, capital commitments, additions or departures of key personnel and other events or factors, many of which are beyond the Company's control. Market fluctuations, as well as general political and economic conditions such as recession or interest rate or currency rate fluctuations or changes in political or economic policy in the markets in which the Company operates, may also adversely affect the market price of the Company's Shares.

2.4 Technology Risk

An investment in companies involved in technology and new media sectors attracts additional risks associated with investing in industries which are evolving rapidly. There are specific risks affecting investment in sectors involving technologies, arising from market perception that the industry is subject to volatility. The Company's internet search and advertising business all utilise relatively new technology. There is no guarantee that the technology will not, in the future, be superseded by other technologies.

2.5 Research and Development

Development and commercialisation of new products and services generally involves long lead times. There is no certainty that Shoply will be able to successfully develop new products within commercial time frames. The Internet advertising industry is still relatively new particularly in the Australian market and there is no guarantee that the Company's products will be commercially successful. The willingness of customers to utilise the Company's Internet advertising services is subject to a wide range of factors beyond the control of the Company, the occurrence or effect of which cannot be predicted. The Company is also exposed to the risk that changes to industry technical standards could have a material adverse impact on the Company's financial performance.

2.6 Market Acceptance

Market acceptance, both in Australia and internationally, of the Company's products is uncertain. These uncertainties are due to difficulties in estimating market size, product pricing and acceptance, lead times for the awarding of contracts and the possibility of the discovery and development of new technologies and competing products and services. Accordingly, there can be no assurance that the Company's products and services will gain acceptance in the market, or that the Company will receive profits from the sale of its products and services.

2.7 Competition

Shoply is not unique in developing and marketing many of its products and services. There is a risk that competitors of Shoply will develop Australian and/or international markets. There is a risk that the Company's products and services may not, in the future, be able to compete with competitors' products and services on cost or technical grounds and therefore contracts may not be awarded to it. There is a risk that the cost of competing products and services may fall or that the Company's services may become too expensive to allow the Company to compete effectively. A loss of a number of Shoply's major customers could adversely affect both revenues and profitability.

2.8 General Economic Conditions

Any prolonged economic slowdown of the Australian economy or overseas economies in which the Company operates could potentially have materially adverse consequences on the financial performance of the Company.

2.9 Reliance on Key Personnel

The responsibility of overseeing day-to-day operations and the strategic direction of the Company is concentrated amongst a small management team. A loss of any of them, or of one of the members of the senior management team, could have a material adverse effect on the Company's prospects.

2.10 Reliance on Systems

The successful operation of Shoply's business is dependent on various technologies including the internet. Any significant disruption to these systems could have a materially detrimental effect on Shoply's business.

2.11 Government Policy Changes

Changes in Australian or international government fiscal, monetary and regulatory policies may affect the Company. Such changes are beyond the control of the Company. The Company conducts its business in reliance upon current understandings of taxation issues and current Australian Accounting Standards.

2.12 Intellectual Property Rights

One of the Company's significant assets is its intellectual property rights in products and services, which it has developed. The Company relies on a combination of copyright and trademark laws, confidentiality procedures and contractual provisions to protect these assets. The laws of some foreign jurisdictions may provide less protection than the laws of Australia for the Company's proprietary rights. Unauthorised use of the Company's intellectual property could have a materially adverse effect on the Company and there can be no assurance that the Company's legal remedies would adequately compensate it for the damage to its business caused by such use. The Company is not aware that any of its products infringe upon the proprietary rights of third parties in any material respect. There can be no assurance, however, that third parties will not claim infringement by the Company with respect to current or future products or services. Any such claim, with or without merit, could result in substantial costs and diversion of management resources and a successful claim could effectively block the Company's ability to market its products and services which would have a material adverse effect on the financial and operating results of the Company.

2.13 Ability to Retain Key Clients

The Group has a number of key clients to which it supplies and for whom it sells advertising. The Company is reliant on these clients and advertisers. Any changes in the Company's relationship with one or more clients or advertisers would be likely to have a material adverse effect on the Company's business.

2.14 International Operations

Pursuit of growth opportunities internationally may require significant investment for an extended period before returns, if any, are realised. While the Company does not have any immediate plans to expand significantly internationally, if it did so, there can be no assurance that the Company's plans to expand into international markets would be successful. The Company's prospects in this regard could be adversely affected by factors such as delays in the opening of foreign markets, the exchange rate, a preference for the use of local suppliers, current or future legislation or regulatory or technical standards which discriminate against overseas suppliers. In addition, Australian laws and policies affecting foreign trade, investment and taxation could also adversely affect the Company's Australian and international operations and growth.

2.15 Exchange Rate Fluctuations

Whilst the Company presently has business operations in the United States of America, it has no immediate plans to expand significantly into international markets. If it does so, the Company will be relatively more exposed to exchange rate fluctuations between the Australian Dollar and the various overseas currencies of the countries with which it trades and this could have a material effect on the Company's revenues and earnings.

2.16 General Risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

2.16.1 Global Credit and Investment Markets

Global credit and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including ASX). This may impact the price at which the Securities trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

2.16.2 Taxation and government regulations

Changes in taxation and government legislation or regulations in a range of areas (for example, the Corporations Act, accounting standards, and taxation law) can have a significant influence on the outlook for companies and the returns to investors.

The recoupment of taxation losses accrued by the Company from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in the jurisdictions in which the Company operates. There is no guarantee that the Company will satisfy all of these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cash flows of the Company.

2.17 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus. Therefore, the Securities offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

SECTION 3 - PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Offers

The purpose of the Rights Issue Offer is to raise approximately \$1.8 million (before costs and expenses).

The purpose of the Placement Option Offer is to satisfy the Company's contractual obligations to the subscribers of Shares under the Placement, which was announced on 4 March 2014 and is expected to be completed by 10 March 2014. Under the terms of the Placement, the Company has agreed to issue the participating investors New Options for nil consideration with the same terms as the Attaching Options on the basis of one New Option for every two Shares subscribed in the Placement.

The issue of New Options to subscribers in the Placement is conditional on the Company obtaining Shareholder approval for their issue pursuant to ASX Listing Rule 7.1 at an Extraordinary General Meeting to be convened in mid-April 2014 for this purpose.

The Company intends to apply the proceeds of the Rights Issue Offer, together with the \$1.8 million expected to be raised from the Placement, in accordance with the table set out below:

Use of Proceeds of Offers	Expenditure (\$)
Acquisition of the assets and business of Your Home Depot Pty Ltd	2,850,000
Working capital	440,000
Expenses of the Placement and the Rights Issue Offer	310,000
Total	3,600,000

Notes:

1. Please refer to section 5.10 of this Prospectus for further details of the expenses of the Placement and the Offers.
2. The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Directors reserve the right to alter the way funds are applied on this basis.

Please refer to the Company's Half-Yearly Report for the period ended 31 December 2013 for general information about the Company's current business activities and outlook guidance.

3.2 Effect of the Rights Issue Offer and Placement Option Offer

The principal effect of the Rights Issue Offer, assuming the full subscription is raised, will be to:

- (a) increase the cash reserves by \$1,800,000 (before expenses) immediately after completion of the Rights Issue;
- (b) increase the number of Shares on issue by approximately 60,211,149 Shares (subject to the rounding of fractional entitlements); and
- (c) increase the number of Options on issue by approximately 30,105,575 Options (subject to the rounding of fractional entitlements of Shares).

The principal effect of the completion of the Placement Option Offer will be to increase the number of Options on issue by 30,000,000. The completion of the Placement Option Offer is subject to the Company obtaining Shareholder approval for their issue pursuant to ASX Listing Rule 7.1 at an Extraordinary General Meeting to be convened in mid-April 2014 for this purpose. Should Shareholders not approve the issue of the New Options:

- (a) the Placement Option Offer will not proceed and the New Options will not be issued; and
- (b) the Company has agreed to pay compensation to investors in the Placement of \$0.01 per New Option that was to be issued.

3.3 Pro Forma Consolidated Statement of Financial Position

The unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2013 shown on the following page has been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

It has been prepared on the assumption that all Securities offered under this Prospectus are issued.

The unaudited Pro Forma Consolidated Statement of Financial Position has been prepared to provide Shareholders with information on the assets and liabilities of the Company as noted below.

The Pro Forma Consolidated Statement of Financial Position does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements, nor has it been reviewed by the Company's auditor.

SHOPLY LIMITED AND CONTROLLED ENTITIES
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS AT 31 DECEMBER 2013

	Audit Reviewed Consolidated 31 December 2013 \$	Unaudited Pro-forma Consolidated 31 December 2013 \$
Assets		
Current assets		
Cash and cash equivalents	890,693	4,180,693
Trade and other receivables	439,443	439,443
Inventories	8,559	8,559
Prepayments and deposits	27,992	27,992
Total current assets	1,366,687	4,656,687
Non-current assets		
Property, plant and equipment	9,258	9,258
Intangible assets	69,723	69,723
Total non-current assets	78,981	78,981
Total assets	1,445,668	4,735,668
Liabilities		
Current liabilities		
Trade and other payables	253,229	253,229
Total current liabilities	253,229	253,229
Total liabilities	253,229	253,229
Net assets	1,192,439	4,482,439
Equity		
Contributed equity	27,205,331	30,495,331
Reserves	24,000	2,127,695
(Accumulated losses)	(26,036,892)	(28,140,587)
Total Equity	1,192,439	4,482,439

The above unaudited Pro Forma Consolidated Statement of Financial Position has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between 31 December 2013 and the completion of the Offers, except:

- (a) completion of the Placement to raise \$1,800,000 before expenses;
- (b) completion of the Rights Issue to raise \$1,800,000, before expenses of the Rights Issue Offer;
- (c) expenses of the Placement and Rights Issue Offer of approximately \$310,000 which have been offset against proceeds of the issue (refer section 5.10 for a breakdown of these expenses); and
- (d) the issue of 60,105,575 Options exercisable at 3.5 cents each pursuant to the Offers, reflected in the Pro Forma Statement of Financial Position as an adjustment to Accumulated losses, offset by a corresponding adjustment to Equity Reserves (i.e. no resulting movement in the assets and liabilities of the Company).

3.4 Effect on Capital Structure After Completion of Offers

A comparative table of changes in the capital structure of the Company as a consequence of the Offers is set out below.

Shares

Event	Number of Shares
Shares on issue at date of Prospectus	241,055,747
Shares to be issued pursuant to the Placement	60,000,000
New Shares to be issued pursuant to the Rights Issue Offer ¹	60,211,149
Total Shares on issue after completion of the Offers	361,266,896

¹ As at the date of this Prospectus, it is expected that the Shares under the Placement will be issued on 10 March 2014; accordingly the number of New Shares to be issued pursuant to the Rights Issue has been calculated on the basis that:

- the Placement Shares will be issued prior to the Record Date of the Rights Issue; and
- no Options currently on issue are exercised prior to the Record Date of the Rights Issue.

In addition, the actual number of Shares issued under the Rights Issue may vary due to the rounding up of fractional entitlements.

Options

Options currently on issue:	Number of Options
Listed Options exercisable at \$0.15 on or before 30 June 2014	160,872,596
Unlisted Options with various exercise prices and expiry dates	11,600,000
Options offered pursuant to the Offers:	Number of Options
Attaching Options	30,105,575
New Options	30,000,000
Total Options on issue after completion of the Offers²	232,578,171

² This total number assumes that Shareholder approval is obtained for the issue of New Options pursuant to ASX Listing Rule 7.1 at an Extraordinary General Meeting.

3.5 Effect on Control

The effect on control of the Company as a result of the Offers is set out in section 1.10.

SECTION 4 - RIGHTS ATTACHING TO SECURITIES

4.1 Terms and Conditions of Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares (including New Shares). This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, the Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

- (a) At the date of this Prospectus all Shares are of the same class and rank equally in all respects. Specifically, the New Shares issued pursuant to this Prospectus will rank equally with existing Shares on issue.
- (b) Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each Share held.
- (c) Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.
- (d) The rights attaching to the Shares may only be varied by the consent in writing of the holders of a majority of the Shares of the affected class, or with the sanction of an ordinary resolution passed at a meeting of the holders of the Shares of the affected class.
- (e) Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Company has a lien on those Shares.
- (f) Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.
- (g) The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable law and provided a notice is given to the minority shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- (h) If the Company is wound up, the liquidator may, with the sanction of a special resolution:
 - (i) divide among the Shareholders the whole or any part of the Company's property; and
 - (ii) decide how the division is to be carried out between the Shareholders.

Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the

number of Shares held by them irrespective of the amounts paid or credited as paid.

4.2 Terms and Conditions of Attaching Options and New Options (“Options”)

The material terms and conditions of the Options offered pursuant to this Prospectus are as follows:

- (a) Each Option entitles the holder to, subject to any Shareholder approval under Item 7 of section 611 of the Corporations Act (if required) subscribe for one (1) share in the Company at the exercise price of 3.5 cents.
- (b) The Options are exercisable up until 5.00pm (AEST) on 31 July 2015 (“**Expiry Date**”). Any Options not exercised on or before the Expiry Date will automatically lapse.
- (c) All Shares in the Company allotted on the exercise of Options rank equally in all respects with the then existing Shares.
- (d) The Options are freely transferable and it is intended that application will be made to ASX for quotation of the Options.
- (e) The Company must apply for quotation of all Shares allotted pursuant to the exercise of Options not later than 10 Business Days after the date of allotment.
- (f) Option holders may only participate in new issues of securities to holders of Shares in the Company if the Options have been exercised and Shares are allotted in respect of the Options before the record date for determining entitlements to the new issue.
- (g) The Company must give Option holders at least 7 Business Days’ notice of any issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.
- (h) There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).
- (i) If there is a bonus issue (“**Bonus Issue**”) to the holders of Shares in the Company, the number of Shares over which the Options are exercisable will be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the Bonus Issue (“**Bonus Shares**”). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
- (j) If, prior to the Expiry Date, there is a re-organisation of the issued capital of the Company, the Options are to be treated in the manner set out in the Listing Rules.

SECTION 5 - ADDITIONAL INFORMATION

5.1 Nature of this Prospectus

This Prospectus is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities with modified disclosure requirements if they satisfy certain requirements.

The information in this Prospectus principally concerns the terms and conditions of the Offers and the information reasonably necessary to make an informed assessment of:

- (i) the effect of the Offers on the Company; and
- (ii) the rights and liabilities attaching to the Securities offered pursuant to this Prospectus.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Shareholders should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company.

5.2 Continuous Reporting and Disclosure Obligations

The Company is listed on ASX and its Shares are quoted on ASX under the code "SHP".

The Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will provide a copy of each of the Annual Report for financial year ended 30 June 2013 and the Half-Year Report for 6 months ended 31 December 2013 to any person on request, prior to the Closing Date.

The Company will provide a copy of all documents used to notify ASX of information relating to the Company under the provisions of the Listing Rules since the Company lodged its most recent Annual Financial Report on 27 September 2013 free of charge to any investor who so requests prior to the Closing Date. A list of those documents for the period from 27 September 2013 to the time of lodging this Prospectus is set out in section 6. The Company will also provide a copy of the Annual Financial Report for the period ended 30 June 2013 free of charge upon request.

5.3 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and which is required to be set out in this Prospectus.

5.4 Market Price of Shares

The highest and lowest recorded closing market sale prices of the Shares quoted on ASX during the three (3) month period immediately prior the date of this Prospectus were \$0.039 and \$0.016 respectively. The last closing market sale price of the Shares quoted on ASX on the last day that trading took place in the Shares prior to the date of this Prospectus was \$0.031.

5.5 Material Contracts

5.5.1 Underwriting Agreement

Pursuant to an agreement between Patersons Securities Limited ("**Underwriter**") and the Company ("**Underwriting Agreement**"), the Underwriter has agreed to underwrite the Rights Issue Offer to \$1,800,000.

Pursuant to the Underwriting Agreement, the Company has agreed to:

- (a) pay the Underwriter a corporate advisory fee of \$40,000 (exclusive of GST) payable in 2 equal instalments comprising:
 - i. \$20,000 payable upon the date of lodgement of this Prospectus; and
 - ii. \$20,000 payable on the allotment of the last of the Rights Securities; and
- (b) pay the Underwriter an underwriting fee of 6% of the Underwritten Amount (excluding GST), being \$1,800,000; and
- (c) reimburse the Underwriter for all costs and expenses of and incidental to the Rights Issue Offer incurred by it.

The Underwriting Agreement is conditional upon the following conditions precedent:

- (a) (**Due Diligence**): the Underwriter being satisfied with the due diligence investigations and the due diligence results by the Lodgement Date;
- (b) (**Underwriter's consent to be named**): the Underwriter being satisfied with the form of the Prospectus (in its absolute discretion) and having given its consent to be named in the Prospectus by the Lodgement Date as evidence thereof;
- (c) (**Legal sign off**): a legal sign off letter being provided by the Company's solicitors, to the satisfaction of the Underwriter by the Lodgement Date;
- (d) (**Prospectus**): the Prospectus being lodged with ASIC prior to 5.00pm AEDT on the Lodgement Date; and
- (e) (**Sub-Underwriting**): the Underwriter entering into sub-underwriting agreements with sub-underwriters on terms and conditions satisfactory to the Underwriter (in its absolute discretion) for the Underwritten Shares prior to 5.00pm AEDT on the Lodgement Date.

The obligation of the Underwriter to underwrite the Rights Issue Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of specified events including:

- (a) **(Indices fall)** the All Ordinaries Index (IRESS XAO.ASX), the S&P/ASX 200 (IRESS:XJO.ASX) or the S&P/ASX Small Ordinaries (IRESS:XSO.ASX) as published by ASX is at any time after the date of the Underwriting Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement; or
- (b) **(Share Price)** the closing price of the Company's Shares as recorded by ASX (being the last traded price on a Business Day excluding overnight crossings) is below 2.6 cents;
- (c) **(Prospectus)** the Prospectus or the Offer is withdrawn by the Company;
- (d) **(No Official Quotation):** Official Quotation has not been granted for all the New Shares, the Attaching Options and New Options (other than if the non-grant of official quotation of the Attaching Options is due only to the failure to satisfy condition 6 of ASX Listing Rule 2.5) within 2 Business Days after the Closing Date (or such later date agreed by the Underwriter) or, having been granted, is subsequently withdrawn, withheld or qualified;
- (e) **(Supplementary prospectus):**
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in section 5.5(p)(vi) below, forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter;
- (f) **(Non-compliance with disclosure requirements):** it transpires that the Prospectus does not contain all the information required by section 713 of the Corporations Act;
- (g) **(Misleading Prospectus):** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (h) **(Restriction on allotment):** the Company is prevented from allotting the new Securities within the time required by the Underwriting Agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (i) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her

name in the Prospectus or to be named in the Prospectus, withdraws that consent;

- (j) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, and that application has not been dismissed or withdrawn by the date that is 2 Business Days before the Closing Date;
- (k) **(ASIC hearing)**: ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under section 739 or any other provision of the Corporations Act;
- (l) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and is not dismissed or withdrawn or dealt with in a manner favourable to the Company within 7 days of the application being made;
- (m) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving Australia or one or more of New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, or the People's Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (n) **(Authorisation)** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (o) **(Indictable offence)**: a director or senior manager of the Company or any of its subsidiaries is charged with an indictable offence;
- (p) **(Termination Events)**: subject to below, any of the following events occurs:
 - (i) **(Default)**: breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
 - (iii) **(Contravention of constitution or Act)**: a contravention by the Company or any of its subsidiaries of any provision of its constitution, the Corporations Act, the ASX Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **(Adverse change)**: an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company or any of its subsidiaries including, without limitation, if any forecast in the Prospectus

becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;

- (v) (**Error in Due Diligence Results**): it transpires that any of the Due Diligence Results or any part of the verification material for the Prospectus was false, misleading or deceptive or that there was an omission from them;
- (vi) (**Significant change**): a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (vii) (**Public statements**): without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offers or the Prospectus;
- (viii) (**Misleading information**): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offers or the affairs of the Company or any of its subsidiaries is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) (**Official Quotation qualified**): the Official Quotation of new Securities is qualified or conditional (other than a condition that relates to the issue and allotment of the securities or the satisfaction of ASX's spread requirements for the Attaching Options and New Options);
- (x) (**Change in Act or policy**): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (xi) (**Prescribed Occurrence**): any of the following occurs which is not otherwise permitted under the Underwriting Agreement:
 - (A) the Company or any subsidiary of the Company (each a "**Relevant Company**") converting all or any of its shares into a larger or smaller number of shares;
 - (B) a Relevant Company resolving to reduce its share capital in any way;
 - (C) a Relevant Company:
 - entering into a buy-back agreement or;
 - resolving to approve the terms of a buy-back agreement under section 257C or 257D of the Corporations Act.
 - (D) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option, other than an issue or agreement to issue in accordance with the Offers or the terms of the Underwriting Agreement;
 - (E) a Relevant Company issuing, or agreeing to issue, convertible notes;

- (F) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
 - (G) a Relevant Company charging, agreeing to charge, the whole, or a substantial part, of its business or property;
 - (H) a Relevant Company resolving that it be wound up;
 - (I) the appointment of a liquidator or provisional liquidator to a Relevant Company;
 - (J) the making of an order by a court for the winding up of a Relevant Company;
 - (K) an administrator of a Relevant Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
 - (L) a Relevant Company executing a deed of company arrangement; or
 - (M) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company;
- (xii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xiii) **(Event of Insolvency)**: an insolvency event occurs in respect of the Company or any of its subsidiaries;
- (xiv) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000 is obtained against the Company or any of its subsidiaries and is not set aside or satisfied within 7 days;
- (xv) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against the Company or any of its subsidiaries, other than any claims foreshadowed in the Prospectus;
- (xvi) **(Board and senior management composition)**: there is a change in the composition of the Board of the Company or a change in the senior management of the Company before the date of allotment of the last of the new Shares and Attaching Options without the prior written consent of the Underwriter;
- (xvii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of the Company or any of its subsidiaries or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company or any of its subsidiaries;
- (xviii) **(Timetable)**: there is a delay in any specified date in the timetable which is greater than 3 Business Days and the Underwriter has not given its prior written consent to that delay;
- (xix) **(Force Majeure)**: a force majeure event affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;

- (xx) (**Certain resolutions passed**): the Company or any of its subsidiaries passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxi) (**Capital Structure**): the Company or any of its subsidiaries alters its capital structure in any manner not contemplated by the Prospectus or permitted by the Underwriting Agreement;
- (xxii) (**Investigation**): any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or any of its subsidiaries; or
- (xxiii) (**Market Conditions**): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

provided that the Underwriter may not exercise its rights under paragraph (p) above unless, in the reasonable opinion of the Underwriter reached in good faith, the occurrence of a prescribed termination event has or is likely to have, or two or more prescribed termination events together have or are likely to have, a material adverse effect or could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

5.5.2 Letter of Intent for acquisition of business and assets of Your Home Depot Pty Ltd

Pursuant to an agreement between Your Home Depot Pty Ltd ACN 126 946 398 (“**YHD**”) and the Company (“**YHD Letter**”), YHD has agreed to sell all of the assets and business operated by YHD selling home ware products including in relation to its web site www.yourhomedepot.com.au (the “**Business**”) to the Company.

Pursuant to the YHD Letter, the Company has agreed to purchase, receive and acquire from YHD, free and clear of all liens, claims and encumbrances of any nature, all of YHD's business and all of its assets in so far as they relate to YHD's operation of its retail home wares business including its operation of the web site www.yourhomedepot.com.au.

At the completion of the contemplated transaction, YHD will grant to Shoply or its related body corporate an exclusive licence for 3 years to use the price matching software package that is currently used by YHD in conducting the Business. Shoply will pay a licence fee for this software of \$1.00 per annum for the term of the licence.

The Company has agreed to pay \$2,850,000 to acquire the YHD business, with the right for the final purchase price to be adjusted for variations including the assumption that there will be an inventory valuation of \$1,500,000 at the time of completion.

The balance of the final adjusted purchase price will only be payable by the Company once the full transfer of the acquisition assets is complete and if the website remains fully functional and operational.

YHD will provide the Company the option to purchase any unsold stock on hand which is not included as part of the acquisition assets.

The Company has paid a deposit of \$50,000 to YHD. The deposit is being held in a trust account on trust for Shoply by YHD's agent. In the instance that a definitive agreement in respect of the contemplated transaction is not signed or the terms contained therein not being fulfilled, the Company will forfeit the deposit. Subject to Shoply complying with its obligations under the YHD Letter, where a definitive agreement in respect of the proposed acquisition is not signed by YHD or the terms contained therein not being fulfilled due to YHD failing to carry out its obligations or the Company not being satisfied with its due diligence investigations the deposit will be fully refunded to the Company.

Subject to the Company complying with its obligations under the YHD Letter, where a definitive agreement in respect of the contemplated transaction is not signed or the terms are not fulfilled due to YHD determining not to proceed with the transaction for reasons other than those in connection with the Company's acts or omissions, YHD will incur a break fee of \$50,000 which will be payable in cash to the Company.

The Company will not assume, and YHD will retain, pay, discharge and perform, in full, all debts, obligations and liabilities of YHD in relation to its ownership or operation of the business or the acquisition assets, insofar as they relate to the period prior to the completion of the contemplated transaction.

The Company must prepare a definitive assets purchase agreement which contains the key terms and conditions outlined in the YHD Letter. The parties have agreed that the definitive agreement will contain terms and conditions customary in transactions of the type contemplated in the YHD Letter.

The definitive agreement is to provide that the Company's obligation to proceed with the contemplated transaction is conditional on the a number of obligations of YHD, including:

- (a) YHD providing assistance with the transfer of technology and various accounts required to run the business;
- (b) YHD providing assistance with assignment of agreements between YHD and its suppliers and partners, or assistance with new contracts being put in place with suppliers or partners where assignment of agreements is not possible;
- (c) YHD ensuring that, immediately prior to completion, that all unfilled orders are remedied by means of refunds or fulfilment, and providing a warranty that this has been duly completed;
- (d) YHD maintaining the goodwill of the Business until completion;
- (e) YHD operating the Business as a going concern up until the date of settlement;
- (f) YHD, at settlement date, being in a position to transfer the Business, the acquisition assets and the stock subject only to the encumbrances agreed to by the parties.

In addition, the Definitive Agreement will provide that the Company's obligation to proceed with the contemplated transaction is conditional on the following conditions being satisfied:

- (a) the Company completing and being satisfied with the results of due diligence investigations on YHD, the YHD business and the acquisition assets;
- (b) the Company completing a successful capital raising to finance its purchase of the YHD business; and
- (c) the Company obtaining all and any necessary approvals or consents to proceed with the proposed acquisition and capital raising.

The owners and operators of YHD have agreed to provide services to the Company for a period of at least two months (and up to six months) after completion of the contemplated transaction and the Company has agreed to pay each of them at a rate of \$10,000 plus GST per month.

The Company will not be obliged to make any offer of employment to any of YHD's employees.

Each party will pay its own expenses incurred in connection with the contemplated transaction.

5.6 Litigation

The Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company.

5.7 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no benefits have been given or agreed to be given to any Director:

- to induce him to become, or to qualify him as, a Director; or
- for services rendered by him in connection with the formation or promotion of the Company or the Offers.

The direct and indirect interests of the Directors in the Securities of the Company as at the date of this Prospectus are as follows:

Director	Shares	Options
Andrew Plympton	nil	1,600,000
Damian London ⁽¹⁾	34,518,667	2,000,000
Domenic Carosa ⁽²⁾	40,478,565	18,019,759
Mark Goulopoulos	8,100,000	9,647,565
Sophie Karzis	nil	1,000,000

Notes:

1. Mr London holds Shares and Options individually and through his related entity. Includes Shares held by Planet W Pty Ltd in which he holds approximately a 26% interest.
2. These Shares and Options are held by Tiger Domains Pty Ltd As Trustee For Tiger Domains Unit Trust and MP3 Australia Pty Ltd As Trustee For MP3 Australia Unit Trust, in each of which Mr Carosa is both a 50% shareholder and unit holder.
3. The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting to be divided between the Directors as agreed.
4. The Company incurred remuneration costs relating to its current and previous Directors of \$278,418 for the year ended 30 June 2012 and \$266,257 for the year ended 30 June 2013 (includes salary, fees and superannuation).
5. If a Director, at the request of the Board of Directors, performs extra services, the Company may pay that Director a fixed sum set by the Board of Directors for doing so. Directors are also reimbursed for out of pocket expenses incurred as a result of the directorship or any special duties.

5.8 Related Party Transactions

There are no related party transactions entered into that have not otherwise been disclosed in this Prospectus.

5.9 Interests and Consents of Advisers

Other than as set out below or elsewhere in this Prospectus, no underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or has held within two years before lodgement of this Prospectus with ASIC, any interest in:

1. the formation or promotion of the Company; or
2. property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
3. the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, for services rendered by that person in connection with the formation or promotion of the Company or the Offers.

Pursuant to section 716 of the Corporations Act, Patersons Securities Limited has given and has not withdrawn its consent to being named as Underwriter and Lead Manager to the Rights Issue Offer in the Corporate Directory of this Prospectus in the form and context in which it is named. Patersons Securities Limited has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus. To the maximum extent permitted by law, Patersons Securities Limited

expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than references to its name. For details of the fees payable to Patersons Securities Limited pursuant to the Offers, refer to section 5.5. In the past two years Patersons Securities Limited has been paid fees and/or is entitled to receive fees totalling \$199,790 (exclusive of GST) for services provided to the Company (in addition to the fees payable to Patersons Securities Limited pursuant to the Offers outlined in section 5.5).

Pursuant to section 716 of the Corporations Act, Computershare Investor Services Pty Ltd has given and has not withdrawn its consent to being named as Share Registry for the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Computershare Investor Services Pty Ltd has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus. Computershare Investor Services Pty Ltd will be paid approximately \$20,000 (exclusive of GST) for services in relation to this Prospectus. In the past two years Computershare Investor Services Pty Ltd has been paid fees and/or is entitled to receive fees totalling \$58,721.63 (exclusive of GST) for services provided to the Company, in addition to the fees payable to Computershare Investor Services Pty Ltd for services provided in relation to the Offers.

Pursuant to section 716 of the Corporations Act, Corporate Counsel Pty Ltd has given and has not withdrawn its consent to being named as Legal Adviser for the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Corporate Counsel has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus. Corporate Counsel Pty Ltd will be paid approximately \$24,000 (exclusive of GST) for services in relation to this Prospectus. In the past two years Corporate Counsel Pty Ltd has been paid fees and/or is entitled to receive fees totalling \$15,000 (exclusive of GST) for services provided to the Company, in addition to the fees payable to Corporate Counsel for services provided in relation to the Offers.

5.10 Estimated Expenses of the Placement and the Offers

The estimated expenses of the Offers (excluding GST) and the Placement payable by the Company including commission and corporate advisory fees payable to the Lead Manager and Underwriter, legal fees, printing, administrative fees, ASIC fees and other costs arising from this Prospectus and the Offers are estimated to be approximately \$310,000, which is to be funded by the Offer. The Company will bear all of these expenses as follows:

Fees/Expenses	\$
Corporate advisory fee	\$40,000
Placement fee	\$108,000
Underwriting fee	\$108,000
Legal expenses	\$24,000
Other costs (including ASIC fees, share registry, and printing)	\$30,000
Total	\$310,000

5.11 Electronic Prospectus

Pursuant to Class Order 00/44, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

SECTION 6 - INFORMATION AVAILABLE TO SHAREHOLDERS

The Company will provide a copy of each of the following documents, free of charge, to any Shareholder who so requests:

- (a) the Annual Financial Report for the Company for the period ended 30 June 2013; and
- (b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the period ended 30 June 2013 and prior to the date of this Prospectus.

Date	ASX Announcement
6/03/2014	Revised Rights Issue Timetable
4/03/2014	Capital Raising
28/02/2014	Trading Halt
21/02/2014	Shoply's Simon Crean explains the Home Depot transaction
21/02/2014	Half Yearly Report and Accounts
21/02/2014	Investor Presentation
19/02/2014	Publication of Research Report
17/02/2014	Shoply in advanced stages of negotiation to acquire key assets of the Your Home Depot online business (Audio stream)
17/02/2014	Proposed Acquisition of Online Homewares Store
14/02/2014	Trading Halt Request
14/02/2014	Trading Halt
11/02/2014	Appendix 3B
4/02/2014	Entry into Two New Online Retail Categories
30/01/2014	Appendix 4C - quarterly
13/01/2014	Response to ASX Price Query
6/01/2014	Appendix 3B
13/12/2013	Appendix 3B - Issue of Options
13/12/2013	Cleansing Notice for Issue of Options
12/12/2013	Change of Company name to Shoply Limited
12/12/2013	Results of 2013 AGM
12/12/2013	CEOs Presentation to Shareholders at 2013 AGM
11/11/2013	Appendix 3B
8/11/2013	Notice of Annual General Meeting/Proxy Form
7/11/2013	Approval for extension of time to hold AGM
7/11/2013	Acquisition of Eljo.com.au and Trading Update
1/11/2013	Details of 2013 Annual General Meeting
22/10/2013	Appendix 4C - quarterly
21/10/2013	Interview with Company's CEO
17/10/2013	Change in substantial holding
17/10/2013	Change in substantial holding
16/10/2013	Cleansing Notice
16/10/2013	Appendix 3B
9/10/2013	Placement Positions Company for Growth
7/10/2013	Trading Halt
2/10/2013	Response to ASX Price Query
27/09/2013	Annual Report to shareholders

SECTION 7 - DIRECTORS' CONSENT

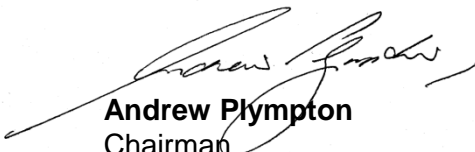
This Prospectus is dated 7 March 2014 and is issued by Shoply Limited.

The Directors have made all reasonable enquires and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of Shoply Limited has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

Signed for and on behalf of **Shoply Limited**:



Andrew Plympton
Chairman
7 March 2014

SECTION 8 - DEFINITIONS

Shoply and Company means Shoply Limited (ACN 085 545 973).

AEDT means Australian Eastern Daylight Time.

Applicant means a person who applies for Securities pursuant to the Offers.

Application Money means the aggregate amount of money payable for Securities applied for in the Entitlement and Acceptance Forms.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the securities exchange operated by ASX Limited (as the context requires).

Attaching Options means approximately 30,105,575 Options to be issued at no additional cost to all successful Applicants under the Rights Issue Offer on the basis of one Attaching Option for every two New Share issued, on the terms set out in section 4.2.

Business Day means any day which is defined to be a Business Day pursuant to Listing Rule 19.12 of the Listing Rules.

CHESS means Clearing House Electronic Sub-register System of ASX Settlement Pty Ltd (ACN 008 504 532).

Closing Date means the closing date of the Rights Issue Offer being 5.00pm (AEDT) on Wednesday, 2 April 2014 (unless extended).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Cth means the Commonwealth of Australia.

Directors means directors of the Company.

Dollars or \$ means dollars in Australian currency.

Eligible Shareholder means a Shareholder as at the Record Date with a registered address in Australia or New Zealand.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Rights Issue Offer.

Entitlement and Acceptance Forms means the application forms accompanying this Prospectus.

GST means goods and service tax levied in Australia pursuant to *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Ineligible Shareholder means a Shareholder who is not an Eligible Shareholder as at the Record Date.

Lead Manger means Patersons Securities Limited (ABN 69 008 896 311).

Listing Rules means the Listing Rules of the ASX.

Lodgement Date means the date this Prospectus was lodged with ASIC, being Friday, 7 March 2014.

New Options means 30,000,000 Options with the same terms as the Attaching Options (refer section 4.2.) to be issued to participants in the Placement Option Offer.

New Securities means the New Shares, Attaching Options and New Options offered pursuant to this Prospectus.

New Shares means approximately 60,211,149 fully paid ordinary Shares offered pursuant to this Prospectus.

Offers means the Rights Issue Offer and the Placement Option Offer under this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the official list of ASX.

Opening Date means Wednesday, 19 March 2014.

Option means an option to acquire a Share in the capital of the Company.

Option holder means the holder of an Option.

Placement means the private placement of 60 million Shares at 3 cents per Share to institutional and sophisticated investors to raise gross proceeds of \$1.8 million announced by the Company on 4 March 2014.

Placement Option Offer means the offer of New Options to the participants in the Placement on the basis of one New Option for every two Shares subscribed in the Placement. Refer section 1.2 for further details of the Placement Option Offer.

Prospectus means this prospectus dated Friday, 7 March 2014.

Quotation and **Official Quotation** means official quotation on ASX.

Record Date means 5pm AEDT on Tuesday, 18 March 2014.

Right means a right to subscribe for an Entitlement pursuant to this Prospectus.

Rights Issue and **Rights Issue Offer** means the renounceable rights issue of approximately 60,211,149 New Shares on the basis of one New Share for every five Shares held at an issue price of 3 cents per New Share together with one free Attaching Option for every two New Share issued in order to raise approximately \$1.8 million before costs, further details of which are included in the "Details of the Offers" section of this Prospectus.

Securities mean Shares and/or Options.

Share means a fully paid ordinary share in the Company.

Shareholder means the holder of a Share as recorded in the register of the Company.

Share Registry means Computershare Investor Services Pty Ltd.

Shortfall or **Shortfall Shares** means those New Shares and Attaching Options under the Rights Issue Offer not applied for by Eligible Shareholders under their Entitlement.

Shortfall Application Form means the application form in respect to the Shortfall Offer accompanying this Prospectus.

Shortfall Offer means the offer pursuant to this Prospectus for the Shortfall remaining offer settlement of the underwriting shortfall.

Underwritten Shortfall Settlement Date means Tuesday, 8 April 2014.

Timetable means the timetable (as varied from time to time) of the Rights Issue under this Prospectus as outlined on page 4.

Underwriter means Patersons Securities Limited (ABN 69 008 896 311).

Underwriting Agreement means the underwriting agreement dated 4 March 2014 between the Underwriter and the Company described in section 5.5 of this Prospectus.

Underwritten Amount means \$1,800,000.

Underwritten Shares means the 60,000,000 New Shares underwritten by the Underwriter, under the Rights Issue Offer.