

INFORMATION STATEMENT  
PURSUANT TO RULE  
15C2-11  
SECURITIES EXCHANGE ACT OF 1934

Information required to conform with the provisions of Subparagraph (a) (4) of Rule 15c2-11 promulgated by the Securities and Exchange Commission under the Securities Act of 1934.

ITEM 1: THE EXACT NAME OF THE ISSUER AND ITS PREDECESSOR (IF ANY).

HARRINGTON GROUP LIMITED, an Australian corporation

ITEM 2: THE ADDRESS OF ITS PRINCIPAL EXECUTIVE OFFICES.

The Company's Principle Executive office in the USA is at:  
3940 Freedom Circle  
Santa Clara, California 95054  
Tel: (408) 200 7480  
Fax: (408) 351 9602  
Email: [info@hgrltd.com](mailto:info@hgrltd.com)

The Company's Registered and Corporate office and Headquarters in Australia is at:  
186 Beaconsfield Street  
Milperra, NSW, Australia 2214  
Tel: +612 9772 4499  
Fax: +612 9771 4659  
Email: [info@hgrltd.com](mailto:info@hgrltd.com)

ITEM 3: THE STATE OF INCORPORATION.

NEW SOUTH WALES, AUSTRALIA

INCORPORATED IN SYDNEY AUSTRALIA ON MAY 13, 1975

ACN (Australian Corporations Number) 001 285 230

ITEM 4: THE EXACT TITLE AND CLASS OF THE SECURITY

Fully Paid Ordinary Shares

ITEM 5: THE PAR OR STATED VALUE OF THE SECURITY

There is no par value. The price per share in the Company's recent public offering in Australia was \$0.20 (AUD) which is equal to approximately \$0.154 (US) at a .77 exchange rate.

ITEM 6: THE NUMBER OF SHARES OR TOTAL AMOUNT OF THE SECURITIES  
OUTSTANDING AS OF THE END OF THE ISSUE'S MOST RECENT QUARTER.

The Company, as of December 31, 2004, on a post consolidation basis has 26,074,556 issued shares of common stock.

As at the date of this Statement and following the acquisition of the ShockRounds™ Technology, the Company has issued a further 80,000,000 shares escrowed (restricted) for two years, and 40,000,000 unlisted four year vendor performance options exercisable at AUD\$0.35.

Following an oversubscribed Public Offer in January, 2005, AUD\$3,601,100 was raised and a further 18,005,500 shares and 9,002,750 listed options (exercisable on payment of AUD\$0.25 each before December 31, 2006) have been issued. See Public Offer Document – Exhibit "A"

In addition to the Public Offer and Vendor Issue the Company issued 3,288,176 shares and 1,644,088 AUD\$0.25 December 31, 2006 options to Technosis IP LLC as consideration of payment of US\$500,000 and a further 500,000 shares in satisfaction of contractual obligations. These shares and options are escrowed (restricted) for a period of 12 months.

In summary as at the date of this Statement the Company has:

- A total 127,868,232 issued fully paid ordinary shares. Of these issued shares, 44,080,056 are free trading and 84,288,176 are escrowed for a period of two years.
- A total 40,000,000 unlisted four year performance options exercisable at AUD\$0.35 each
- A total 9,002,750 listed (in Australia) December 31, 2006 options exercisable at AUD\$0.25 each
- A total 1,644,088 December, 2006 options exercisable at AUD\$0.25 each and escrowed for 12 months

Of the total shares issued Santa Clara, Cal based MDM Group, Inc has a total 63,750,000 (49.85% of the total issued and outstanding shares) together with 40,000,000 performance options exercisable at AUS\$0.35 cents each at anytime before Jan 21, 2009. If all options are exercised (realizing a total of AUD\$16.66 million) then MDM Group would hold 58.24% of the total issued and outstanding capital.

Harrington Group Limited also owns all the issued capital of Harrington Group USA, Inc. which will be the Company's operating division in the USA.

ITEM 7: NAME AND ADDRESS OF THE TRANSFER AGENT.

Australia: Computershare Investor Services Pty Ltd  
Level 3, 60 Carrington Street  
Sydney, NSW Australia

## ITEM 8: THE NATURE OF THE ISSUER'S BUSINESS

The Company has historically been involved in the timber plantation business and in the business of design, manufacture and sale of industrial conveyor systems. These interests and businesses are in the process of being sold and following successful sale, the Company will be a developmental stage company focused on developing the recently acquired ShockRounds™ Technology.

In January, 2005, the Company completed an oversubscribed financing raising a total AUD\$3.6 million and further completed the acquisition of the ShockRounds™ Technology. The development and commercialization of the proposed ShockRounds™ product range now represents the Company's main business focus.

The ShockRounds™ technology introduces an "electric" charge to traditional ammunition and other projectiles such as rubber bullets. ShockRounds™ specialised ammunition is designed to generate varying degrees of shock upon impact with the offender or lethal threat. It is intended these shocks will range from a lower level jolt for riot deterrence, to shock causing immediate and temporary incapacitation by disrupting the offender's nervous system in a higher risk situation.

The planned ShockRounds™ products have the potential to introduce to the military and law enforcement industry sectors a safer, less-lethal level of stopping power combined with a product performance and versatility that is unmatched in today's market.

The development of specialised ShockRounds™ electric ammunition addresses two major markets:

Changes are taking place in the world that require military operations and law enforcement to employ less-lethal force options. There has been a growing level of violence associated with the anti-globalisation protests and the war on terrorism. This, coupled with the ever increasing deployments of multinational peacekeeping missions worldwide, the changing modus operandi of terrorists, and the development of more effective less-lethal munitions has seen a gradual change to less-lethal alternatives. Less-lethal weapons, including electro-muscular disruption technologies (EMDT), can provide users with a more effective and safer option in situations where the use of lethal weapons appears unjustified but the use of force is necessary.

### Law Enforcement

The growing demand for, and increasing acceptance of, less-lethal weapons in law enforcement has been driven by new less-lethal weapons such as the Taser devices, and dramatic improvements in the effectiveness of rubber bullets, bean bags, pepper spray and pepper balls; and by increasing pressure from the public, politicians, litigants, and civil liberties groups to save as many offenders' lives as possible.

Offenders range from those involved in a domestic disturbance or a brawl outside a bar; armed criminals or terrorist groups; emotionally disturbed or drug induced individuals; and individuals involved in growing levels of public disorder such as the violence associated with anti-globalisation protests and the war on terrorism. Less-lethal options provide law enforcement with an option they did not previously have to apply appropriate force in such a manner as to provide protection of the public and to safely effect compliance whether dealing with individuals or managing crowds. In counter-terrorism operations, such as the Moscow theatre standoff in October 2002 or the more recent Beslan school hostage tragedy, the tolerance for collateral casualties varies but is generally low. Therefore, it is recognised that less-lethal weapons are essential tools in counter-terrorism operations and the Global War on Terror is expected to help drive demand for less-lethal weapons for the foreseeable future.

### Military

Less-lethal weapons first achieved prominence in military operations when they were used to facilitate and safeguard the extraction of UN forces from Somalia in 1995. The conventional rules of engagement had been to use lethal firepower to suppress and scatter crowds and militants. In Somalia, US Marine Corps Lt. Gen. Anthony Zinni expedited the introduction of techniques used in domestic law enforcement and crowd or riot control where there are often many innocent bystanders.

The growing interest in less-lethal weapons is a logical response to the changing global security environment and such capabilities are expected to become increasingly relevant. Peacekeeping operations often require military personnel to handle situations such as refugees crossing borders or storming food aid supplies, or of civilians interrupting military operations through often violent demonstrations. Peacekeeping forces have found themselves ill-equipped to deal with such situations and this vulnerability gap between military presence and lethal force has been readily exploited throughout the past decade. For example, in contemporary warfare and nation-building operations such as Iraq, combatants adopt guerrilla, suicide and civilian shielding tactics. These combatants often merge with the population protected by their knowledge that peacekeepers are inhibited from responding with lethal force by the presence of innocent civilians. Less-lethal capabilities expand the number of options available to commanders confronting situations in which the use of deadly force is not the preferred response.

In a military context, the utility of less-lethal weapons lies in what they can provide commanders. They can help save lives of service members. They can break the cycle of violence by offering a more graduated response and they may even prevent violence from occurring if the opportunity for early engagement arises.

#### Competitive Advantages of ShockRounds™ Technology

Every less-lethal weapon and device currently available has important shortcomings such as limited range, high injury rates at close range, single shot capability or the need for a customised weapon. The ShockRounds™ patent pending technology is expected to overcome these and other shortcomings such as the need for decontamination, lack of versatility to be effective in a number of scenarios, and absence of single subject discrimination (the ability to single out a target in a crowd). The following is an overview of some of the more common less-lethal weapons available today.

#### Rubber bullets, Baton Rounds and Bean-bag Rounds

Baton rounds, rubber bullets, and beanbag rounds are the most commonly used less-lethal products employed with varying degrees of success worldwide. They are usually effective and generally non-lethal but at close range they can cause substantial bruising, injury and sometimes even death which often leads to claims of excessive use of force or police brutality.

#### Pepper Powders and Sprays

Pepper based less-lethal weapons are designed to release either natural or artificial pepper derivatives into the face of the offender. Incapacitation is through a combination of effects: kinetic impact causing bruising; inhalation of the pepper dust or spray creating the sensation of choking; and a burning sensation in the suspect's eyes. Pepper based systems have shortcomings including: residual effects on both the suspect and arresting officers; requirement to decontaminate and clean any environment where suspects hit with pepper spray have been such as police vehicles, interview rooms and cells; varying effectiveness due to inconsistencies in the strength of the active natural ingredient of some of the pepper products; targets could be wearing glasses; and limited range.

#### Acoustic Weapons

Less commonly used, acoustic weapons project a narrow audible beam delivering an unambiguous warning to any approaching threat and then, if necessary, rapidly transitioning acoustic power to levels that induce pain. The main use of acoustic weapons today is to provide a warning and a deterrent to approaching targets. Acoustic weapons remain indiscriminate in that they have not yet been developed to be able to target or single out one person in a crowd.

#### Electro-Muscular Disruption Technologies (EMDT)

Close range electro-muscular disruption devices, the most well known of which is the Taser device, are currently experiencing significant market penetration in the less-lethal weapons market. The pistol-like Taser device shoots, up to 21 feet, probes that are connected to the weapon by high-voltage insulated wire. When the probes make contact with the target, the Taser device transmits powerful electrical pulses along the wires and into the body of the offender through up to two inches of clothing. At 50,000 volts and modest amperage, the pulses interrupt the neuromuscular system and cause the offender to instantly lose muscular control of their body and render them unable to perform coordinated action. However, the problems with current EMDT's are fourfold: 1) range limitations due to the wires; 2) the fact they are basically single shot weapons; 3) capital expenditure on a new customised weapon required; and 4) removal of the probes that can pierce the skin.

Most of the new technologies currently in development are aimed at overcoming the key range issue and passing the Rock Test. They are generally at an early stage of development and some are many years from commercialisation. These include the:

The Active Denial System (ADS) is a high power microwave weapon that can project a beam for several hundred metres. The beam hits the pain receptors on the skin rapidly causing a burning sensation with the short wavelength microwaves penetrating only to 1/16 of an inch, and the system is promoted as eye safe. Prototypes of the ADS exist, however they are very large devices and extremely expensive, and like acoustic weapons, they are also indiscriminate in their application.

Advanced Lasers in development that are planned to be carried by aircraft are claimed to have ranges exceeding 20km. As with ADS, these are extremely expensive systems with a number of problems still to overcome. Deployment is unlikely for another decade or more.

Plasma Conducted Energy Devices are being developed for military purposes and are to immobilize aggressors at a distance of more than ten meters. One such system is being developed to use a 40 mm grenade gun to eject a plasma cloud (e.g. carbon) that conducts pulsed electrical energy to the target – without actually physically harming them. Considerable development is still required and the military will have to determine if it will accept plasma systems that employ a very dangerous substance on the battlefield.

Taser International announced in March 2004 that, depending on government funding, around a further 18-24 months of development work is required for its Extended Range Electronic Projectile (XREP). A June 2004 interview with the Taser International CEO suggests the target date for completion is still 18-24 months away.

#### ShockRounds™ EMDT Ammunition

The company considers the ShockRounds™ EMDT ammunition is the most likely to be commercially available in the short to medium term given development activity to date and the proposed timetable to commercialisation. New or alternative technologies that combine: (a) increased effectiveness over a greater range; (b) reduced permanent injury; and, (c) greater behaviour modification are seen as addressing a current and urgent global need. ShockRounds™ EMDT ammunition is expected to address these requirements. The Company believes that the key competitive advantages of ShockRounds™ EMDT Ammunition should be as follows:

#### Greater Effective Range

All currently deployed less-lethal alternatives to ShockRounds™ are limited by effective range. The most advanced of the Taser range, the X-26, is limited to between 4.5 and 6.5 metres (15 to 21 feet) due to its wire length and traditional rubber bullets have a maximum effective range of approximately 35 metres (100 feet). ShockRounds™ on the other hand, with an estimated effective range of approximately 100 metres (300 feet), are expected to open up a whole new range of applications for less-lethal force.

#### Reduced Injury from Impact

The problems of impact injury are largely limited to the use of kinetic weapons such as batons, bean-bags and rubber bullets as well as certain pepper products. Since ShockRounds™ will not rely primarily on the pain caused by a high velocity impact for their effect, rather the stopping power of a ShockRounds™ bullet will primarily arise from the high voltage discharge, their velocity can be reduced. Therefore, at all ranges, a reduced incidence of injury is expected from the use of ShockRounds™ when compared directly with other blunt impact ammunition.

#### No Customised Weapons Required

One of the most compelling features of ShockRounds™ technology is that none of the proposed ShockRounds™ enabled calibres will necessarily require end users to invest in additional, expensive or customised specialty weaponry such as a bean-bag launcher or Taser device. ShockRounds™ technology will in the majority of applications be inserted in metal and rubber bullet cartridges that are fully compatible with existing firearms. This gives users a more effective lethal and non-lethal alternative and extends the market reach of ShockRounds™.

#### Multiple Shot Capability

Individuals with a high tolerance for pain or individuals who are under the influence of drugs can often effectively fight through the pain of kinetic impact and a small percentage of the population is 'immune' to effects such as pepper spray - hence the need for multiple shot capability in all these traditional technologies. Additionally, where enforcement officers are faced by a threat from a number of offenders, they need the option of being able to fire multiple shots. ShockRounds™ being fully compatible with existing firearms will have multiple shot capability and the user will have full confidence that they have recourse to further immediate action if required.

### ITEM 9: THE NATURE OF THE PRODUCTS OR SERVICES OFFERED.

The ShockRounds™ products, which represent the Company's main business focus are still in their development phase.

During the product development phase, the Company intends to work closely with SRI International (formerly Stanford Research Institute) ([www.sri.com](http://www.sri.com)) as its development partner to independently test and validate results. SRI International is an independent, non-profit research institute whose founding mission is the discovery and the application of science and technology for knowledge, commerce, prosperity and peace. SRI is a world renowned research institution. One of SRI's capabilities is to help the U.S. government meet imperative Homeland Security and defense needs in a wide variety of areas.

The Company also intends to continue to work closely with The Aerospace Corporation ([www.aero.org](http://www.aero.org)) which, as an Affiliate of the Girvan Institute of Technology, provides on a case by case basis access to its resources and facilities in the interests of advancing and validating technologies. Aerospace is a private, non-profit corporation created to provide research, development and advisory services for the US Government. It operates a Federally Funded Research and Development Center (FFRDC) for the Department of Defense (DOD) to maintain its expertise and explore the applicability of new technologies in critical areas.

#### ShockRounds™ Market Development Programme

Concurrent with the product development programme, the company will continue to develop and refine its thinking with respect to getting the products to market. To this end, it intends to work closely with a number of national law enforcement and corrections agencies including the Office of Law Enforcement Technology Commercialisation ([www.oletc.org](http://www.oletc.org)) which is a program of the US National Institute of Justice which itself is the Research, Development and Evaluation Agency of the U.S. Department of Justice. In addition The Company will benefit from its affiliation with the Girvan Institute of Technology ([www.girvan.org](http://www.girvan.org)). The evolving commercialisation strategy involves a number of different elements, namely:

- transitioning field tested prototypes into commercial production runs;
- forging license or joint venture arrangements with selected munitions manufacturers; and
- developing distribution channel partnerships (likely to be the above manufacturers).

The company's planned methodology for transition from field tested prototypes to commercial production involves partnering with carefully selected major munitions manufacturers on a licensing, joint venture or

similar basis. The company has identified several major US manufacturers that will be approached for such commercialisation consideration during the course of the next 18 months. The company will participate in selected law enforcement, military, security and munitions conferences in 2005, and will use those opportunities to actively solicit potential partnerships with manufacturers, independent distributors and end-users, as well as to promote the company.

**ITEM 10: THE NATURE AND EXTENT OF THE ISSUER'S FACILITIES.**

The Company has the use of office facilities in Santa Clara, California and in Sydney Australia until it establishes its own offices. The Company will be assuming the MDM Group ShockRounds leased property in Tucson, Arizona which is being established as a Research and Development base.

**ITEM 11: THE NAMES OF THE CHIEF EXECUTIVE OFFICERS AND MEMBERS OF THE BOARD OF DIRECTORS.**

<u>NAME</u>	<u>POSITION</u>
Marshall Couper	Chief Executive Officer
Taylor Fogelquist	Chief Operating Officer/Director
Chris Nichols	Non-Executive Director
Michael Silver	Non-Executive Director
Peter Bartleet	Non-Executive Director

**Marshall Couper, CEO** is a businessman with over 10 years experience across a range of industries and fields. This includes serving as a diplomat and trade negotiator in Geneva, Switzerland at the World Trade Organisation (WTO), World Intellectual Property Organisation (WIPO), and United Nations Conference on Trade and Development (UNCTAD) where he gained experience in multi-million dollar negotiations, the workings of international organisations and governmental lobbying. He was previously an Investment Manager with Prudential-Bache International (U.K.) Limited and also worked in venture capital and start-up management roles in the UK focusing on commercialising early stage technology development opportunities. More recently he was a performance improvement consultant with a privately owned management consulting company focusing on executives of major Australian corporate clients.

Marshall holds a First Class Honours Degree in Economics from the University of Auckland with a second major in Accounting and Finance.

**Taylor Fogelquist, COO and Executive Director** holds a B.A. Communications and has been involved in the San Francisco Bay Area technology sector since 1996. His expertise and experience in technology and innovation has led him to sales, marketing and business development roles with Excite@Home & StarMedia Network as well as a range of smaller companies. He has authored, produced & recorded a weekly industry commentary for Beyond Computers, a nationally syndicated weekly technology show for Public Radio International distributed in over 125 markets nationwide. He focuses on meeting the operational, sales and marketing needs of early stage development companies and he brings a strong project management and human resource skills to the company.

**Chris Nichols, Non-Executive Director** is currently a Director and Vice President, Strategy of MDM Group, Inc. where he is responsible for that Company's research and product strategy, responding to focused high-assurance security infrastructure and vertical industry business-driven needs. He has also been instrumental in the development and design of the BNET global network, a highly secure business network scheduled for launch in 2005. He has had vast industry experience in the electronic medium and was formerly the Head of Technology at Curious Pictures.

**Michael Silver, Non-Executive Director** obtained an honours degree in Civil Engineering from Leeds University. He has broad experience in civil engineering including thirty years experience in the mining industry. His engineering experience has involved the design and construction of many large scale facilities that have included railways, large-scale sewers, high rise building structures, hydroelectric power and numerous mine developments. He has held board positions in a number of publicly listed companies over the last thirty years and continues to do so. These have included both executive and non-executive roles in a number of Australian and Canadian companies. As a professional investor his general experience includes the development and capitalisation of many different types of businesses, particularly corporate development and capital raising both in Australia and Overseas.

**Peter Bartleet, Non-Executive Director** obtained an honours degree in Industrial Engineering from University of Melbourne. He has extensive corporate experience including over fifteen years as a senior executive of an international consulting group. He has been involved in the management and development of a number of companies, including several ASX listed entities. Over the past five years he has identified technology based investments, led due diligence activities, been responsible for guiding evaluation processes and participated in the post investment management of a number of investee companies through his role with an Australian venture capital firm.

**ITEM 12: THE ISSUER'S MOST RECENT BALANCE SHEET AND PROFIT AND**

LOSS AND RETAINED EARNINGS STATEMENTS

See Exhibit "A" for financial information within the current Public Offering Prospectus  
Exhibit "B" for further information  
Exhibit "C" for KPMG Independent Expert's Report to the ShockRounds™ transaction

ITEM 13: SIMILAR FINANCIAL INFORMATION FOR SUCH PART OF THE TWO PRECEDING FINANCIAL YEARS (ending June 30) AS THAT ISSUER OR ITS PREDECESSOR HAS BEEN IN EXISTENCE

Detail of the Issuer's financial statements for such part of the two (2) preceding fiscal years as the Issuer or its predecessor has been in existence are included within the financial statements referenced in the Exhibits hereto.

See Exhibit "A" for financial information within the current Public Offering Prospectus  
Exhibit "B" for further information  
Exhibit "C" for KPMG Independent Expert's Report to the ShockRounds™ transaction

ITEM 14: IS THE BROKER/DEALER OR ASSOCIATED PERSONS AFFILIATED DIRECTLY OR INDIRECTLY WITH THE ISSUER:

Management of the Issuer is not aware of any Broker/Dealer or associated persons or entities that are affiliated, either directly or indirectly, with the Issuer.

ITEM 15: IS THE QUOTATION BEING PUBLISHED/SUBMITTED ON BEHALF OF ANY OTHER BROKER/DEALER, AND IF SO, THE NAME OF SUCH BROKER OR DEALER

Management of the Issuer is not aware of any Broker/Dealer submitting quotations with respect to the Issuer's common stock on behalf of any other broker or dealer.

ITEM 16: IS THE QUOTATION BEING SUBMITTED/PUBLISHED DIRECTLY OR INDEIRECTLY ON BEHALF OF THE ISSUER, OR ANY DIRECTOR, OFFICER OR ANY PERSON DIRECTLY/INDIRECTLY THE BENEFICIAL OWNER OF MORE THAN 10% OF THE OUTSTANDING SHARES OF ANY SECURITY OF THE ISSUER

Management of the Issuer is not aware of any quotation or quotations being submitted which are submitted on behalf of the Issuer or any Director, Officer or Ten Percent (10%) Shareholder of the Issuer.

The above information has been undersigned on the date indicated.

Reviewed and approved by the Board of Harrington Group Limited

(original signed by Director)

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Taylor Fogelquist  
Director/COO with the authority of the Board  
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EXHIBIT "A"

[Harrington - Prospectus](#)

EXHIBIT "B"

[Harrington – Notice of General Meeting](#)

EXHIBIT “C”

[Harrington – KPMG Independent Expert’s Report](#)