



5 March 2020

Company Announcements Office
Australian Securities Exchange
Authorised for immediate release

Please find attached an Entitlement Offer Booklet for a 1 for 4 Rights offer to HGL shareholders, approved for release and announced to the market today.

Yours faithfully

Iain Thompson
CFO & Company Secretary



HGL Limited

ACN 009 657 961

ASX: HNG

IF YOU ARE AN ELIGIBLE SHAREHOLDER, THIS IS AN IMPORTANT DOCUMENT THAT REQUIRES YOUR IMMEDIATE ATTENTION. THIS OFFER DOCUMENT SHOULD BE READ IN ITS ENTIRETY BEFORE DECIDING WHETHER TO APPLY FOR THE NEW SHARES OR ADDITIONAL NEW SHARES. IF YOU HAVE ANY QUESTIONS OR DO NOT UNDERSTAND THE OFFER DOCUMENT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER

Entitlement Offer Booklet

A one for four pro-rata non-renounceable entitlement offer of HGL Limited (**HGL** or **Company**) ordinary shares (**New Shares**) at an offer price of \$0.25 per New Share (**Offer Price**) to raise approximately \$3.884 million (before costs) (**Entitlement Offer**).

The Entitlement Offer closes at 5.00pm (Sydney time) on 24 March 2020 (unless extended).

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Important Notices

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.

Defined terms used in these important notices have the meaning given in this Offer Booklet.

Future performance and forward looking statements

This Offer Booklet contains certain “forward looking statements” and comments about future matters. Forward looking statements can generally be identified by the use of forward looking words such as “expect”, “anticipate”, “likely”, “intend”, “propose”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target”, “outlook”, “guidance”, and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Entitlement Offer and the use of proceeds. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this Offer Booklet speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward looking statements contained in this Offer Booklet are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of HGL, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the “Key Risks” section included in Section 4 of this Offer Booklet for a non-exhaustive summary of certain general and specific risk factors that may affect HGL. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the key risk factors included in Section 4 of this Offer Booklet. Investors should consider the forward looking statements contained in this Offer Booklet in light of those risks and disclosures.

The forward looking statements are based on information available to HGL as at the date of this Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules), HGL has no obligation to supplement, revise or update any forward looking statements, regardless of whether new information, future events or results or other factors affect the information contained in this Offer Booklet.

Past performance

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future HGL performance including future share price performance.

No representation other than in this Offer Booklet

No person is authorised to provide any information or to make any representation in connection with the Entitlement Offer that is not contained in this Offer Booklet. Any information or representation not contained in this Offer Booklet may not be relied upon as having been authorised by HGL.

Not investment advice

This Offer Booklet does not provide investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read this Offer Booklet in full before deciding to invest in New Shares and any Additional New Shares and consider the risks that could affect the performance of New Shares and Additional New Shares.

Jurisdictions

The information in this Offer Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements, the New Shares, any Additional New Shares, or otherwise permit a public offering of the New Shares or any Additional New Shares. See the foreign selling restrictions set out in the “Selling Restrictions” section included in Section 45.17 of this Offer Booklet for more information. The Entitlements, the New Shares and any Additional New Shares have not been and will not be, registered under the US Securities Act 1933 (US Securities Act) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction in the United States.

References to “you” and “your Entitlement”

In this Offer Booklet, references to “you” are references to Eligible Shareholders and references to “your Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Shareholders.

Times and dates

Times and dates in this Offer Booklet are indicative only and subject to change. All times and dates refer to the time in Sydney, Australia. Refer to the “Key Dates” section of this Offer Booklet on page 5, for more details.

Currency

Unless otherwise stated, all dollar values in this Offer Booklet are in Australian dollars (A\$).

Trading New Shares

HGL will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares or any Additional New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by HGL or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares or any Additional New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, accountant or other professional adviser.

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Key Dates for the Entitlement Offer

Event	Date
Initial announcement of the proposed Entitlement Offer	30 January 2020
Launch announcement of the Entitlement Offer	5 March 2020
Record Date for the Entitlement Offer	7.00pm (Sydney time) 10 March 2020
Offer Booklet dispatched, Entitlement Offer opens	13 March 2020
Entitlement Offer closes	5.00pm (Sydney time) 24 March 2020
Announcement of results of issue	27 March 2020
Issue of New Shares (and any Additional New Shares) under the Entitlement Offer	31 March 2020
Trading of New Shares (and any Additional New Shares) on T+2 basis	1 April 2020

The timetable above is indicative only and may be subject to change. HGL reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, HGL reserves the right to extend the closing date of the Entitlement Offer, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares (and any Additional New Shares).

The commencement of quotation of New Shares (and any Additional New Shares) is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Shares or any Additional New Shares. You cannot withdraw your application once it has been accepted. Eligible Shareholders wishing to participate in the Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Entitlement Offer opens.

Letter from the Chair

5 March 2020

Dear Shareholder,

HGL Limited (ASX: HNG) – Entitlement Offer

On behalf of the Board of HGL Limited, I am pleased to invite you to participate in a one for four pro-rata non-renounceable entitlement offer of New Shares at an Offer Price of \$0.25 per New Share to raise approximately \$3.884 million (before costs).

The proceeds from the Entitlement Offer, less costs, will be used to repay shareholder loans and also to replenish general working capital which had been used to make various investments over the last couple of years.

This capital raising will be of critical importance to continue the work on turning around the performance of the various businesses in the HGL group, facilitating the support of growth initiatives, principally through the acquisition of new brands and small bolt-on acquisitions. This work will underpin the return to generating sufficient surplus cashflow to recommence the payment of dividends.

We trust that the pricing of the offer at a 26.5% discount to the last trading price before announcement of the rights issue will be attractive to encourage all shareholders to participate in the offer.

Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders are entitled to subscribe for one New Share at the Offer Price for every four fully paid ordinary Shares held at 7:00pm (Sydney time) on the Record Date of 10 March 2020. Up to 15.537 million New Shares will be issued under the Entitlement Offer. The Entitlement Offer is partially underwritten.

The Offer Price of \$0.25 per New Share represents a 26.5% discount to the last trading price of HGL Shares prior to the initial announcement of the proposed Entitlement Offer on 30 January 2020.

I am pleased to advise that each of the two largest substantial shareholder groupings, representing 53% of issued shares, have committed to participate for their pro-rata share of the Entitlement Offer, and all HGL Limited Directors with direct or indirect shareholdings have also confirmed they intend to participate fully in the pro rata Entitlement Offer.

Eligible Shareholders may also apply for additional New Shares in excess of their Entitlement (**Additional New Shares**) at the same issue price of \$0.25 per New Share under the Overallotment Facility. The Overallotment Facility provides an opportunity for Eligible Shareholders to apply for Additional New Shares. For more information on the Overallotment Facility, see Section 2.5 of this Offer Booklet. Related parties including Directors of HGL and the two largest substantial shareholding groups cannot apply for Additional New Shares.

New Shares and any Additional New Shares will rank equally with existing Shares in all respects from date of quotation.

The Entitlement Offer closes at 5.00pm (Sydney time) on 24 March 2020 (unless extended).

Offer Booklet

This Offer Booklet contains important information about the Entitlement Offer, including:

- Key Dates

- Summary of Options Available to You
- Offer Details & How to Apply for New Shares (and Additional New Shares) under the Entitlement Offer
- Copies of ASX Announcements that have been made by HGL in relation to the Entitlement Offer
- Key Risks that potential investors should have regard to in deciding whether to make an investment under the Entitlement Offer
- Important Information that you should carefully consider, before deciding whether to participate in the Entitlement Offer
- Entitlement and Acceptance Form
- Glossary of defined terms

Taking up your Entitlement

To participate in the Entitlement Offer, you need to ensure that your personalised Entitlement and Acceptance Form is completed in accordance with the instructions provided on the form and the instructions in this Offer Booklet under “Offer Details & How to Apply”. You may also apply for Additional New Shares under the Overallotment Facility using the Entitlement and Acceptance Form.

To participate, you must ensure that you have completed your application by paying Application Monies by BPAY® before 5:00pm (Sydney time) on 24 March 2020 or by lodging your completed Entitlement and Acceptance Form with your Application Monies paid by cheque or bank draft, so that they are received by the Share Registry before 5:00pm (Sydney time) on 24 March 2020.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

Further information and application instructions

Further details of the Entitlement Offer, as well as the key risks associated with investing in the Entitlement Offer are set out in this Offer Booklet (refer to the “Key Risks” included in Section 4 of this Offer Booklet) which you should read carefully and in its entirety.

You should consult your stockbroker, accountant, or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

If you have any questions about the Entitlement Offer, please call HGL on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Sydney time) or visit the HGL Entitlement Offer website at <https://HGLEntitlementOffer.thereachagency.com>.

On behalf of the Board of Directors and management team of HGL Limited, I invite you to consider this investment opportunity and thank you for your continued support.

Yours faithfully



The Hon. Helen Coonan
Chair

1 Summary of Options Available to You

If you are an Eligible Shareholder (see Section 5.1), you may take any of the following steps:

1. take up all or part of your Entitlement (see Section 2.4.1).
2. take up all of your Entitlement and apply for Additional New Shares under the Overallotment Facility (see Section 2.4.2); or
3. do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements (see Section 2.4.3).

Further information is provided below.

2 Offer Details & How to Apply

2.1 Overview of the Entitlement Offer

HGL intends to raise approximately \$3.884 million under the Entitlement Offer. The Entitlement Offer is partially underwritten.

Eligible Shareholders are being offered the opportunity to purchase one New Share for every four existing Shares held as at the Record Date of 7.00pm (Sydney time) on 10 March 2020, at the Offer Price of \$0.25 per New Share. The Offer Price of \$0.25 per New Share represents a 26.5% discount to the last trading price of HGL Shares of \$0.34 per Share prior to the initial announcement of the proposed Entitlement Offer on 30 January 2020.

The Entitlement Offer provides Eligible Shareholders with the opportunity to take up all or part of their Entitlement. Entitlements under the Entitlement Offer are non-renounceable. Eligible Shareholders who take up all of their Entitlement can also apply for Additional New Shares under the Overallotment Facility.

Based on the number of Shares on issue as at the date of the Entitlement Offer, up to 15,537,397 New Shares (subject to rounding) will be offered under the Entitlement Offer.

You have a number of decisions to make in respect of your Entitlement. You should read this Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Entitlement Offer opens on 13 March 2020 and will close at 5.00pm (Sydney time) on 24 March 2020 (unless extended).

Sery Pty Limited (ACN 008 392 989) (Sery), representing the Sery Group, and Supervised Investments Australia Limited as Investment Manager of The Supervised Fund (ACN 125 580 305) and Ms I. Constable, together representing the Constable Group, being the two largest substantial shareholding groupings (representing 53.0% of issued shares) have committed to underwrite each of their respective shareholding group's pro-rata share of the Entitlement Offer.

All HGL Limited Directors with direct or indirect shareholdings have also confirmed they intend to participate fully in the pro rata Entitlement Offer.

Further details on the Entitlement Offer are set out below.

2.2 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and calculated based on one New Share for every four existing Shares you hold as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

New Shares and any Additional New Shares issued under the Entitlement Offer will be fully paid and rank equally in all respects with existing Shares.

2.3 Consider the Entitlement Offer carefully in light of your particular investment objectives and circumstances

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares and any Additional New Shares under the Entitlement Offer.

As a result, it is important for you to read carefully and understand the information on HGL and the Entitlement Offer that has been made publicly available, prior to deciding whether to take up all or part of your Entitlement, apply for any Additional New Shares, or do nothing in respect of your Entitlement. In particular, please refer to this Offer Booklet and other announcements made available on the ASX website relating to HGL.

Please consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. You should also refer to the “Key Risks” section included in Section 4 of this Offer Booklet.

2.4 Options available to you

2.4.1 If you wish to take up all or part of your Entitlement

If you wish to take up all or part of your Entitlement, please either:

- complete and return the personalised Entitlement and Acceptance Form (indicating the number of New Shares) with the requisite application monies; or
- pay your application monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

in each case, by no later than 5.00pm (Sydney time) on 24 March 2020.

HGL will treat you as applying for as many New Shares as your payment will pay for in full. If you are paying by BPAY®, please make sure to use the specific biller code and unique reference number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the reference number specific to the Entitlement on that Entitlement and Acceptance Form. That is, where you hold your Shares in more than one account, and you intend to participate in the Offer, you will need to make multiple payments that each match the details of your various Entitlements (which will have been calculated on an account by account basis).

If you take up and pay for all of your Entitlement before the close of the Entitlement Offer, it is expected that you will be issued New Shares on 31 March 2020.

The Company's decision on the number of New Shares to be issued to you will be final.

HGL also reserves the right (in its absolute discretion) to reduce the number of New Shares issued if the Company believes an applicant's claim to be overstated or if an applicant or their nominees or custodians fail to provide information to substantiate their claims to the Company's satisfaction.

2.4.2 If you wish to take up all of your Entitlement and apply for Additional New Shares

If you wish to take up all of your Entitlement and apply for Additional New Shares, please either:

- complete and return the personalised Entitlement and Acceptance Form (indicating the number of New Shares and Additional New Shares) with the requisite Application Monies; or
- pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

in each case, by no later than 5.00pm (Sydney time) on 24 March 2020.

HGL will treat you as applying for as many New Shares and Additional New Shares as your payment will pay for in full.

Additional New Shares will only be available to the extent that there are Entitlements which are not taken up by other Eligible Shareholders. For further details on the allocation of any Additional New Shares, please see Section 2.5.

If you take up and pay for all of your Entitlement (and apply and pay for your Additional New Shares) before the close of the Entitlement Offer, it is expected that you will be issued New Shares and any Additional New Shares on 31 March 2020.

2.4.3 If you wish to do nothing, your Entitlement will lapse and you will receive no value for those lapsed Entitlements

The Entitlement Offer is non-renounceable. If you take no action you will not be allocated New Shares and your Entitlement will lapse. Shareholders who do not take up their Entitlements will not receive any payment or value for those Entitlements they do not take up.

Eligible Shareholders who do not participate fully in the Entitlement Offer will have their percentage holding in HGL diluted.

2.5 Overallotment Facility

The Directors of HGL reserve their right to issue all or part of the shortfall from New Shares that relate to Entitlements which have not been taken up under the Entitlement Offer in their absolute discretion (subject to the Corporations Act and the ASX Listing Rules) through an Overallotment Facility of Additional New Shares. Eligible Shareholders may therefore apply for Additional New Shares in excess of their Entitlement at the same issue price of \$0.25 per New Share under the Overallotment Facility.

Additional New Shares will be drawn from New Shares that relate to Entitlements which have not been taken up under the Entitlement Offer. There is no guarantee regarding the number of Additional New Shares (if any) that will be made available to Eligible Shareholders under the Overallotment Facility, in addition to their Entitlement under the Entitlement Offer.

An Eligible Shareholder will not be issued any Additional New Shares under the Overallotment Facility if the issue of such Additional New Shares would cause HGL or that Eligible Shareholder to breach any applicable law, including Section 606 of the Corporations Act. Related parties, which include Directors of HGL and the two largest substantial shareholding groups, will not be entitled to participate in the Overallotment Facility.

Decisions regarding the operation of the Overallotment Facility, including the acceptance of an application for Additional New Shares, and the allocation and the issue of any Additional New Shares, will be made by the Directors in their absolute discretion.

2.6 Ineligible Shareholders

All Shareholders who are not Eligible Shareholders are Ineligible Shareholders. Ineligible Shareholders will not be entitled to participate in the Entitlement Offer.

HGL has determined that it is unreasonable to make offers under the Entitlement Offer to shareholders who have registered addresses outside Australia, New Zealand, the United Kingdom (as described in the "Selling Restrictions" section included in Section 5.17 of this Offer Booklet) and certain other foreign jurisdictions determined by the Directors, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places.

HGL reserves the right (in its absolute discretion) to extend the Entitlement Offer to shareholders who have registered addresses outside of the above jurisdictions in accordance with applicable law.

HGL has obtained modification of Section 611 item 10(b) of the Corporations Act that means it is not required to comply with the provisions of Section 615 of the Corporations Act and appoint a nominee to sell New Shares on behalf of Ineligible Shareholders.

2.7 Payment

You can pay in the following ways:

- by BPAY®; or
- by cheque or bank draft.

Cash payments will not be accepted. Receipts for payment will not be issued.

HGL will treat you as applying for as many New Shares (up to your Entitlement) or Additional New Shares as your payment will pay for in full.

Any Application Monies received for more than your final allocation of New Shares and any Additional New Shares will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

2.7.1 Payment by BPAY®

For payment by BPAY®, please follow the instructions on your personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If

you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. **If you do not use the correct CRN specific to that holding your application will not be recognised as valid.**

Please note that should you choose to pay by BPAY®:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on 24 March 2020. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

2.7.2 Payment by cheque or bank draft

For payment by cheque or bank draft, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque or bank draft in Australian currency for the amount of the Application Monies, payable to “HGL Limited” and crossed “Not Negotiable”.

Your cheque or bank draft must be:

- for an amount equal to \$0.25 multiplied by the number of New Shares and any Additional New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies, as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares and any Additional New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares and any Additional New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares and any Additional New Shares on your personalised Entitlement and Acceptance Form). Alternatively, HGL reserves the right to consider void any applications where cheques do not clear, and your application may not be accepted.

2.8 Mail

To participate in the Entitlement Offer, your payment must be received no later than the close of the Entitlement Offer, being 5.00pm (Sydney time) on 24 March 2020. If you make payment via cheque or bank draft, you should mail your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing Address

HGL Limited – Entitlement Offer
C/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at other offices of the Share Registry or if mailed to the Company's registered or corporate offices.

2.9 Representations by acceptance

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have represented to HGL that you are an Eligible Shareholder and:

- acknowledge that you have read and understand this Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet (including Section 5.1), and HGL's Constitution;
- authorise HGL to register you as the holder(s) of New Shares and any Additional New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once HGL receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided except as permitted by law;
- agree to apply for and be issued up to the number of New Shares and any Additional New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®;
- authorise HGL, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares and any Additional New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares and any Additional New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in HGL and is given in the context of HGL's past and ongoing continuous disclosure announcements to the ASX;
- acknowledge (and have read) the statement of risks included in Section 4 of this Offer Booklet, and acknowledge that investments in HGL are subject to risk;

- acknowledge that none of HGL or its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of HGL, nor do they guarantee the repayment of capital or the payment of future dividends;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and, should you choose to do so, the Overallotment Facility, and of your holding of Shares on the Record Date;
- authorise HGL to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- represent and warrant (for the benefit of HGL and its related bodies corporate and affiliates) that you are not an Ineligible Shareholder and are otherwise eligible to participate in the Entitlement Offer;
- represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares or Additional New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- represent and warrant that you, and each person on whose account you are acting, are not in the United States;
- you, and each person on whose account you are acting, understand and acknowledge that neither the New Shares nor the Additional New Shares have been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia and New Zealand and accordingly, the Entitlements may not be taken up, and the New Shares and Additional New Shares may not be offered, sold or otherwise transferred, directly or indirectly, in the United States, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- you have not and you will not send this Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Entitlement Offer to any person in the United States;
- if in the future you decide to sell or otherwise transfer the New Shares or any Additional New Shares, you will only do so in transactions exempt from, or not subject to, the registration requirements of the US Securities Act. Notwithstanding the foregoing, after quotation and the commencement of trading of the New Shares and any Additional New Shares, you may sell such New Shares or Additional New Shares in regular on-market transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that purchaser is, a person in the United States; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia, New Zealand or such other country that does not prohibit the beneficial holder from being given this Offer Booklet or the personalised Entitlement and Acceptance Form, or prohibit the beneficial holder from making an application for New Shares or Additional New Shares and is not in the United States, and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Entitlement Offer to any such person.

2.10 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact HGL on 1300 850 505 (inside Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Sydney time) during the Entitlement Offer period. Alternatively, you can access information about the Entitlement Offer online at www.asx.com.au or at www.hgl.com.au. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

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HGL Limited
abr 25 009 657 961

SYDNEY, 5 March 2020

ASX Announcement – For immediate release



HGL PRO-RATA NON-RENOUNCABLE ENTITLEMENT OFFER

Details of the Entitlement Offer

HGL Limited ACN 009 657 961 (ASX: HNG) (**HGL**) today announces that it proposes to raise approximately \$3.884 million (before costs) through a 1 for 4 pro-rata non-renounceable Entitlement Offer of New Shares at an Offer Price of \$0.25 per New Share. The Entitlement Offer is partially underwritten.

The Offer Price represents a 26.5% discount to the last trading price of HGL Shares of \$0.34 per Share prior to the initial announcement of the proposed Entitlement Offer on 30 January 2020.

The proceeds from the Entitlement Offer, less costs, will be used to repay shareholder loans and also to replenish general working capital, strengthen the balance sheet and provide greater flexibility to invest in strategic growth initiatives.

The Entitlement Offer is non-renounceable and therefore entitlements are not tradeable on the ASX or any other exchange, or otherwise transferable. This means that existing shareholders who do not take up their entitlement will not receive any value for their entitlement, and their proportionate interest in HGL will be diluted. Eligible Shareholders may also apply for additional New Shares (**Additional New Shares**) under the Overallotment Facility.

Each of the two largest substantial shareholder groupings, representing 53% of issued shares, have committed to participate for their pro-rata share of the Entitlement Offer, and all HGL Limited Directors with direct or indirect shareholdings have also confirmed they intend to participate fully in the pro rata Entitlement Offer. The substantial shareholder groups and Directors are unable to participate in the Overallotment Facility.

HGL's board and management encourage all shareholders to participate in the Entitlement Offer, after considering the contents of the offer booklet.

Entitlement Offer Timetable

The indicative timetable for the Entitlement Offer is as follows:



Event	Date
Initial announcement of the proposed Entitlement Offer	30 January 2020
Launch announcement of the Entitlement Offer	5 March 2020
Record Date for the Entitlement Offer	7.00pm (Sydney time) 10 March 2020
Offer Booklet dispatched, Entitlement Offer opens	13 March 2020
Entitlement Offer closes	5.00pm (Sydney time) 24 March 2020
Announcement of results of issue	27 March 2020
Issue of New Shares (and any Additional New Shares) under the Entitlement Offer	31 March 2020
Trading of New Shares (and any Additional New Shares)	1 April 2020

Further Information

Please refer to the Offer Booklet for further details relating to the Entitlement Offer.

For more information, please contact:

Iain Thompson
CFO & Company Secretary
02 8667 4662

About HGL Ltd

HGL is an investment company which invests in small to medium size businesses with a sustainable competitive advantage and strong growth prospects, providing them with specialist business management skills and equity capital to leverage these growth opportunities. Our core purpose is to create shareholder value through active long-term ownership in our portfolio businesses, driving sustainable growth through a strong focus on customers and employees.

www.hgl.com.au



Not for distribution or release in the United States

This announcement is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission (ASIC)). The announcement is not and should not be considered an offer or an invitation to acquire entitlements or New Shares or any other financial products.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The entitlements and the New Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the US Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements or the New Shares may not be granted to, taken up by, or offered or sold to, directly or indirectly, any person in the United States, or any person acting for the account or benefit of a person in the United States, except pursuant to a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable state securities laws. The distribution of this announcement in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Forward looking statements

This announcement contains certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of HGL, the outcome and effects of the Entitlement Offer and the use of proceeds. The forward looking statements contained in this announcement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of HGL, its directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the "Key Risks" section of the Entitlement Offer Booklet for a summary of certain general and HGL specific risk factors that may affect HGL or an investment in HGL. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in the Entitlement Offer Booklet. Investors should consider the forward looking statements contained in this announcement in light of those disclosures. The forward looking statements are based on information available to HGL as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), HGL undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.



SYDNEY, 29 January 2020

HGL ANNOUNCES CAPITAL RAISING WITH SUPPORT FROM SUBSTANTIAL SHAREHOLDERS

- A proposed non-renounceable one for four rights offer priced at 25 cents per share
- Capital raised from the rights offer supports recent investments and will fund new opportunities to unlock shareholder value
- The two substantial shareholder groups representing 54% of issued shares to support the offer
- Price represents a 26.5% discount to the closing price of 34 cents on 24 January 2020
- Substantial shareholder groups providing a funding bridge to the rights issue to support immediate opportunities

HGL Limited (ASX:HNG) is pleased to announce a proposed capital raising via a rights issue (the offer) at 25 cents per share. This issue price represents a discount of 26.5% to the close of 34 cents on Friday 24 January 2020 on the Australian Securities Exchange to attract participation by all shareholders. The offer will raise approximately \$3.8m if all rights are taken up. The offer has the support of its two substantial shareholder groups who have confirmed they will each participate in full, raising a minimum of \$2.1m under the proposed offer.

HGL's two substantial shareholder groups together represent 54% of HGL's shares on issue. This will increase to 59.7% following the issuance of new shares in the event that no other shareholders participate in the offer.

The proposed capital raise will help recalibrate HGL's long term funding profile. HGL Chair, the Hon. Helen Coonan, said: "The recent exciting investments across the HGL group, including Pegasus Health Group and LW Reid in the healthcare and school-wear sectors respectively, together with other operational investments, necessitate the sourcing of new long-term funding. These capital management initiatives reflect the firm's new leadership under CEO Greg Timar and our positive view on long term opportunities. We are very pleased to have the support of our substantial shareholders."

CEO Greg Timar added: "We are setting the building blocks for a new vision for HGL to unlock returns for shareholders. Since being involved with the group, I have observed a number of opportunities to build value across the businesses. I look forward to being in a position to drive a strategy for growth of HGL which has the potential to deliver solid shareholder returns."



To accelerate the receipt of funds under the rights issue, the two substantial shareholder groups have agreed to extend \$2 million in total in the form of a short-term funding facility. The facility has a three-month term to enable the launch and finalisation of the rights issue. The funding attracts interest at the rate of 6% per annum which accrues to and is paid on the repayment date, being 3 months from drawdown. The borrower is entitled to repay some or all the loans early without penalty, with interest payable only on the amount drawn. HGL will repay the facility from the proceeds of the subscriptions by the substantial shareholder groups, once the issue of shares under the rights offer is settled.

The proposed rights issue, when launched, will be open to all eligible shareholders who have a registered address within Australia or New Zealand (or other jurisdictions as agreed by the Company). The launch of the offer and its timetable is subject to the usual regulatory approvals from the Australian Securities Exchange and ASIC. Upon launch of the offer, shareholders will receive an offer booklet with more details, including the timetable and how to subscribe to the offer, expected to occur before HGL's Annual General Meeting to be held on 28 February. The timetable will contain the record date for participation, which will fall after the launch of the offer.

FOR INVESTORS:

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FOR MEDIA:

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About HGL Ltd

HGL is an investment company which invests in small to medium size businesses with a sustainable competitive advantage and strong growth prospects, providing them with specialist business management skills and equity capital to leverage these growth opportunities. Our core purpose is to create shareholder value through active long-term ownership in our portfolio businesses, driving sustainable growth through a strong focus on customers and employees.

www.hgl.com.au

4 Key Risks

HGL's business is exposed to a variety of commercial and other risks, all of which have some potential to affect the future profitability of HGL, the market price or value of the Shares and HGL's policy with respect to dividends.

There are specific risks which relate directly to HGL's business. In addition, there are general risks to which any investor in the equity capital markets is exposed, many of which are largely beyond the control of HGL and the Directors.

The purpose of this Section 4 is to outline some of the key risk factors that potential investors should have regard in deciding whether to make an investment in HGL, but is not intended to be an exhaustive list of the risks faced by HGL or its shareholders. This Section 4 has been prepared without taking into account your individual financial objectives, financial situation and needs. New Shares offered under the Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the New Shares.

Unless otherwise indicated by the context, the references to HGL in this Section 4 include HGL's subsidiaries and joint venture operations.

The Directors strongly recommend that potential applicants read this Offer Booklet in its entirety (including this Section 4) and consult their professional advisers before deciding whether to apply for New Shares.

Key Risks

Financing risk - Access to funding for working capital and growth initiatives is important for future growth. Transparent and positive relationships with lenders, low debt levels and utilisation of alternative funding sources will provide mitigation of this risk.

Currency risk - Exposure to foreign currency fluctuations (predominantly USD and Euro) is mitigated through the use of hedging structures and adjusting selling prices for drops in exchange rates on key supply contracts. However certain of our products are only able to recoup impacts of adverse currency movements by adjusting the selling prices of goods in a competitive market, which may impact either sales volumes or margins. Certain contracts also provide fixed pricing for a period of time, such that any movement in foreign exchange rates during this period, will directly impact profitability under those contracts.

Supplier risk - Reliance on a small number of key suppliers is managed through the use of distribution agreements for key suppliers, ongoing development of long-term supplier relationships and the use of complimentary product range brands to decrease percentage contribution from important suppliers.

WH&S risk -The HGL Group is committed to ensuring the work health and safety (WH&S) of its employees, customers and the general public. The Group operates a number of warehouse facilities, some of which involve low levels of manual handling of products. Wherever possible manual handling is reduced or eliminated and training is made available to staff on safety related matters.

Novel Coronavirus 2019 (COVID-19) – HGL's businesses are highly reliant on international licenced products sourced from various overseas markets. We are in regular contact with our suppliers to monitor the impacts from COVID-19 and where possible, prepare contingency plans.

A number of HGL business units are reliant to a varying degree on supply chains based in China, the country so far most impacted by the outbreak of COVID-19. As at date of issue of this Offer

Booklet, delays in fulfillment of orders out of China have been experienced due to the impact of COVID-19 and the mitigating actions taken by the Chinese authorities. This situation is dynamic and continues to unfold, with the ultimate impacts unknown. To date, this has resulted in a modest level of cancelled orders, with the remainder either being delayed pending shipment, or satisfied with products sourced through alternate supply chains.

Further delays in the ability to ship orders from China, or other markets that become impacted by COVID-19, may have various impacts for HGL, including a material amount of deferred sales, or the cancellation, or loss of, expected material orders and as a consequence lost revenue. We will provide updates on this as is required.

Equity raising partially -underwritten – As the Entitlement Offer is only partially underwritten, HGL may not receive the full amount of the proceeds expected under the Entitlement Offer, its financial position may change and it may need to take other steps to raise capital.

General Risks

Investment in equity capital – There are general risks associated with investments in equity capital. The trading price of HGL's ordinary shares on the ASX may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares or Additional New Shares being less or more than the Offer Price. Generally applicable factors which may affect the market price of HGL's ordinary shares include:

- general movements in Australian and international stock markets;
- investor sentiment;
- Australian and international economic conditions and outlook;
- changes in interest rates and the rate of inflation;
- changes in government regulation and policies or HGL's failure to satisfy existing legal or regulatory requirements;
- announcement of new technologies;
- geo-political instability, including international hostilities and acts of terrorism;
- operating results of HGL that may vary from expectations of securities analysts and investors;
- operating results that may affect the payment of dividends;
- changes in market valuations of other similar companies; and
- future issues of HGL equity securities.

In particular, the share prices for many companies have in recent times been subject to wide fluctuations, which in many cases may reflect a diverse range of non-company specific influences referred to above, such as the general state of the economy, investor uncertainty and global hostilities and tensions. Such fluctuations may materially adversely impact the market price of HGL's ordinary shares.

Dilution – If you do not take up all of your entitlements to acquire New Shares under the Entitlement Offer, your percentage shareholding in HGL will be diluted. As a pro-rata offering to all Eligible Shareholders, if you participate for your full Entitlement, your percentage shareholding in HGL will not be diluted.

Illiquidity of Shares – Because of the relatively low volume of trading in HGL’s securities, the market price of Shares may fall or be made more volatile. When trading volume is low, significant price movement can be caused by trading in a relatively small number of Shares. There is no guarantee that an active market in the Shares will develop. If trading in the Shares is illiquid, there is a risk that investors will be unable to realise their investment in HGL.

Inability to access capital markets or refinance debt on attractive terms - HGL may require funding or working capital in the future in order to fund its operations. There is no assurance that any such capital or funding will be available on favourable terms or at all and that HGL will be able to comply with the terms of such facilities. If adequate funds are not available, HGL may not be able to achieve its performance targets or respond to competitive pressures.

Taxation implications - Further changes in tax laws, including changes in interpretation or application of those laws by a court or tax authority may affect the tax treatment of an investment in HGL Shares, or the holdings and disposal of shares. Tax consideration may differ between HGL Shareholders. Therefore, prospective investors are encouraged to seek professional tax advice in connection with any investment in HGL Shares.

Accounting standards - Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside HGL’s control. Changes to accounting standards issued by AASB could materially affect the financial performance and position reported in HGL’s financial statements.

Distributions - Any future dividend levels will be determined by the HGL board, having regard to its operating results and financial position (including profitability, cash flow and capital requirements) at the relevant time. There is no guarantee that any dividend will be paid by HGL or, if paid, that they will be paid at previous levels.

General economic risks - The operating and financial performance of HGL is influenced by a variety of general economic and business conditions, including inflation, interest rates and exchange rates, supply and demand, industrial disruption access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions could adversely impact the operating and financial performance of HGL.

5 Important Information

This Offer Booklet and your personalised Entitlement and Acceptance Form (**Information**) have been prepared by HGL.

This Offer Booklet is dated 5 March 2020 and the information contained herein remains subject to change without notice and, except as required by law or regulation (including the ASX Listing Rules), HGL is not responsible for updating this information.

There may be additional announcements made by HGL after the date of this Offer Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration to apply for New Shares and any Additional New Shares. Therefore, it is prudent that you check whether any further announcements have been made by HGL (by visiting the ASX website at www.asx.com.au) before submitting your application to apply for New Shares and any Additional New Shares.

No party other than HGL has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

This Information is important and requires your immediate attention.

You should read this Information carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the key risk factors outlined in the “Key Risks” included in Section 4 of this Offer Booklet, any of which could affect the operating and financial performance of HGL or the value of an investment in HGL.

You should consult your stockbroker, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

5.1 Eligible Shareholders

This information contains an offer of New Shares to Eligible Shareholders and has been prepared in accordance with section 708AA of the Corporations Act.

Eligible Shareholders are those persons who:

- are registered as a holder of existing Shares as at 7.00pm on the Record Date;
- have a registered address on the HGL share register in Australia, New Zealand, the United Kingdom or certain other foreign jurisdictions determined by the Directors (as described in the "Selling Restrictions" included in Section 5.17 of this Offer Booklet), as at the Record Date;
- are not in the United States; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Shareholders who are not Eligible Shareholders are Ineligible Shareholders.

HGL reserves the right to determine whether a shareholder is an Eligible Shareholder or an Ineligible Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria

listed above to be an Eligible Shareholder. Nominees and custodians are therefore advised to seek independent professional advice as to how to proceed.

HGL has determined that it is unreasonable to make offers under the Entitlement Offer to shareholders who have registered addresses outside Australia, New Zealand, the United Kingdom or certain other foreign jurisdictions determined by the Directors (as described in the "Selling Restrictions" section included in Section 5.17 of this Offer Booklet), having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places.

HGL reserves the right (in its absolute discretion) to extend the Entitlement Offer to shareholders who have registered addresses outside of the above jurisdictions in accordance with applicable law.

5.2 ASIC Relief

HGL has sought, and received, from ASIC relief to enable the Company and Eligible Shareholders to rely on the exemption in item 10 of section 611 of the Corporations Act, notwithstanding that:

- the Entitlement Offer will not be extended to all foreign Shareholders and the conditions of the exemption in item 10 of Section 611 of the Corporations Act will therefore not be satisfied in relation to certain foreign Shareholders; and
- HGL will not implement the nominee procedure set out in section 615 of the Corporations Act.

5.3 Ranking of New Shares

New Shares and any Additional New Shares issued under the Entitlement Offer will be fully paid and rank equally in all respects with existing Shares. The rights and liabilities attaching to the New Shares are set out in HGL's Constitution.

5.4 Key Risks

You should refer to the "Key Risks" included in Section 4 of this Offer Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement. You should also consider general risks applicable to all investments in listed securities.

5.5 No cooling off rights

Cooling off rights do not apply to an investment in New Shares and any Additional New Shares. You cannot withdraw your application once it has been accepted.

5.6 No Entitlements trading

Entitlements are non-renounceable and cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

5.7 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

Where fractions arise in the calculation of Additional New Shares for which an Eligible Shareholder may apply (by application of any scale back), the Additional New Shares will be rounded up to the nearest whole number of Additional New Shares.

5.8 Capital structure

After the issue of New Shares under the Entitlement Offer, the capital structure of HGL is expected to be as follows (subject to rounding of fractional Entitlements and assuming all New Shares are issued):

Shares on issue as at the date of this Offer Booklet	62,149,585
Maximum number of New Shares to be issued under the Entitlement Offer	15,537,397
Total Shares on issue on completion of the Entitlement Offer	77,686,982

5.9 Implications of minority shareholders not taking up their entitlements under the Entitlement Offer

There are various possible scenarios in relation to the Entitlement Offer that may arise each with varying impacts on the control of HGL. The outcome of these scenarios will largely depend on the extent to which Shareholders take up their Entitlement. However, the Entitlement Offer is structured as a pro-rata issue, which reduces the potential effect of the issue of the New Shares and Additional New Shares on the control of HGL.

As at the date of this document, HGL's two largest substantial shareholder groupings hold 53.0% of Shares on issue.

Depending on whether Eligible Shareholders elect to take up their full Entitlements, there are a range of potential ownership outcomes which may eventuate, a number of which are shown below:

- If all Eligible Shareholders take up their full Entitlements and all Additional New Shares are subscribed for, then each Eligible Shareholder who does not subscribe for Additional New Shares' percentage ownership interest (and voting power) in HGL will remain the same, however, Eligible Shareholders who subscribe for Additional New Shares will increase their percentage ownership interest (and voting power) but there will be no effect on the control of HGL;
- If an Eligible Shareholder does not take up all of their Entitlements, their percentage ownership interest (and voting power) in HGL will be diluted; and
- If only the two largest substantial shareholder groupings take up their Entitlements, and no other Shareholders take up their Entitlements those substantial shareholder groupings will increase their ownership interest in the group to 58.5%.

Ownership of HGL following the Entitlement Offer

The table below illustrates the effect of the Entitlement Offer on the control of HGL where all Eligible Shareholders take up their Entitlements.

Shareholder	Number of ordinary HGL shares held (pre-Rights Issue)	Number of ordinary HGL shares held (post-Rights Issue)	% of total ordinary HGL shares on issue (post-Rights Issue)
Sery Group	16,778,304	20,972,880	27.00%
Constable Group	16,181,809	20,227,262	26.04%
Other shareholders	29,189,472	36,486,840	46.96%
Shares on issue	62,149,585	77,686,982	100.00%

The table below illustrates the effect of the Entitlement Offer on the control of HGL where only the two largest substantial shareholder groupings take up their Entitlements.

Shareholder	Number of ordinary HGL shares held (pre-Rights Issue)	Number of ordinary HGL shares held (post-Rights Issue)	% of total ordinary HGL shares on issue (post-Rights Issue)
Sery Group	16,778,304	20,972,880	29.80%
Constable Group	16,181,809	20,227,262	28.74%
Other shareholders	29,189,472	29,189,472	41.46%
Shares on issue	62,149,585	70,389,614	100.00%

5.10 Potential dilution if you do not participate

You should note that if you do not participate in the Entitlement Offer, your holdings may be diluted by as much as approximately 20% (as compared to your holdings and number of Shares on issue as at the date of this Offer Booklet).

The following are examples of how any dilution may impact you if you do not participate in the Entitlement Offer, assuming the maximum number of New Shares are issued:

Example Shareholder	Holding as at Record Date	% as at Record Date	Entitlement under the Rights Issue	Holdings if Entitlement not taken up	% following allotment of New Shares
Shareholder 1	1,250,000	2.01%	312,500	1,250,000	1.62%
Shareholder 2	250,000	0.40%	62,500	250,000	0.32%
Shareholder 3	50,000	0.08%	12,500	50,000	0.06%
Shareholder 4	10,000	0.02%	2,500	10,000	0.01%

5.11 Notice to nominees and custodians

If HGL believes you hold Shares as a nominee or custodian, you will have received (or will shortly receive) a communication from the Registry in respect of the Entitlement Offer. Nominees and custodians should consider carefully that communication.

HGL is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlements.

Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws. HGL is not able to advise on foreign laws.

Persons acting as nominees and custodians for other persons must not take up any Entitlements on behalf of, or send any documents relating to the Entitlement Offer to, any person in the United States.

Nominees and custodians may not distribute any part of this Offer Booklet, and may not permit any beneficial owner of Shares to participate in the Entitlement Offer, in any country outside of Australia, New Zealand or the United Kingdom and except, with the consent of HGL, to beneficial holders of Shares resident in certain other countries HGL may determine it is practical to make the Entitlement Offer.

5.12 Not investment advice

This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It also is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. HGL is not licensed to provide financial product advice in respect of the New Shares or any Additional New Shares. This Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares or Additional New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with HGL's other periodic statements and continuous disclosure announcements lodged with the ASX, which are available on the ASX website at www.asx.com.au.

The New Shares and any Additional New Shares offered under this Entitlement Offer should be considered speculative. Before deciding whether to apply for New Shares and any Additional New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser.

5.13 Australian taxation

There may be tax implications associated with participating in the Entitlement Offer and receiving New Shares and Additional New Shares. HGL considers that it is not appropriate for it to give advice regarding the tax consequences of subscribing for New Shares or Additional New Shares under this Offer Booklet or the subsequent disposal of any such New Shares or Additional New Shares. The taxation implications of the Entitlement Offer will vary depending upon your particular circumstances. Neither HGL nor any of its officers or employees, nor its

advisers, accepts any liability or responsibility in this regard and recommends that you seek and rely upon your own professional advice in connection with the Entitlement Offer.

5.14 Quotation and trading

HGL has applied to the ASX for official quotation of the New Shares and any Additional New Shares in accordance with the ASX Listing Rule requirements. If the ASX does not grant quotation of the New Shares or any Additional New Shares, HGL will repay all Application Monies (without interest).

Subject to approval being granted, it is expected that normal trading of New Shares and any Additional New Shares allotted under the Entitlement Offer will commence on 1 April 2020.

5.15 Continuous disclosure

HGL is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

HGL is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by the ASX. In particular, HGL has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities. That information is available to the public from the ASX and can be accessed at www.asx.com.au or at www.hgl.com.au.

Some documents are required to be lodged with ASIC in relation to HGL. These documents may be obtained from, or inspected at, an ASIC office.

5.16 Information availability

Eligible Shareholders can obtain a copy of this Offer Booklet during the Entitlement Offer on HGL's Entitlement Offer website at www.hgl.com.au.

You will be sent your personalised Entitlement and Acceptance Form. If you do not receive your personalised Entitlement and Acceptance Form, a replacement Entitlement and Acceptance Form can also be requested during the period of the Entitlement Offer by calling the Share Registry on 1300 850 505 (inside Australia) or +61 3 9415 4000 (outside Australia).

If you access the electronic version of this Offer Booklet, you should ensure that you download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the HGL website will not include an Entitlement and Acceptance Form.

5.17 Selling Restrictions

This Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements, the New Shares, any Additional New Shares, or otherwise permit the public offering of the New Shares or any Additional New Shares, in any jurisdiction other than Australia, New Zealand or the United Kingdom.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. See the foreign selling restrictions set out below for more information.

Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The New Shares and Additional New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

The New Shares and Additional New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares and Additional New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and offer or agreement to

purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Offer Booklet have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

5.18 Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares and Additional New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

5.19 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by HGL, or its related bodies corporate, in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of HGL, nor any other person, warrants or guarantees the future performance of HGL or any return on any investment made pursuant to this Offer Booklet or its content.

5.20 Withdrawal of the Entitlement Offer

HGL reserves the right to withdraw all or part of the Entitlement Offer and this Offer Booklet at any time, subject to applicable laws, in which case HGL will refund Application Monies in relation to New Shares and any Additional New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to HGL will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to HGL.

5.21 Privacy

As a shareholder, HGL and the Share Registry have already collected certain personal information from you. If you apply for New Shares or Additional New Shares, HGL and the Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares and any Additional New Shares, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

HGL and the Share Registry may disclose your personal information for these purposes to their agents, contractors or third party service providers to whom they outsource services.

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by the Share

Registry on behalf of HGL. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information held by the Share Registry on behalf of HGL by contacting the Share Registry as follows:

Computershare Investor Services Pty Limited

By email privacy@computershare.com.au or visit <http://www.computershare.com/au>

6 Glossary

The below terms are defined as follows for the purposes of this Offer Booklet:

Additional New Shares means New Shares which Eligible Shareholders are able to apply for in excess of their Entitlement under the Overallotment Facility.

Applicant means a person who has subscribed for New Shares and any Additional New Shares pursuant to the Entitlement Offer.

Application Monies means the money paid by Applicants in respect of the New Shares and any Additional New Shares they apply for under the Entitlement Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange.

Constable Group means all parties listed on the Constable Substantial Shareholder notice lodged with ASX on 7 January 2020.

Constitution means the constitution of HGL, from time to time.

Corporations Act means the Corporations Act 2001(Cth).

CRN means the unique customer reference number allocated to each Eligible Shareholder.

Directors means the board of directors of the Company from time to time.

Eligible Shareholder means those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm on 10 March 2020;
- have a registered address on the HGL share register in Australia, New Zealand, the United Kingdom or certain other foreign jurisdictions determined by the Directors (as described in the "Selling Restrictions" section included in Section 5 of this Offer Booklet) as at the Record Date;
- are not in the United States; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Entitlement means the offer to eligible shareholders to purchase 1 New Share for every 4 existing Shares held as at the Record Date at the Offer Price of \$0.25 per New Share.

Entitlement and Acceptance Form means the personalised form accompanying this Offer Booklet.

Entitlement Offer means the pro-rata non-renounceable entitlement offer at the Offer Ratio of New Shares to Eligible Shareholders entitling each such Eligible Shareholder to subscribe for their Entitlement to New Shares at the Offer Price and, where applicable, includes the Overallotment Facility.

HGL or Company means HGL Limited (ACN 009 657 961).

Ineligible Shareholder means a shareholder who is not an Eligible Shareholder.

New Shares means the Shares offered by HGL pursuant to the Entitlement Offer (but excludes any Additional New Shares offered pursuant to the Overallotment Facility).

Offer Booklet means this booklet.

Offer Price means \$0.25 per New Share.

Offer Ratio means one New Share for every four existing Shares held as at the Record Date.

Overallotment Facility means the opportunity for Eligible Shareholders who take up all of their Entitlement to also apply for Additional New Shares in excess of their Entitlement.

Record Date means 7.00pm on 10 March 2020.

Sery Group means all parties listed on the Sery Substantial Shareholder notice lodged with ASX on 17 January 2020.

Shares means fully paid ordinary shares of HGL.

Share Registry means Computershare Investor Services Pty Limited whose details are provided in the "Corporate Directory" section of this Offer Booklet.

US Securities Act means the U.S. Securities Act of 1933, as amended from time to time.

7 Corporate Directory

HGL Limited
ACN 009 657 961
ASX: HNG

Address:

PO Box 1445,
Macquarie Centre
NSW 2113
Australia

Contact details:

info@hgl.com.au

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International: +61 2 8667 4660
www.hgl.com.au

Directors

The Hon. Helen Coonan (Chair)
Peter G Miller
Julian D Constable
Kevin J Eley
Cheryl Hayman

Executive Team

Greg Timar (CEO)
Iain Thompson (CFO & Company Secretary)

Share Registry

Computershare Investor Services Pty Limited

Australia: 1300 850 505
International: +61 3 9415 4000

Hours are 8.30am to 5.00pm (Sydney time),
Monday to Friday,
during the Entitlement Offer period