



30 October 2020

Company Announcements Office
Australian Securities Exchange
Authorised by the Board for immediate release

Please find attached a sample of the notification to Eligible Retail Shareholders in relation to the for the 1 for 4 pro rata non-renounceable entitlement offer announced on 21 October 2020, which has been dispatched today.

Yours faithfully,

Iain Thompson
CFO & Company Secretary



HGL Limited
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For all enquiries:



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30 October 2020

Dear Shareholder

Pro Rata Non-Renounceable Entitlement Offer - Notification to Eligible Retail Shareholders

HGL Limited (**HGL** or **the Company**) (ASX:HNG), writes to you as an eligible retail shareholder of the Company with a registered address in Australia, New Zealand or the United Kingdom as of 7.00pm (Sydney time) on Tuesday, 27 October 2020 (**Record Date**).

THE RETAIL ENTITLEMENT OFFER IS NOW OPEN

You can access, download and print the Retail Offer Booklet and Entitlement and Acceptance Form at the HGL Entitlement Offer Website, <https://HGLEntitlementOffer.thereachagency.com>.

Eligible Retail Shareholders considering participating in the Entitlement Offer should read the "Actions Required by Eligible Retail Shareholders" section of this letter and access the HGL Entitlement Offer website, <https://HGLEntitlementOffer.thereachagency.com>.

On 21 October 2020, HGL announced a 1 for 4 pro-rata non-renounceable entitlement offer of New Shares at \$0.125 per share to raise up to \$2.718 million (**Entitlement Offer**), comprising:

- an accelerated entitlement offer to eligible institutional and sophisticated investors (**Accelerated Entitlement Offer**); and
- a retail entitlement offer for the remaining eligible shareholders with a registered address in Australia, New Zealand or the United Kingdom as at the Record Date (**Retail Entitlement Offer**).

On 27 October 2020, the Company announced that it had raised \$1.378 million through the issue of 11,025,756 New Shares under the Accelerated Entitlement Offer.

The Retail Entitlement Offer seeks to raise \$1.339 million through the issue of 10,715,736 New Shares.

In conjunction with the Entitlement Offer, the Company has undertaken a private placement of approximately 11,343,387 million New Shares at an offer price of \$0.125 per New Share to institutional investors to raise an additional \$1.418 million (**Private Placement**).

Wentworth Securities Pty Limited (**Wentworth Securities**) as Lead Manager to the Private Placement and the Entitlement Offer, has undertaken to place, on a best-endeavours basis, any shortfall in entitlements in the Retail Entitlement Offer not taken up by shareholders.

The Private Placement and Entitlement Offer (if all entitlements are fully taken up), will in total raise \$4.136M before costs and will be used for strengthening the Company's balance sheet and to assist future growth.

An electronic version of the Retail Offer Booklet is available to eligible shareholders, together with a personalised entitlement and acceptance form which will accompany the Retail Offer Booklet, at the HGL Entitlement Offer Website (<https://HGLEntitlementOffer.thereachagency.com>).

A hard copy of the Retail Offer Booklet and personalised entitlement and acceptance form is also available upon request by calling the HGL Retail Offer information line on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Sydney time) or via the HGL Entitlement Offer website at <https://HGLEntitlementOffer.thereachagency.com>.

Anyone who wants to acquire shares under the Retail Entitlement Offer will need to complete the entitlement and acceptance form having fully read the accompanying Retail Offer Booklet.

Eligible shareholders who do not take up their entitlement under the Retail Entitlement Offer in full or in part will not receive any value in respect of those entitlements not taken up and will have their holding diluted as a result.

Actions required by Eligible Retail Shareholders

The number of New Securities to which Eligible Shareholders are entitled (your Entitlement) is shown on the Entitlement and Acceptance Form that accompanies the Retail Offer Booklet which can be accessed by entering your personal details (which are set out at the top of this letter) at the HGL Entitlement Offer Website: <https://HGLEntitlementOffer.thereachagency.com>.

The choices available to Eligible Retail Shareholders are described in the Retail Offer Booklet. In summary, Eligible Retail Shareholders may:

- take up all or part of your Entitlement (see Section 2.4.1 of the Retail Offer Booklet); or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements (see Section 2.4.2 of the Retail Offer Booklet).

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 17 November 2020 (see Section 2.4 and 2.6 of the Retail Offer Booklet).

Eligible Retail Shareholders in New Zealand or United Kingdom only can, by arrangement through contact with the Share Registry (see Section 2 of the Retail Offer Booklet for details), facilitate payment via international electronic funds transfer.

Questions

If you have any queries about the Retail Entitlement Offer, please contact the HGL Offer Information Line on:

- 1300 855 080 (within Australia); or
- +61 3 9415 4000 (outside Australia),

between 8.30am and 5.00pm (Sydney time) during the Retail Entitlement Offer period.

Yours faithfully



Iain Thompson
CFO & Company Secretary

About HGL

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

Important Information

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.