



17 April 2020

Company Announcements Office
Australian Securities Exchange
Authorised for immediate release

ACCELERATED NON-RENOUNCEABLE ENTITLEMENT OFFER AND HEAD OFFICE REMUNERATION CHANGES

Launch of New Accelerated Non-Renounceable Entitlement Offer

HGL Limited ACN 009 657 961 (ASX: HNG) (**HGL**) announces the formal launch of a 5 for 16 accelerated pro-rata non-renounceable entitlement offer of new shares at an offer price of \$0.20 per new share (**New Entitlement Offer**), first announced on 14 April 2020.

The New Entitlement Offer replaces the original offer which was a 1 for 4 entitlement offer at \$0.25 per new share first announced on 30 January 2020 and terminated on 14 March 2020 (**Original Offer**).

The New Entitlement Offer comprises an **Accelerated Entitlement Offer** for the two largest substantial shareholder groupings representing 53.3% of HGL's current shares and a **Retail Entitlement Offer** for remaining shareholders as at the record date for the issue.

The Offer Price for the New Entitlement Offer represents a 20% reduction to the offer price in the Original Offer and a 1.7 cent discount to the volume weighted average price of HGL's shares of 21.7 cents, for the 24 days over which the shares have traded since the announcement of the Original Offer on 30 January 2020, up to 9 April 2020, being the last business day before the announcement of the New Entitlement Offer.

The proceeds from the New Entitlement Offer, less costs, will be used to repay the shareholder loans announced on 30 January 2020 and to replenish general working capital. The capital raising will also assist the business to continue to trade through the impacts of COVID-19.

Details of the results of the Accelerated Entitlement Offer

HGL is pleased to confirm the successful completion of the accelerated component of the New Entitlement Offer (**Accelerated Entitlement Offer**), under which the two largest substantial shareholder groupings subscribed for their full 53.3% pro-rata entitlements, resulting in the issue of 10,349,331 shares, raising \$2.070M. New shares issued under the Accelerated Entitlement Offer will rank equally with existing shares and are expected to be issued on 22 April 2020. Trading will commence on a normal settlement basis on the Australian Securities Exchange (**ASX**) on the same day. Following the issue of new shares under the Accelerated Entitlement Offer, the two largest substantial shareholder groupings together will account for 60.0% of HGL's issued shares.



Details of commencement of the Retail Entitlement Offer

The retail component of the New Entitlement Offer (**Retail Entitlement Offer**) first announced on 14 April 2020 seeks to raise a further \$1.81M through a 5 for 16 pro-rata non-renounceable entitlement offer of 9,072,415 new shares at an offer price of \$0.20 per new share.

The New 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 retail 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 retail shareholders may also apply for additional new shares (**Additional New Shares**) under an Overallotment Facility.

The Retail Entitlement Offer is open to all eligible retail shareholders on the record date of 7.00pm 21 April 2020 who have a registered address within Australia, New Zealand and the United Kingdom (or other jurisdictions as agreed by the Company). Eligible retail shareholders will receive a Retail Offer Booklet with more details, including the timetable and the terms and conditions under which eligible retail shareholders may apply under the Retail Entitlement Offer. The Retail Offer Booklet will also be available on the ASX website and the Offer website at <https://HGLEntitlementOffer.thereachagency.com>.

Shareholders who paid application monies towards the Original Offer may apply some or all of these funds to the current Entitlement Offer, together with any additional application monies, if they so elect. Shareholders can confirm this either in the Entitlement and Acceptance Form to be mailed to all eligible retail shareholders for the New Entitlement Offer, or alternatively by contacting the Share Registry. Any application monies under the Original Offer not applied towards the New Entitlement Offer will be returned on close of the New Entitlement Offer, or sooner by contacting the Share Registry.

All HGL Limited Directors with direct or indirect shareholdings have also confirmed they intend to participate fully in the pro rata Retail Entitlement Offer. The two largest substantial shareholder groups and Directors of HGL are unable however to participate in the Overallotment Facility.

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

New Entitlement Offer Timetable

The indicative timetable for the New Entitlement Offer is as follows:



Event	Date
Announcement of the New Entitlement Offer	14 April 2020
Launch of New Entitlement Offer and results of Accelerated Entitlement Offer announced	17 April 2020
Record Date for the Retail Entitlement Offer	7.00pm (Sydney time) 21 April 2020
New Shares under the Accelerated Entitlement Offer are issued and commence trading on ASX on a normal settlement basis	22 April 2020
Retail Offer Booklet dispatched, Retail Entitlement Offer opens	22 April 2020
Retail Entitlement Offer closes	5.00pm (Sydney time) 1 May 2020
Announcement of results of Retail Entitlement Offer	5 May 2020
Issue of New Shares (and any Additional New Shares) under the Retail Entitlement Offer	Before 12.00pm 7 May 2020
Trading of New Shares (and any Additional New Shares) under the Retail Entitlement Offer	8 May 2020

Head Office Remuneration Changes

HGL Ltd advises that all Directors and employees of the Parent Company (including HGL Ltd CEO and CFO) have each taken a 20% reduction in Directors fees or base salary, respectively, from 1 April 2020. This reduction will continue until at least 30 June 2020 subject to review by the board of COVID-19 impacts on the group.

Further Information

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

For more information, please contact:

Investor queries, including offer details:

Offer information line
1300 850 505 (in Australia)
+61 3 9415 4000 (from overseas)

Other HGL queries:

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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 **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 Retail 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 Retail 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.