

Harvey Norman Holdings Limited

A.C.N. 003 237 545

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5 September 2019

HARVEY NORMAN HOLDINGS LIMITED

NOTICE UNDER SECTION 708AA(2)(f) OF THE *CORPORATIONS ACT 2001* (CTH)

This notice is given by Harvey Norman Holdings Limited (ASX: HVN) (**Company** or **HVN**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by the *Australian Securities and Investments Commission (ASIC) Corporations (Non-Traditional Rights Issues) Instrument 2016/84* (**Instrument**).

Where applicable, references in this notice to sections of the Corporations Act are to those sections as modified by the Instrument.

On 30 August 2019, the Company announced a pro rata renounceable entitlement offer (**Entitlement Offer**) of one ordinary share in the Company (**New Shares**) for every seventeen (17) shares in the Company held as at 7.00pm (Sydney time) on Tuesday 10 September 2019 to shareholders with a registered address in Australia or New Zealand (**Eligible Shareholders**) to raise approximately \$173.49 million (before costs) (**Rights Issue**).

The Company advises that:

- (a) the New Shares will be offered for issue without disclosure under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act;
- (c) as at the date of this notice, the Company has complied with:
 - (1) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (2) section 674 of the Corporations Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in section 708AA(8) or section 708AA(9) of the Corporations Act that is required to be set out in this notice; and
- (e) the potential effect of the issue of New Shares pursuant to the Rights Issue will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including the extent to which Eligible Shareholders take up the entitlements and existing shareholding levels. Based on the current disclosures made by substantial shareholders in the Company and the structure of the Rights Issue being on a pro rata basis, the Rights Issue is not expected to have any material effect or consequence on the control of the Company.
- (f) The potential effect of the Rights Issue on shareholdings is summarised as follows:

- (1) If all Eligible Shareholders take up their entitlement under their Entitlement Offer, then the Rights Issue will have no significant effect on the control of the Company.
- (2) If some Eligible Shareholders do not take up their full entitlement under the Entitlement Offer, then the interests of those Eligible Shareholders in the Company will be diluted.
- (3) The proportional interests of shareholders who are not Eligible Shareholders will be diluted because these shareholders are not entitled to participate in the Rights Issue.
- (4) The amount of the increase (if any) in a shareholder's holding in the Company will depend on the amount of their entitlements they accept and the amount of entitlements accepted by other shareholders.



Chris Mentis
Company Secretary