



29 October 2020

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

Please find attached the Entitlement Offer Booklet for the 1 for 4 pro rata non-renounceable entitlement offer announced on 21 October 2020. This will be made available for shareholders from Friday 30 October 2020.

Yours faithfully,

Iain Thompson
CFO & Company Secretary



HGL Limited

ACN 009 657 961

ASX: HNG

IF YOU ARE AN ELIGIBLE RETAIL 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. IF YOU HAVE ANY QUESTIONS OR DO NOT UNDERSTAND THE OFFER DOCUMENT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER

Retail Offer Booklet

A one for four pro-rata non-renounceable entitlement offer of HGL Limited ordinary shares at an offer price of \$0.125 per new share.

The retail entitlement offer closes at 5.00pm (Sydney time) on 17 November 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 Retail Offer Booklet.

Future performance and forward looking statements

This Retail 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 Retail 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 Retail 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 0 of this Retail 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 0 of this Retail Offer Booklet. Investors should consider the forward looking statements contained in this Retail 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 Retail 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 Retail 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.

Retail Offer Booklet and personalised Entitlement and Acceptance Form

Please note that you can access, download and print this Retail Offer Booklet and your personalised Entitlement and Acceptance Form from the HGL Entitlement Offer website at <https://HGLEntitlementOffer.thereachagency.com>. A hard copy of this Retail offer Booklet and your 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).

No representation other than in this Retail Offer Booklet

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

Not investment advice

This Retail 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 Retail Offer Booklet in full before deciding to invest in New Shares and consider the risks that could affect the performance of New Shares.

Jurisdictions

The information in this Retail 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, or otherwise permit a public offering of the New Shares. See the foreign selling restrictions set out in the “Selling Restrictions” section included in Section 45.16 of this Retail Offer Booklet for more information. The Entitlements and the 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 Retail Offer Booklet, references to “you” are references to Eligible Retail Shareholders and references to “your Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders.

Times and dates

Times and dates in this Retail 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 Retail Offer Booklet on page 5, for more details.

Currency

Unless otherwise stated, all dollar values in this Retail 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 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 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
Trading halt and announcement of the Private Placement and Entitlement Offer	21 October 2020
Issue of new Shares offered under the Private Placement	26 October 2020
Announcement of results of Private Placement and Accelerated Entitlement Offer, Trading resumes on an ex-entitlement basis	27 October 2020
Record Date for the Entitlement Offer	7.00pm (Sydney time) 27 October 2020
Issue of New Shares offered under the Accelerated Entitlement Offer	28 October 2020
Retail Offer Booklet and personalised Entitlement and Acceptance Form made available, Retail Entitlement Offer opens	30 October 2020
Retail Entitlement Offer closes	5.00pm (Sydney time) 17 November 2020
Announcement of results of Retail Entitlement Offer	20 November 2020
Issue of New Shares offered under the Retail Entitlement Offer	Before 12pm (Sydney time) 24 November 2020
Trading of New Shares offered under the Retail Entitlement Offer	25 November 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 Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

The commencement of quotation of New Shares is subject to confirmation from the ASX.

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

Letter from the Chairman

29 October 2020

Dear Shareholder,

HGL Limited (ASX: HNG) – Retail Entitlement Offer

On behalf of the Board of HGL Limited (**HGL** or **Company**), I am pleased to invite you to participate in a one for four pro-rata non-renounceable entitlement offer of HGL ordinary shares (**New Shares**) at an Offer Price of \$0.125 per New Share (**Offer Price**) to raise approximately \$2.718 million (before costs) (**Entitlement Offer**).

As announced to the ASX on 21 October 2020, the Company is undertaking a number of initiatives directed at further strengthening the company's balance sheet and providing the basis for future growth. This has included a private placement (**Private Placement**) of 11,343,387 ordinary shares to new strategic investors raising \$1.418M, led by Sandy Beard, with over two decades of experience as the Managing Director of a similar listed business to HGL.

This round of capital raising represents a key event for the Company and will facilitate a continuation of our 'equity and skills' model of investing in small to medium sized unlisted businesses. This is anticipated to be achieved through realising the opportunity in HGL's existing portfolio of businesses, as well as procuring and developing new investment propositions.

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. Both the Private Placement and the Entitlement Offer have been priced at 12.5 cents, representing a 24.3% discount to the 60-day volume weighted average price (**VWAP**) of HGL's shares up to Tuesday, 20 October 2020 (being the day prior to the announcement of the Entitlement Offer), of \$0.165; and a 14.3% discount to the theoretical ex-rights price (**TERP**) of \$0.146 (based on the last close price on the day prior to the announcement of the Entitlement Offer of \$0.155). We trust the issue discount, along with the opportunity to co-invest alongside new strategic investors will be sufficiently attractive to encourage all shareholders to participate.

Entitlement Offer

The Entitlement Offer is being structured as an accelerated non-renounceable entitlement offer comprising an accelerated offer for certain eligible sophisticated shareholders including the two largest substantial shareholder groups (**Accelerated Entitlement Offer**), and a retail offer for all remaining shareholders (**Retail Entitlement Offer**).

HGL announced to the ASX on 27 October 2020, that the Accelerated Entitlement Offer was fully subscribed and raised \$1.378M, representing approximately 50.7% of total entitlements available under the Entitlement Offer. If the Retail Entitlement Offer was to be fully subscribed, it would raise a further \$1.339M.

Under the Retail Entitlement Offer, Eligible Retail 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 27 October 2020.

I am pleased to advise that all HGL Directors intend to participate for their pro-rata share of the Entitlement Offer under the Retail Entitlement Offer.

The HGL Directors reserve the right to issue all or part of the shortfall from New Shares that relate to Entitlements which have not been taken up under the Retail Entitlement Offer in their absolute discretion (subject to the Corporations Act and the ASX Listing Rules). HGL have engaged Wentworth Securities Pty Limited (**Wentworth Securities**) as Lead Manager to the Private Placement and the Entitlement Offer, who has undertaken to place to institutional and sophisticated investors, on a best-endeavours basis, any such shortfall.

As announced to the market on 21 October 2020, the Company has committed to ensuring that following the Private Placement and Entitlement Offer, Sandy Beard (and associated interests) and / or shareholders introduced by Wentworth Securities through those offers (including through the placement of any shortfall of the Entitlement Offer), will hold no less than a total of 20 million shares (being \$2.5M at the Offer Price), by offering to make a further private placement (**Further Private Placement**), as required, at the Offer Price. The requirement for the Further Private Placement, will be dependent on the outcome of the Retail Entitlement Offer. The maximum number of shares to be issued under the Further Private Placement (ie. in circumstances where all shareholders take up their entitlements under the Entitlement Offer), is 5,820,766 valued at \$0.728M. The Further Private Placement, if required, is subject to shareholder approval. The two largest substantial shareholder groups have committed to support any such motion put before the shareholders of HGL.

Please be advised that Sandy Beard (and / or his associated interests):

- a) as a result of the Private Placement have now acquired 6,672,579 shares valued at \$0.834M at the Offer Price;
- b) have committed through the Private Placement and Entitlement Offer to underwrite 12.0M shares valued at \$1.5M at the Offer Price; and
- c) following the close of the Retail Entitlement Offer and any Further Private Placement (if applicable), intends to hold at least 9.6M shares in the Company valued at \$1.2M, and up to 12.0M shares valued at \$1.5M, at the Offer Price.

New Shares will rank equally with existing Shares in all respects from the date of their quotation.

The Entitlement Offer is non-renounceable and rights are not transferrable and will not be traded on the Australian Securities Exchange (**ASX**). Eligible shareholders who do not take up their entitlement under the 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.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on 17 November 2020 (unless extended).

Retail Offer Booklet

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

- Key Dates
- Summary of Options Available to You
- Offer Details & How to Apply for New Shares under the Retail Entitlement Offer
- Copies of the ASX Announcements that has 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 Retail Entitlement Offer

- Important Information that you should carefully consider, before deciding whether to participate in the Retail Entitlement Offer
- Glossary of defined terms

Taking up your Entitlement

To participate in the Retail Entitlement Offer, you need to ensure that your personalised Entitlement and Acceptance Form, to be found on the offer website (<https://HGLEntitlementOffer.thereachagency.com>), is completed in accordance with the instructions provided on the form and the instructions in this Retail Offer Booklet under “Offer Details & How to Apply”.

To participate, you must ensure that you have completed your application by paying Application Monies by BPAY® before 5:00pm (Sydney time) on 17 November 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 by mail or via the offer website before 5:00pm (Sydney time) on 17 November 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 Retail Entitlement Offer, as well as the key risks associated with investing in the Retail Entitlement Offer are set out in this Retail Offer Booklet (refer to the “Key Risks” included in Section 0 of this Retail 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 Retail Entitlement Offer.

If you have any questions about the Retail Entitlement Offer, please call 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 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,



Kevin Eley
Chairman

1 Summary of Options Available to You

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

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

Further information is provided below.

2 Offer Details & How to Apply

2.1 Overview of the Retail Entitlement Offer

HGL intends to raise approximately \$2.718 million under the Entitlement Offer, comprising an Accelerated Entitlement Offer to eligible institutional and sophisticated investors comprising Sandy Beard, certain new investors under the Private Placement and the two existing substantial shareholder groups invited to participate and a Retail Entitlement Offer for all remaining shareholders. The results of the Accelerated Entitlement Offer were announced to the market on 27 October 2020.

Under the Retail Entitlement Offer, Eligible Retail 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 27 October 2020, at the Offer Price of \$0.125 per New Share. The Offer Price represents a 24.3% discount to the 60-day volume weighted average price (**VWAP**) of HGL's shares up to Tuesday, 20 October 2020 (being the day prior to the announcement of the Entitlement Offer), of \$0.165; and a 14.3% discount to the theoretical ex-rights price (**TERP**) of \$0.146 (based on the last close price on the day prior to the announcement of the Entitlement Offer of \$0.155).

The Retail Entitlement Offer provides Eligible Retail Shareholders with the opportunity to take up all or part of their Entitlement. Entitlements under the Retail Entitlement Offer are non-renounceable and rights are not transferrable and will not be traded on the ASX. Eligible Retail Shareholders who do not take up their Entitlement under the 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.

21,741,492 New Shares (subject to rounding) will be offered under the Entitlement Offer. This comprises 11,025,756 New Shares subscribed for (and now allocated) under the Accelerated Entitlement Offer and a further 10,715,736 New Shares offered under the Retail Entitlement Offer.

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

The Retail Entitlement Offer opens on 30 October 2020 and will close at 5.00pm (Sydney time) on 17 November 2020 (unless extended).

All HGL Limited Directors with direct or indirect shareholdings have confirmed their current intention to participate fully in the pro rata Entitlement Offer.

The Company has committed to ensuring that following the Private Placement and Entitlement Offer, Sandy Beard and / or shareholders introduced by Wentworth Securities through those offers (including through the placement of any shortfall of the Entitlement Offer), will hold no less than a total of 20 million shares (being \$2.5M at the Offer Price), by offering to make a Further Private Placement, as required, at the Offer Price. The Further Private Placement is subject to shareholder approval. The two largest substantial shareholder groups have committed to support any such motion put before the shareholders of HGL.

The HGL Directors reserve the right to issue all or part of the shortfall from New Shares that relate to Entitlements which have not been taken up under the Retail Entitlement Offer in their absolute discretion (subject to the Corporations Act and the ASX Listing Rules) and have engaged Wentworth Securities to place any such shortfall in the Retail Entitlement Offer on a best endeavours basis. Further details on the Retail Entitlement Offer are set out below.

2.2 Your Entitlement

Your Entitlement is set out on a personalised Entitlement and Acceptance Form to be found at the offer website at <https://HGLEntitlementOffer.thereachagency.com>, or by contact with the Share Registry (details in Section 2.9 below), 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 need to complete a personalised Entitlement and Acceptance Form for each separate holding. You will have a separate personalised Entitlement and Acceptance Form for each separate holding.

Please note that you can access, download and print your personalised Entitlement and Acceptance Form from the HGL Entitlement Offer website at <https://HGLEntitlementOffer.thereachagency.com>. A hard copy of your 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).

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

2.3 Consider the Retail 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 Retail 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 under the Retail Entitlement Offer.

As a result, it is important for you to read carefully and understand the information on HGL and the Retail Entitlement Offer that has been made publicly available, prior to deciding whether to take up all or part of your Entitlement, or do nothing in respect of your Entitlement. In particular, please refer to this Retail 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 Retail Entitlement Offer. You should also refer to the “Key Risks” section included in Section 0 of this Retail 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, noting that a separate form will be required to be completed for each of your separate registered holdings if you hold multiple holdings) 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, or

- for overseas shareholders, by making payment by arrangement with the Share Registry via international electronic funds transfer (further details provided in Section 2.6.3),

in each case, by no later than 5.00pm (Sydney time) on 17 November 2020.

HGL will treat you as applying for as many New Shares (up to your Entitlement) 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 have 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 Retail Entitlement 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 Retail Entitlement Offer, it is expected that you will be issued New Shares on 24 November 2020.

HGL'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 do nothing, your Entitlement will lapse and you will receive no value for those lapsed Entitlements

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

2.5 Ineligible Retail Shareholders

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

HGL has determined that it is unreasonable to make offers under the Retail 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 6 of this Retail 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 Retail Entitlement Offer to shareholders who have registered addresses outside of the above jurisdictions in accordance with applicable law.

2.6 Payment

You can pay in the following ways:

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

Eligible overseas shareholders can, by arrangement through contact with the Share Registry (details at Section 2.9 below), facilitate payment via international electronic funds transfer.

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) as your payment will pay for in full.

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

2.6.1 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 are required to complete 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 17 November 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.

2.6.2 Payment by cheque or bank draft

For payment by cheque or bank draft, you should print and 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 \$0.125 multiplied by the number of 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 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 as your cleared Application Monies will pay for (and to have specified that number of 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.

2.6.3 Payment by international funds transfer

Eligible overseas shareholders can, by arrangement through contact with the Share Registry (details at Section 2.9 below), facilitate payment via international electronic funds transfer.

Please note that the payment message accompanying your international funds transfer from your financial institution will need to reference your unique Entitlement Number on your personalised Entitlement and Acceptance Form. If you have multiple holdings and you wish to take up your Entitlements with respect to these in the same payment, the payment message will need to reference the Entitlement Number for each holding. It is your responsibility to ensure that your payment with the required accompanying Entitlement Number details is received by the Share Registry by no later than 5.00pm (Sydney time) on 17 November 2020. You should be aware that your financial institution may require additional time to process international electronic transfers, or it or other parties in the international payment process may levy additional charges for such services and you should therefore take this into consideration when you make payment. If the proceeds received are insufficient to pay in full for the number of New Shares you have sought to apply for, you will be taken to have applied for such lower whole number of New Shares as the proceeds received will pay for.

2.7 Mail

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (Sydney time) on 17 November 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.

2.8 Representations by acceptance

By completing and returning your personalised Entitlement and Acceptance Form, or making a payment by BPAY®, or for overseas shareholders by making payment by arrangement with the Share Registry via international electronic funds transfer, you will be deemed to have represented to HGL that you are an Eligible Retail Shareholder and:

- acknowledge that you have read and understand this Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;

- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet (including Section 5.1), and HGL's Constitution;
- authorise HGL to register you as the holder(s) of 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 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 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 Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Retail 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 0 of this Retail 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 Retail Entitlement Offer 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 Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail 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 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 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 Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States;
- if in the future you decide to sell or otherwise transfer the 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, you may sell such 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, the United Kingdom or such other country that does not prohibit the beneficial holder from being given this Retail Offer Booklet or the personalised Entitlement and Acceptance Form, or prohibit the beneficial holder from making an application for New Shares and is not in the United States, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any such person.

2.9 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 855 080 (inside Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Sydney time) during the Retail Entitlement Offer period. Alternatively, you can access information about the Retail Entitlement Offer online at www.asx.com.au or at <https://HGLEntitlementOffer.thereachagency.com>. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

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HGL Limited
ABN 25 623 657 931



21 October 2020

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

CAPITAL RAISING, APPOINTMENT OF SANDY BEARD TO BOARD AND AS CHAIRMAN AND ISSUE OF OPTIONS

Highlights

- Capital Raising of up to \$4.1M via a Private Placement and a 1 for 4 Entitlement Offer, both at \$0.125 per share
- Wentworth Securities to Lead Manage the capital raising
- Introduction of new strategic investors led by Sandy Beard, former Managing Director of ASX listed CVC Limited (ASX: CVC)
- Sandy Beard to join HGL board with appointment as Chairman and committed to invest at least \$1.2M, up to \$1.5M, through the Capital Raising and will (subject to shareholder approval) be issued 8 million options
- The two existing substantial shareholder groups to take up 100% of their pro-rata rights

Private Placement & Launch of Accelerated Non-Renounceable Entitlement Offer

HGL Limited (ASX: HNG) (HGL or Company) announces a new capital raising directed at further strengthening the Company's balance sheet and to assist future growth (Capital Raising). The Capital Raising will take the form of:

1. A placement of 11,343,387 new shares at \$0.125 per share in the Company to raise \$1.418M (Private Placement), representing 15% of HGL's issued capital, to new strategic investors led by Sandy Beard (New Investors); and
2. A 1 for 4 accelerated pro-rata non-renounceable entitlement offer comprising 21,741,492 new shares at \$0.125 per share, to raise up to \$2.718M (Entitlement Offer). The New Investors will be entitled to participate in the Entitlement Offer.

The Entitlement Offer will comprise an Accelerated Entitlement Offer to eligible institutional and sophisticated investors comprising certain of the New Investors and the two existing substantial shareholder groups who have been invited to participate in the 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 7.00pm (Sydney time) on the record date for the issue, being Tuesday 27 October 2020.



The two existing substantial shareholder groups have agreed to take up 100% of their pro-rata rights under the Entitlement Offer.

Wentworth Securities Pty Limited (**Wentworth Securities**), has been appointed by HGL as Lead Manager to facilitate the Private Placement and to place the remainder of any shortfall in the Entitlement Offer on a best-endeavours basis.

The Company has also agreed that in circumstance where the shortfall in the Entitlement Offer is less than 2,225,941 shares (and the shortfall is placed by Wentworth Securities), to make a further placement of shares, subject to shareholder approval, to Sandy Beard and investors placed by Wentworth Securities, in order for those investors to bring their holdings in total to \$2.5M at \$0.125 per share (**Further Private Placement**). The two existing substantial shareholder groups have committed to support any such resolution put before the shareholders of HGL. The maximum number of shares to be issued under the Further Private Placement (ie. in circumstances where all shareholders take up their entitlements under the Entitlement Offer), is 5,820,770 valued at \$0.728M.

Sandy Beard and his related entities have committed under the Capital Raising to underwrite 12M shares valued at \$1.5M at the Issue Price. Within that underwrite, Sandy Beard and his related entities have undertaken through the Private Placement, Entitlement Offer and Further Private Placement, to subscribe for at least 9.6M shares valued at \$1.2M, up to 12.0M shares valued at \$1.5M, at the issue price.

New shares offered under the Private Placement, the Entitlement Offer and the Further Private Placement (if required) (**New Shares**), are all priced at \$0.125 per New Share (**Issue Price**), representing a 24.3% discount to the 60-day volume weighted average price (**VWAP**) of HGL's shares up to Tuesday, 20 October 2020 of \$0.165; and a 14.3% discount to the theoretical ex-rights price (**TERP**) of \$0.146 (based on the last close of \$0.155). New Shares will rank equally in all respects with existing shares of HGL.

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.

A Retail Offer Booklet containing information in respect of the Retail Entitlement Offer, together with a personalised Entitlement and Acceptance Form, will be made available to eligible shareholders who were not invited to participate in the Accelerated Entitlement Offer, on 30 October 2020. Eligible shareholders will receive notification via email (as registered with their shareholding, or via post if no email has been provided), on how to view the Retail Offer Booklet and how they may subscribe for New Shares under the Retail Entitlement Offer through the offer website. Eligible shareholders should read the Retail Offer Booklet in full before deciding whether to subscribe for New Shares. Further information will also be available on the company's website at www.hgl.com.au.

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

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



The Entitlement Offer is non-renounceable and rights are not transferrable and will not be traded on the Australian Securities Exchange (ASX). Eligible shareholders who do not take up their entitlement under the 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.

Appointment of New Director, Sandy Beard

The Company intends to invite Sandy Beard to join the board of HGL with immediate appointment as Chairman.

Sandy Beard was, until last year, Managing Director of ASX-listed CVC Limited (ASX: CVC), where he was instrumental in building a highly successful investment business, producing returns to shareholders in excess of 15% per annum for over 15 years, with a particular focus on earlier stage private businesses and small cap ASX listed companies.

Mr Beard currently serves on the board of a number of ASX listed companies: Probiotec Limited (as Chair), Centrepoint Alliance Limited and Pure Foods Tasmania Limited.

Sandy Beard has committed to using his networks to bring to HGL new investment opportunities, as well as his substantial experience in investment management to assist the Company realise and grow value.

Kevin Eley, Chair of HGL commented: *"today's announcement on new capital initiatives marks an important milestone for HGL in its 116-year history, seeing the introduction of new strategic investors committed to the future growth of HGL and its equity and skills model. We are also delighted to invite someone of the calibre of Sandy Beard to the board of HGL, who we expect will bring much by way of experience in a similar business as well as through potential new opportunities."*

Sandy Beard stated: *"I am excited to be joining HGL at this time, a business that I have watched over many years while I was at CVC, and believe I can bring much to assist the company in restoring and building shareholder value."*

Issue of Options

In conjunction with Sandy Beard and other strategic investors' investment and commitment to HGL, the Company has agreed to issue Sandy Beard (or his nominees), 8,000,000 options in the company at an exercise price of \$0.15, exercisable at any time within 3 years of issue (Options). Each option will, on exercise, convert to one fully paid ordinary share of the Company. The Options will not be listed.

The granting of the Options will be subject to approval of HGL's shareholders at the Company's next Annual General Meeting (AGM). The two existing largest substantial shareholder groupings have agreed to support any resolution required of shareholders to approve the issue of the Options at the AGM.



Capital Raising Timetable

Event	Date
Trading halt and announcement of the Capital Raising	21 October 2020
Issue of new Shares offered under the Private Placement	26 October 2020
Announcement of results of Private Placement and Accelerated Entitlement Offer, Trading resumes on an ex-entitlement basis	27 October 2020
Record Date for the Entitlement Offer	7.00pm (Sydney time) 27 October 2020
Issue of New Shares offered under the Accelerated Entitlement Offer	28 October 2020
Retail Offer Booklet and personalised Entitlement and Acceptance Form made available, Retail Entitlement Offer opens	30 October 2020
Retail Entitlement Offer closes	5.00pm (Sydney time) 17 November 2020
Announcement of results of Retail Entitlement Offer	20 November 2020
Issue of New Shares offered under the Retail Entitlement Offer	Before 12pm (Sydney time) 24 November 2020
Trading of New Shares offered under the Retail Entitlement Offer	25 November 2020

The timetable (and each reference in this announcement to a date specified in the timetable) is indicative only and HGL may, at its discretion, vary any of the above dates. 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. The quotation of New Shares is subject to confirmation from the ASX.

Further Information

For investor queries, including offer details, please contact the Offer information line on 1300 855 080 (in Australia), or +61 3 9415 4000 (from overseas).

For other HGL queries, please contact Greg Timar, HGL CEO, on 02 8667 4661.

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 to be issued 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 to be issued 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 Private Placement, Entitlement Offer, Further Private Placement 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.



21 October 2020

Company Announcements Office
Australian Securities Exchange
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Financial Update – year ended 30 September 2020

HGL Limited (ASX: HNG) (HGL or Company) provides the following update for the financial year ended 30 September 2020 (FY20).

All information provided in this financial update remains subject to audit.

Consolidated Revenue from Ordinary Activities for FY20 is expected to be around \$38M (FY19: \$39M), with Underlying Earnings Before Interest and Tax (EBIT) anticipated to be in the range of \$1.3M – \$1.9M (FY19 \$0.6M). Statutory Net Loss before Tax is anticipated to be between \$15M - \$16M (FY19: \$1.5M Net Profit).

The Underlying EBIT includes the impact of COVID-19 on trading across the HGL Group, increased earnings from Mountcastle following its acquisition of LW Reid in December 2019 and the receipt of government support received through JobKeeper (totalling \$1.1M). Of the four HGL Group businesses that had been receiving JobKeeper prior to 28 September 2020, only one qualified for ongoing support under JobKeeper 2.0.

The Statutory Net Loss will be impacted by a number of extraordinary items, including:

1. Further impairment of the value of the JSB Lighting business (including a write-off of the balance of goodwill), in view of updated trading results, anticipated to be \$13.0M for the full year; and
2. Costs of \$0.5M reflecting an agreement reached prior to year-end to surrender surplus office space in Macquarie Park. The surrender of the lease will eliminate the remaining obligation on the balance of the term of the lease, in excess of \$1.2M.

As at 30 September 2020, the HGL Group had drawn facilities with the ANZ of \$2.3M, with undrawn credit lines in excess of \$1.0M, and following a breach of the bank covenant leverage ratio in March 2020 has subsequently returned to compliance. The Group's facilities remain subject to an annual review process, and the current capital raise is expected to raise sufficient cash for the ongoing needs of the Group should facility limits change.

During the period the Group (excluding Mountcastle) received PAYGW Boost government support payments totalling \$0.4M. The Group's eligibility to retain these benefits are currently being discussed with the Australian Tax Office (ATO). In the event this issue is not resolved in HGL's favour, these amounts will need to be repaid. Given the uncertainty, these receipts have not been recognised in the income statement.



Overall, each of the Group's businesses have seen a positive return in trading conditions (albeit slow in elements of the retail and construction sectors) since the end of strict lockdown conditions, with the exception of the lockdown reimposed in Victoria, as well as in New Zealand, where recovery has been slow.

Given the ongoing level of general economic uncertainty, no further guidance on the future results of the business is able to be provided at this point.

Further Information

For more information, please contact Greg Timar, HGL CEO, on 02 8667 4661.

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.

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27 October 2020

Company Announcements Office
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COMPLETION OF PLACEMENT AND ACCELERATED ENTITLEMENT OFFER

HGL Limited ACN 009 657 961 (ASX: HNG) (HGL or the Company) is pleased to confirm the successful completion of a 15% Private Placement (**Private Placement**) of new shares and the accelerated component of its 1 for 4 pro-rata accelerated non-renounceable entitlement offer of new shares (**Accelerated Entitlement Offer**), details of which were announced on 21 October 2020.

The Private Placement was fully subscribed, resulting in the issue of 11,343,387 new shares at an issue price of \$0.125 per new share, raising \$1.417m. Of the new shares offered under the Private Placement, Sandy Beard and his related interests took up 6,672,579 shares valued at \$0.832M at the issue price. The new shares offered under the Private Placement were issued on 26 October 2020 and rank equally with existing shares.

The Accelerated Entitlement Offer raised a further \$1.378m through the issue of 11,025,756 new shares at \$0.125 per new share, and was strongly supported by eligible sophisticated shareholders including the two existing substantial shareholder groups who were invited to participate in the Accelerated Entitlement Offer, all of whom took up their full entitlement. New shares issued under the Accelerated Entitlement Offer will rank equally with existing shares and are expected to be issued on 28 October 2020.

Details of commencement of the Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**), also announced on 21 October 2020, seeks to raise a further \$1.339m through a 1 for 4 pro-rata non-renounceable entitlement offer at \$0.125 per new share. The **Retail Entitlement Offer** is for eligible shareholders with a registered address in Australia, New Zealand or the United Kingdom as at 7.00pm (Sydney time) on the record date for the issue, being Tuesday 27 October 2020, who were not invited to participate in the Accelerated Entitlement Offer.

A Retail Offer Booklet containing information in respect of the Retail Entitlement Offer, together with a personalised Entitlement and Acceptance Form, will be made available to eligible shareholders on 30 October 2020. Eligible shareholders will receive notification via email (as registered with their shareholding, or via post if no email has been provided), on how to view the Retail Offer Booklet and how they may subscribe for New Shares under the Retail Entitlement Offer through the offer website. In deciding whether or not to participate in the Retail Entitlement Offer, eligible shareholders should read the Retail Offer Booklet carefully.

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

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

Shareholders with any further questions in relation to the Entitlement Offer, should contact the Offer information line on 1300 855 080 (in Australia), or +61 3 9415 4000 (from overseas). Further information will also be available on the company's website at www.hgl.com.au.



Offer timetable

Event	Date
Trading halt and announcement of the Capital Raising	21 October 2020
Issue of new Shares offered under the Private Placement	26 October 2020
Announcement of results of Private Placement and Accelerated Entitlement Offer, Trading resumes on an ex-entitlement basis	27 October 2020
Record Date for the Entitlement Offer	7.00pm (Sydney time) 27 October 2020
Issue of New Shares offered under the Accelerated Entitlement Offer	28 October 2020
Retail Offer Booklet and personalised Entitlement and Acceptance Form made available, Retail Entitlement Offer opens	30 October 2020
Retail Entitlement Offer closes	5.00pm (Sydney time) 17 November 2020
Announcement of results of Retail Entitlement Offer	20 November 2020
Issue of New Shares offered under the Retail Entitlement Offer	Before 12pm (Sydney time) 24 November 2020
Trading of New Shares offered under the Retail Entitlement Offer	25 November 2020

The timetable (and each reference in this announcement to a date specified in the timetable) is indicative only and HGL may, at its discretion, vary any of the above dates. 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. The quotation of New Shares is subject to confirmation from the ASX.

Iain Thompson
CFO & Company Secretary

About HGL Ltd

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3477-6853-0449, v. 1

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 0 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 0 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 0 include HGL's subsidiaries and joint venture operations.

The Directors strongly recommend that potential applicants read this Retail Offer Booklet in its entirety (including this Section 0) 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 where possible through the use of distribution agreements, ongoing development of long-term supplier relationships and the use of complementary product range brands to decrease percentage contribution from important suppliers. Distribution agreements, where documented, are typically of a fixed term nature and subject to termination with notice from the supplier. In addition, a significant portion of products for our businesses are sourced from China. Any disruption in supply from China will significantly impact our ability to sell goods in our customer markets.

Product risk - Most of the products sold by the group are manufactured by third parties overseas. As such, our businesses are considered the supplier from an Australian law perspective and therefore carry the liability at first instance for any product warranty claims.

Cyber / IT risk - Our businesses are highly reliant on information systems for their management, including for supplier and sales processes. While many of these systems are provided by reputable third parties and hosted in safe 'cloud' environments, various businesses are still reliant

on legacy locally based systems that could be subject to failure or attack by various actors seeking to cause disruption. HGL's businesses may at any point be implementing upgrades to systems which may be subject to delay or cost overrun, and / or cause disruption to suppliers or customers, or may fail to achieve all their intended functionality.

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 manual handling of products. Wherever possible manual handling is reduced or eliminated and training is made available to staff on safety related matters. Due to COVID-19, most of the employees of the group's businesses are now working from home. HGL has not been able to assess the suitability of employees' home environments to undertake work. This may give rise to additional risks.

Keyman risk – HGL invests into small and medium sized businesses where the management teams are typically highly reliant on the CEO for success given their role in and understanding of the business as well as responsibility for maintaining key supplier and customer relationships. Due to its cost, HGL does not take out keyman insurance for the risk of loss of its key personnel.

Tax losses risk – The HGL group has significant accumulated tax losses which are not currently recognised in the consolidated balance sheet. The ability for HGL or any of its businesses to utilise those losses is dependent on HGL satisfying the various requirements of the tax law, including meeting a continuity of ownership test. There is no certainty that these requirements will be met in the future and therefore losses will be available for use.

Novel Coronavirus 2019 (COVID-19) – HGL's businesses are highly reliant on international products sourced from various overseas markets, to be sold principally in its key markets of Australia and New Zealand.

We are in regular contact with our suppliers to monitor the impacts from COVID-19 on their operations and where possible, prepare contingency plans. A number of our suppliers have indicated that their operations have been adversely affected by the impacts of COVID-19. Logistical delays in the ability to ship orders from markets that are or will become impacted by COVID-19, may have various impacts for HGL's businesses, including a material amount of deferred sales, or the cancellation, or loss of, expected material orders and as a consequence lost revenue.

A number of HGL's businesses are also currently being impacted in the demand for its products from government restrictions imposed in our key markets of Australia and New Zealand due to COVID-19, including due to government restrictions and a general decrease in consumer confidence. Ongoing demand side impacts from COVID-19 are therefore possible.

Due to the uncertainties associated with the impact and duration of COVID-19 we are unable to project financial outcomes with any level of certainty, including at both revenue and profitability levels.

Retail Entitlement Offer not underwritten – As the Retail Entitlement Offer is not underwritten, HGL may not receive the full amount of the proceeds sought under the Retail 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 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 trade sanctions, 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 impact of COVID-19, 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 Retail 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 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 Retail Offer Booklet and your personalised Entitlement and Acceptance Form (**Information**) have been prepared by HGL.

This Retail Offer Booklet is dated 29 October 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 Retail Offer Booklet and throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration to apply for 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.

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 0 of this Retail 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 Retail Entitlement Offer.

5.1 Eligible Retail Shareholders

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

Eligible Retail 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 or the United Kingdom (as described in the "Selling Restrictions" included in Section 5.16 of this Retail Offer Booklet), as at the Record Date;
- are not in the United States;
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered; and
- were not invited to participate in the Accelerated Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders.

HGL reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail 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 Retail 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 Retail Entitlement Offer to shareholders who have registered addresses outside Australia, New Zealand or the United Kingdom (as described in the "Selling Restrictions" section included in Section 5.16 of this Retail 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 Retail Entitlement Offer to shareholders who have registered addresses outside of the above jurisdictions in accordance with applicable law.

5.2 Ranking of New Shares

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.

5.3 Key Risks

You should refer to the "Key Risks" included in Section 0 of this Retail 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.

5.4 No cooling off rights

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

5.5 No Entitlements trading

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

5.6 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.

5.7 Capital structure

After the issue of New Shares under the Retail 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 launch of the Entitlement Offer	86,965,968
Maximum number of New Shares to be issued under the Entitlement Offer	21,741,492
Total Shares on issue on completion of the Entitlement Offer	108,707,460

5.8 Implications of minority shareholders not taking up their Entitlements under the Retail 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 on the control of HGL.

As announced to the market on 26 October 2020, certain eligible sophisticated shareholders including HGL's two largest substantial shareholder groupings participated in the Accelerated Entitlement Offer. As at the date the Retail Entitlement offer opens the two largest substantial shareholder groupings and Sandy Beard (and his associated interests) hold 62.2% of Shares on issue.

Depending on whether Eligible Retail 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 Retail Shareholders take up their full Entitlements, then the percentage ownership interest (and voting power) in HGL by these Shareholders will remain the same and there will be no effect on the control of HGL;
- If an Eligible Retail Shareholder does not take up all of their Entitlements, their percentage ownership interest (and voting power) in HGL will be diluted; and
- If the only Shareholders to take up their Entitlements are those who participated in the Accelerated Entitlement Offer, including the two largest substantial shareholder groupings and Sandy Beard (and his associated interests who, under his underwriting commitment, also take up the shortfall of New Shares that relate to Entitlements which have not been taken up under the Retail Entitlement Offer, to bring his total holding to 12M shares, equivalent to \$1.5M at the Offer Price), those three substantial shareholder groups will increase their ownership interest (and voting power) in the group to 64.2%.

Ownership of HGL following the Entitlement Offer

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

Shareholder	Number of ordinary HGL shares held (pre-Entitlement Offer)	Number of ordinary HGL shares held (post-Entitlement Offer)	% of total ordinary HGL shares on issue (post-Entitlement Offer)
Sery Group	22,046,524	27,558,157	25.35%
Constable Group	21,389,228	26,736,537	24.59%
Sandy Beard (and his associated interests)	6,672,579	8,340,724	7.67%
Other Shareholders	36,857,637	46,072,046	42.39%
Shares on issue	86,965,968	108,707,464	100.00%

The table below illustrates the effect of the Entitlement Offer on the control of HGL where the only Shareholders to take up their Entitlements are those who participated in the Accelerated Entitlement Offer, including the two largest substantial shareholder groupings and Sandy Beard (and his associated interests who, under his underwriting commitment, also take up the shortfall of New Shares that relate to Entitlements which have not been taken up under the Retail Entitlement Offer, to bring his total holding to 12M shares, equivalent to \$1.5M at the Offer Price).

Shareholder	Number of ordinary HGL shares held (pre-Entitlement Offer)	Number of ordinary HGL shares held (post-Entitlement Offer)	% of total ordinary HGL shares on issue (post-Entitlement Offer)
Sery Group	22,046,524	27,558,157	26.67%
Constable Group	21,389,228	26,736,537	25.88%
Sandy Beard (and his associated interests)	6,672,579	12,000,000	11.61%
Other Shareholders	36,857,637	37,024,451	35.84%
Shares on issue	86,965,968	103,319,145	100.00%

5.9 Potential dilution if you do not participate

You should note that if you do not participate in the Retail Entitlement Offer, your holdings may be diluted by as much as approximately 9.9% (as compared to your holdings and number of Shares on issue as at the Record Date). This figure reflects the remaining dilution after the impact of the Private Placement and the Accelerated Entitlement Offer.

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

Example Shareholder	Holding as at Record Date	% as at Record Date	Entitlement under the Entitlement Offer	Holdings if Entitlement not taken up	% following allotment of New Shares
Shareholder 1	1,250,000	1.28%	312,500	1,250,000	1.15%
Shareholder 2	250,000	0.26%	62,500	250,000	0.23%
Shareholder 3	50,000	0.05%	12,500	50,000	0.05%
Shareholder 4	10,000	0.01%	2,500	10,000	0.01%

5.10 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 Share Registry in respect of the Retail 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 Retail 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 Retail Entitlement Offer to, any person in the United States.

Nominees and custodians may not distribute any part of this Retail Offer Booklet, and may not permit any beneficial owner of Shares to participate in the Retail 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 Retail Entitlement Offer.

5.11 Not investment advice

This Retail 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. This Information does not purport to contain all the information that you may require to evaluate a possible application for 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 offered under this Retail Entitlement Offer should be considered speculative. Before deciding whether to apply for 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 Retail Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser.

5.12 Australian taxation

There may be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. HGL considers that it is not appropriate for it to give advice regarding the tax consequences of subscribing for New Shares under this Retail Offer Booklet or the subsequent disposal of any such New Shares. The taxation implications of the Retail 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 Retail Entitlement Offer.

5.13 Quotation and trading

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

Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Retail Entitlement Offer will commence on 25 November 2020.

5.14 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.

5.15 Information availability

Eligible Retail Shareholders can obtain a copy of this Retail Offer Booklet during the Retail Entitlement Offer on HGL's Entitlement Offer website at <https://HGLEntitlementOffer.thereachagency.com>.

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 Retail Entitlement Offer by calling the Share Registry on 1300 855 080 (inside Australia) or +61 3 9415 4000 (outside Australia).

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

5.16 Selling Restrictions

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

This Retail 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 Retail Entitlement Offer, the Entitlements, the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia, New Zealand or the United Kingdom.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Retail 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 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 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 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 Retail 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 Retail 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.

5.17 Governing law

This Retail 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 submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

5.18 Disclaimer of representations

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

Any information or representation that is not in this Retail Offer Booklet may not be relied on as having been authorised by HGL, or its related bodies corporate, in connection with the Retail 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 Retail Offer Booklet or its content.

5.19 Withdrawal of the Entitlement Offer

HGL reserves the right to withdraw all or part of the Entitlement Offer and this Retail Offer Booklet at any time, subject to applicable laws, in which case HGL will refund Application Monies in relation to 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.

5.20 Privacy

As a Shareholder, HGL and the Share Registry have already collected certain personal information from you. If you apply for 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, 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/privacy>

6 Glossary

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

Accelerated Entitlement Offer means the Entitlement Offer for certain eligible sophisticated shareholders including the Sery Group and the Constable Group.

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

Application Monies means the money paid by Applicants in respect of the New Shares they apply for under the Retail 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 19 May 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 Retail Shareholder.

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

Eligible Retail Shareholder means those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm on 27 October 2020;
- have a registered address on the HGL share register in Australia, New Zealand or the United Kingdom (as described in the "Selling Restrictions" section included in Section 5 of this Retail Offer Booklet);
- are not in the United States;
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered; and
- were not invited to participate in the Accelerated Entitlement Offer.

Entitlement Offer 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 \$0.125 per New Share.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form for the Retail Entitlement Offer.

Entitlement Offer means the Accelerated Entitlement Offer and the Retail Entitlement Offer.

Further Private Placement means a commitment by the Company that where the shortfall in the Entitlement Offer is less than 5,820,766 shares, to make a further placement of shares (subject to

shareholder approval), to Sandy Beard (and his associated interests) and investors placed by Wentworth Securities, in order for those investors to bring their holdings in total to \$2.5M at the Offer Price.

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

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

New Shares means the Shares offered by HGL pursuant to the Entitlement Offer.

Offer Price means \$0.125 per New Share.

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

Private Placement means the issue of 11,343,387 new Shares in HGL offered to Sandy Beard and certain other investors at an Offer Price of \$0.125 per new share, as announced to the ASX on 27 October 2020.

Record Date means 7.00pm on 27 October 2020.

Retail Entitlement Offer means the pro rata non-renounceable entitlement offer to Eligible Retail Shareholders to subscribe for one New Share for every four existing Shares of which the Shareholder is the registered holder on the Record Date, at an Offer Price of \$0.125 per New Share, pursuant to this Retail Offer Booklet.

Retail Offer Booklet means this booklet.

Sery Group means all parties listed on the Sery Substantial Shareholder notice lodged with the ASX on 18 May 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 Retail Offer Booklet.

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

Wentworth Securities means Wentworth Securities Pty Limited who has undertaken to place, on a best-endeavours basis, any shortfall in entitlements in the Retail Entitlement Offer not taken up by shareholders.

7 Corporate Directory

HGL Limited
ACN 009 657 961
ASX: HNG

Mailing Address:

PO Box 1445,
Macquarie Centre
NSW 2113
Australia

Contact details:

info@hgl.com.au

Australia: (02) 8667 4660
International: +61 2 8667 4660
www.hgl.com.au

Directors

Sandy Beard
Joseph Constable
Kevin Eley (Chairman)
Cheryl Hayman
Peter Miller

Executive Team

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

Lead Manager

Wentworth Securities Pty Limited

Share Registry

Computershare Investor Services Pty Limited

Australia: 1300 855 080
International: +61 3 9415 4000

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

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