

ASX Announcement

8 May 2024

Company Announcements Office,
Australian Securities Exchange.

Section 249D notice – update

H&G High Conviction Limited (ASX: HCF) (**Company**) refers to its announcement on 1 May 2024 regarding a notice stated to be made for the purposes of both sections 203D and 249D of the *Corporations Act 2001* (Cth) (**Corporations Act**) from Dr. Ida Constable which were received on 29 April 2024.

Following legal review, the Company advises that the proposed resolution for the removal of Mr Dennison Hambling as a director of the Company and the proposed non-binding advisory resolution are invalid because the removal resolution does not comply with the Corporations Act and the advisory resolution cannot be lawfully effected by the Company in general meeting.

The Company's present intention is to proceed to call a general meeting within 21 days after the request was given to the Company and hold the meeting within 2 months after the date of the request to consider the remaining resolutions proposed by Dr. Constable. The Company will keep shareholders advised of all material developments.

The Company has established an Independent Board Committee (**IBC**) comprising the non-conflicted directors of the Company to consider and respond to the requisition notice and to oversee the conduct of the general meeting. At the time of establishment, the IBC comprised Independent Chairman, David Groves and Executive Director, Nicholas Atkinson. Non-Executive Director, Dennison Hambling, was subsequently added to the IBC after a determination was made by the non-conflicted directors that the proposed resolution to remove him as a director was invalid.

The IBC considers that the proposal to appoint new directors is not in the best interests of shareholders as a whole.

The requisitioning shareholder supported the formation, promotion, management and ASX listing of the Company in October 2022 and had advised the Board that she acknowledged that the Company's portfolio had performed well.

Despite this positive performance, the requisitioning shareholder's stated objective is now *'an orderly return of capital over a reasonable period with a focus on preserving net tangible asset value'*.

Based on engagement with representatives of the requisitioning shareholder, there is material uncertainty regarding how the requisitioning shareholder and the nominated directors propose to achieve this objective, what might constitute a *'reasonable period'* for a return of capital and the cost and commercial feasibility of this objective generally. The IBC notes that one of the nominated directors, Ms Sarah Constable, is a direct family member of the requisitioning shareholder, but has no previous funds management experience or qualifications.

[H&G High Conviction Limited ACN 660 009 165](https://www.hng.com.au)

[Level 5, 107 Pitt Street](https://www.hng.com.au)

[Sydney NSW 2000](https://www.hng.com.au)

info@hng.com.au

[highconviction.com.au](https://www.highconviction.com.au)

The IBC considers that pursuing this new objective so shortly after the Company's listing is premature and would not be in the best interests of shareholders who supported the float and invested in the Company expecting the investment objectives, strategy, horizon and risk / return profile stated in the prospectus.

The portfolio will remain actively managed, employing a fundamentals-based, 'value investor' strategy that invests in companies with a significant discount in the share price relative to perceived inherent value.

The Company maintains full confidence in the ability of its Investment Manager, H&G Investment Management Limited, to manage the Company's portfolio effectively and execute its stated investment strategy.

This announcement has been authorised for release to ASX by the IBC. For more information, please contact Executive Director, Nicholas Atkinson on 0421 691 920.

About H&G High Conviction Limited (ASX:HCF)

H&G High Conviction Limited (ASX: HCF) targets double digit returns by investing on a multi-year horizon in a concentrated portfolio of ASX-listed microcap companies.

Microcaps are often overlooked by most institutions due to size, meaning frequent inefficiencies in security prices and opportunities to buy stakes in businesses at attractive valuations. As a key differentiator, HCF actively engages with investee companies. This is crucial for microcaps, where success is heavily reliant on a small group of key people.

HCF seeks to minimise capital loss while maximising long-term capital growth and income from portfolio companies.