

Harvey Norman

HOLDINGS LIMITED | ACN 003 237 545

ANNUAL REPORT | 2024

FROM GRASSROOTS TO THE GAMES



HARVEY NORMAN® SUPPORTING AUSTRALIAN ATHLETES

MADISON DE ROZARIO
PARA-ATHLETICS

JYE EDWARDS
ATHLETICS

SALLY FITZGIBBONS
SURFING

ARIARNE TITMUS
SWIMMING

CHRIS BOND
WHEELCHAIR RUGBY

JEFF DUNNE
BREAKING

MONTANA ATKINSON
PARA-SWIMMING



🇦🇺 Australia

🇳🇿 New Zealand

🇸🇬 Singapore

🇸🇮 Slovenia

🇮🇪 Ireland

🇬🇧 Northern Ireland

🇲🇾 Malaysia

🇭🇷 Croatia

KEY DATES

16 October 2024

Record Date for Determining
Entitlement to Final 2024
Dividend

13 November 2024

Payment of Final 2024 Dividend

27 November 2024 at 11 am

Annual General Meeting of
Shareholders

28 February 2025

Announcement of Half-Year
Profit to 31 December 2024 &
Announcement of Interim 2025
Dividend

3 April 2025

Record Date for Determining
Entitlement to Interim 2025
Dividend

1 May 2025

Payment of Interim 2025
Dividend

COMPANY INFO

Registered office

A1 Richmond Road,
Homebush West NSW 2140
Ph: 02 9201 6111
Fax: 02 9201 6250

Share registry

Boardroom Pty Limited
Level 8, 210 George Street,
Sydney NSW 2000
Ph: 02 9290 9600

Auditors

Ernst & Young (EY)

Securities exchange listing

Shares in Harvey Norman Holdings
Limited (HVN) are quoted on the
Australian Securities Exchange
Limited (ASX)

Solicitors

Brown Wright Stein

Company secretary

Mr. Chris Mentis

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Madison de Rozario
Australian Paralympic Athlete



2024 | APPENDIX 4E

RESULTS FOR ANNOUNCEMENT TO THE MARKET

EBITDA

\$898.26m

↓ \$232.45m or -20.6% from \$1.131bn in FY23
1H24 ↓ \$221.00m (-31.8%) | 2H24 ↓ \$11.45m (-2.6%)

EBITDA excluding AASB16 net impact and
net property revaluations

\$686.61m

↓ \$126.29m or -15.5% from \$812.90m in FY23
1H24 ↓ \$113.80m (-23.2%) | 2H24 ↓ \$12.49m (-3.9%)

EBIT

\$652.67m

↓ \$215.07m or -24.8% from \$867.74m in FY23
1H24 ↓ \$224.42m (-39.9%) | 2H24 ↑ \$9.35m (+3.1%)

EBIT excluding AASB16 net impact and
net property revaluations

\$592.96m

↓ \$128.63m or -17.8% from \$721.59m in FY23
1H24 ↓ \$116.43m (-26.1%) | 2H24 ↓ \$12.20m (-4.4%)

REPORTED PBT

\$541.69m

↓ \$234.39m or -30.2% from \$776.08m in FY23
1H24 ↓ \$239.09m (-45.7%) | 2H24 ↑ \$4.69m (+1.9%)

PBT excluding AASB16 net impact and
net property revaluations

\$540.07m

↓ \$140.17m or -20.6% from \$680.23m in FY23
1H24 ↓ \$126.88m (-29.5%) | 2H24 ↓ \$13.28m (-5.3%)

REPORTED PROFIT AFTER TAX & NCI

\$352.45m

↓ \$187.07m or -34.7% from \$539.52m in FY23
1H24 ↓ \$165.89m (-45.3%) | 2H24 ↓ \$21.18m (-12.2%)

PAT excluding AASB16 net impact, net
property revaluations & NZ deferred tax adj[▶]

\$372.85m

↓ \$99.03m or -21.0% from \$471.88m in FY23
1H24 ↓ \$87.43m (-29.0%) | 2H24 ↓ \$11.60m (-6.8%)
▶ excludes \$21.70m NZ deferred tax due to change in NZ tax legislation in FY24

TOTAL SYSTEM SALES REVENUE*

\$8.86bn

Aggregated headline franchisee sales revenue **\$6.06bn**
Company-operated sales revenue **\$2.80bn**

* Comprised of Harvey Norman® overseas company-operated sales revenue and aggregated Harvey Norman®, Domayne® and Joyce Mayne® franchisee sales revenue in Australia. Sales made by franchisees in Australia do not form part of the financial results of the consolidated entity.

HNHL CONSOLIDATED REVENUE

\$4.11bn

Sales of products to customers **\$2.80bn**
Revenues received from franchisees **\$1.08bn**
Revenues and other income items **\$227.12m**

NET ASSETS

\$4.54bn

↑ 1.6% from
\$4.466bn in June 2023
↑ 41.9% from
\$3.198bn in June 2019

NET TANGIBLE ASSETS PER SHARE**

\$3.98

↑ from \$3.90 in June 2023

**Net tangible assets per share
includes right-of-use assets and
lease liabilities

BASIC EARNINGS PER SHARE

28.29c

↓ from 43.30c in FY23

DIVIDENDS PER SHARE (FULLY-FRANKED)

22.0c

INTERIM 10.0c FINAL 12.0c

↓ from 25.0c for FY23

Record date for determining entitlements to
the Final Dividend: 16 October 2024. Payment
of Final 2024 Dividend: 13 November 2024.

The Harvey Norman® Young Women's Leadership Academy

For over 40 years, Harvey Norman® has been deeply rooted in Greater Western Sydney, since the opening of the first Harvey Norman® franchised complex at Parramatta Road, Auburn in October 1982 – to today, where we oversee and manage our integrated retail, franchise and property system across eight countries from our global headquarters at Homebush West. Over the decades, Harvey Norman® has consistently contributed to the growth and prosperity of Greater Western Sydney and has invested in the grassroots of various codes and sports, charities and small businesses to develop the successful economic, cultural and sporting hub that it is today.

Led by CEO, Katie Page, Western Sydney University launched a first-of-its-kind 10-year development program with the philanthropic donation of \$7.9 million from Harvey Norman®. Focusing on learning and mentorship opportunities for young women in the community, the establishment of The Harvey Norman® Young Women's Leadership Academy, piloted through Auburn Girls High School, a newly-created academy led by our CEO, is supporting the next generation of aspiring female leaders.

The Harvey Norman® Young Women's Leadership Academy, to be delivered by Western Sydney University and Auburn Girls High School, provides higher education opportunities to future female professionals and will include learning, development and mentorship opportunities for young women, parent and community engagement, and a research component to analyse the program's impact.

Ms. Page said this Australian-first in corporate philanthropy was motivated by the impact of her original Western Sydney University scholarship donation of \$300,000 back in 2015.

The key objective for student participation in this program is to empower young women with the knowledge and skills to develop their own agency and sense of self. The program provides both the financial knowledge and resources to support the students through their education into universities and beyond.

Investment in education, particularly in the education of women, is at the forefront of our community contribution to empower young women with the knowledge, confidence, resilience and leadership skills to enable Greater Western Sydney to continue to thrive.

“

In the almost 10 years of scholarship support for tertiary students at Western Sydney University, we have witnessed the transformative power of access to education. What began as 13 scholarships for women from refugee and disadvantaged backgrounds has expanded to over 100 student scholarships. Many of the recipients are now graduates,” said Ms. Page.

”

The establishment of The Harvey Norman Young Women's Leadership Academy at Auburn Girls High School is bold. We are committing to Auburn Girls High School for at least a decade. Under the stewardship of the University and Ms. Anna Tsoutsas, School Principal, the Leadership Academy will enable students to access leadership skills and mentoring across their secondary education.”

”

Auburn Girls High School is already an institution that produces exemplary graduates. We hope that with our support their graduates will be the next generation of female role-models and contributors setting the standard for leadership in their careers and communities.”

–Katie Page

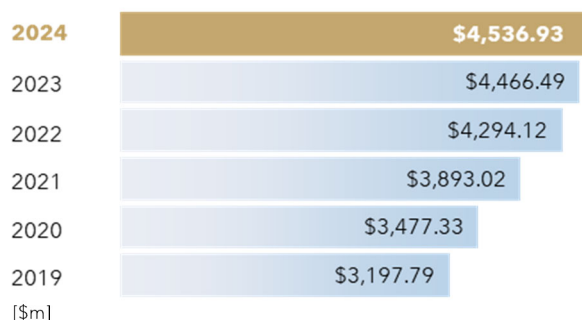


Katie Page (CEO) with the Harvey Norman®
Young Women's Leadership Academy

JUNE 2024 (FY24) RESULTS

Net Assets

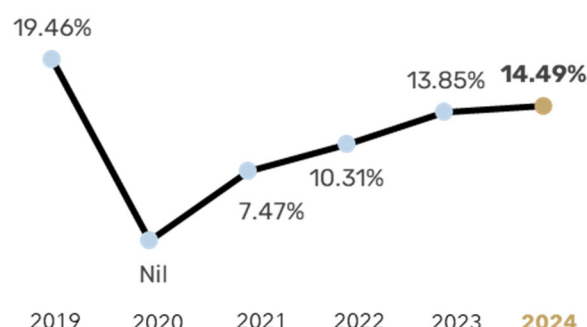
\$4.54bn



↑ **\$70.44m from FY23**
 ↑ **\$1,339.14m from FY19** | 5-YEAR CAGR **7.2%**

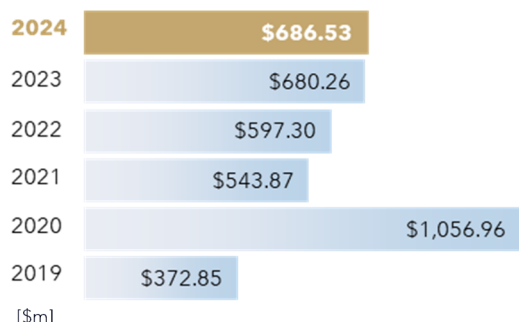
Net Debt to Equity %

14.49%



Operating Cash Flows

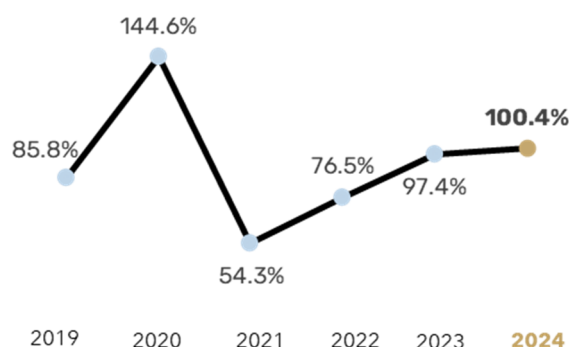
\$686.53m



↑ **\$6.27m from FY23**
 ↑ **\$313.69m from FY19** | 5-YEAR CAGR **13.0%**

Cash Conversion %

100.4%

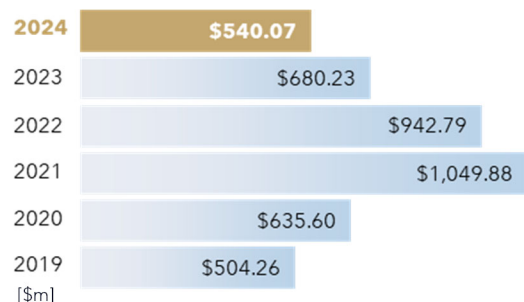


Improvement from **97.4%** in FY23
 [Calculated as: Operating Cash Flows (excluding interest & tax) ÷ EBITDA (excluding AASB 16 & net property revaluations)]

PBT

[excluding AASB 16 net impact and net property revaluations]

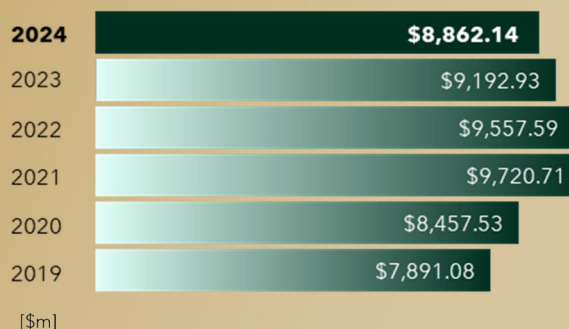
\$540.07m



↓ **\$140.17m from FY23:** 1H24 ↓ \$126.88m | 2H24 ↓ \$13.28m

Total System Sales Revenue*

\$8.86bn



↓ **\$330.79m from FY23:** 1H24 ↓ \$334.37m | 2H24 ↑ \$3.58m

*Comprised of Harvey Norman® overseas company-operated sales revenue and aggregated Harvey Norman®, Domayne® and Joyce Mayne® franchisee sales revenue in Australia. Sales made by franchisees in Australia do not form part of the financial results of the consolidated entity.

Chairman and CEO's Report

Dear Stakeholders,

The 2024 financial year has seen ongoing challenges and transformations within the discretionary retail sector in Australia, and in the seven overseas countries in which we operate. Our integrated retail, franchise, property and digital system, encompassing a diversified strategy across all key categories for the home and consumer lifestyle products, enables us to navigate the macroeconomic headwinds that have persisted since the end of the pandemic, and adapt to changing consumer patterns and sentiment.

Our balance sheet is strong and resilient, with total assets of nearly \$8 billion, anchored by a \$4 billion property portfolio, predominantly situated within the large-format retail market that has delivered rental growth and low vacancy rates over the past two years. We have delivered a substantial 42% growth in net assets since the beginning of the pandemic, rising to \$4.54 billion as at 30 June 2024.

Our prudent financial management has resulted in ample liquidity and a low net debt-to-equity ratio of 14.49%, ensuring our capacity to access additional liquidity as needed. For FY24, our operating cash flows remain robust at \$686.53 million, with a cash conversion ratio of 100.4%. Despite difficult retail conditions and significant capital investments in expanding our store network, relocating existing stores, and completing extensions and refits during FY24, our substantial cash reserves have continued to grow, positioning us well to seize opportunities as they arise.

We are excited about the recent Generative Artificial Intelligence (Gen-AI) product cycle and are committed to investing in digital initiatives and the necessary technological upgrades to our infrastructure. These investments will assist both our franchisees and company-operated stores in promoting Gen-AI-enabled products to mainstream consumers. Our omni-channel strategy, bolstered by our strong brand and extensive geographical reach, will empower franchisees and company-operated stores to leverage the emerging AI-PC market, which will drive sales growth as additional AI-PC products come onto the market.

We have strong confidence in the Harvey Norman®, Domayne®, and Joyce Mayne® brands, as well as the solid market positions of our Australian franchisees and international company-operated stores. We are dedicated to providing stable returns and sustainable growth for our stakeholders, and we are strategically positioned to capitalise on improvements in trading conditions and potential growth from the home renovation cycle, new home constructions, and increases in net migration.

Reported profit before tax for FY24 was \$541.69 million, down by \$234.39 million (-30.2%) from \$776.08 million in FY23. Profitability declined in 1H24 by \$239.09 million (-45.7%) from 1H23 before significantly improving in the second half with a modest increase of \$4.69 million (+1.9%) in 2H24 relative to 2H23.

Excluding the effects of AASB 16 Leases and net property revaluations, profit before tax for FY24 was \$540.07 million, down by \$140.17 million (-20.6%) on FY23. 1H24 contributed \$126.88 million (-29.5%) to the decrease, whilst improved performance in 2H24 saw a more moderate reduction of \$13.28 million (-5.3%) compared to 2H23.

Total revenues of \$4.11 billion across all business segments moderated by \$165.21 million (-3.9%) off a high base last year, but was up by \$689.81 million (+20.2%) on FY19, with a 5-year CAGR of 3.7%.

Revenues received from franchisees are down by \$91.63 million (-7.8%) on the back of a reduction in aggregated franchisee sales revenue by -5.6% to \$6.06 billion in FY24. Other income items were down by \$100.87 million (-30.8%) primarily due to a reduction in the net property revaluation increment by \$116.50 million during the year from a slight softening of capitalisation rates, which have been offset by rental growth. Company-operated sales revenue were up by \$27.29 million to \$2.80 billion in FY24 due to overseas expansion and a full-year contribution to sales for stores that had opened last year.

Operating expenses have continued to normalise, increasing by \$25.01 million (+1.5%) due to inflationary pressures and new store openings. Global marketing expenses in the 8 countries have remained consistent with prior year, at 4.44% of total system sales revenue for the brands for FY24. Rising costs of borrowing and higher utilisation of the syndicated facility have driven up finance costs by \$19.33 million (+21.1%). Total operating expenses of the consolidated entity as a percentage of total Harvey Norman® system sales revenue remain efficient at 18.62% for FY24.

The consolidated entity continues to invest in each strategic pillar of the integrated model to protect, enhance and promote the brands, serving customers within the Harvey Norman®, Domayne® and Joyce Mayne® branded ecosystems.

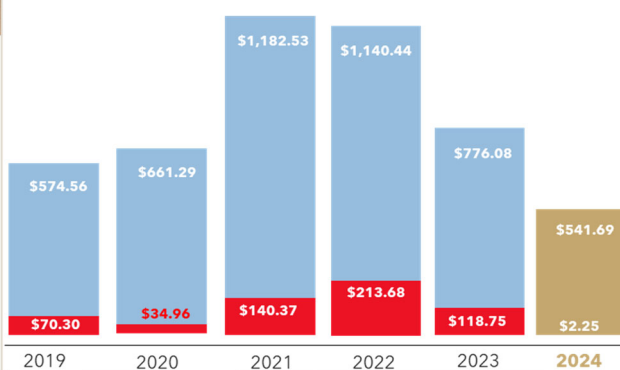


Harvey Norman® proudly supports the Australian Olympic and Paralympic Teams



The Harvey Norman® Future Flames Program

PROFIT BEFORE TAX AS REPORTED (\$M)



YEAR ENDED 30 JUNE (including property revaluations)

■ Denotes the contribution of net property revaluations to total PBT

Profit After Tax & Non-Controlling Interests:

\$352.45m

↓ \$187.07m or -34.7% from FY23
↓ \$49.86m or -12.4% from FY19

Effective Tax Rate:

33.98%

► Includes a large debit adjustment to deferred tax expenses of \$21.70 million in FY24 in New Zealand resulting from a legislative change to exclude tax deductions in NZ for future building depreciation expenses. If this adjustment were excluded, PAT&NCI would be \$374.16 million, a decrease of \$165.36 million or -30.7% from FY23 and an effective tax rate of 29.97%.

We are dedicated to achieving sustainable growth for our stakeholders through the strategic expansion of our global store network and targeted investments in key segments. We are on track to open 10 new stores in FY25 to advance our expansion efforts in Malaysia.

We extend our heartfelt thanks to our franchisees, company-operated stores and staff for their steadfast loyalty and commitment to our long-term vision and strategy. Additionally, we deeply value the continued support and confidence of our shareholders in our leadership and the future direction of our integrated business.

G. HARVEY
Chairman
Sydney
30 August 2024

K.L. PAGE
Director and Chief Executive Officer
Sydney
30 August 2024

PBT

Excluding net impact of AASB 16 and property revaluations.

\$540.07m

FY24 vs FY23

↓
-20.6%
(down \$140.17m)

1H24 vs 1H23

↓
-29.5%
(down \$126.88m)

2H24 vs 2H23

↓
-5.3%
(down \$13.28m)

Operating Cash Flows

Substantial improvement in working capital to deliver strong operating cash flows.

\$686.53m

FY24 vs FY23

↑
+0.9%
(up \$6.27m)

FY24 vs FY19

↑
+84.1%
(up \$313.69m)

1H24 vs 1H23

↑
+45.8%
(up \$156.24m)

2H24 vs 2H23

↓
-44.2%
(down \$149.97m)

[5-year CAGR of 13.0%]

Strong Cash Conversion

FY24	FY23
100.4%	97.4%

100.4%

Total Assets

Very strong balance sheet underpinned by an appreciating, resilient tangible asset base.

\$7.93bn

FY24 vs FY23

↑
+3.3%
(up \$256.04m)

FY24 vs FY19

↑
+65.2%
(up \$3.13bn)

Solid working capital and a strong property portfolio are key competitive advantages that provides us with capacity to access additional capital as required.
[5-year CAGR of 10.6%]

Net Assets

41.9% increase in net assets from pre-covid position in June 19.
1.6% increase since June 23.

\$4.54bn

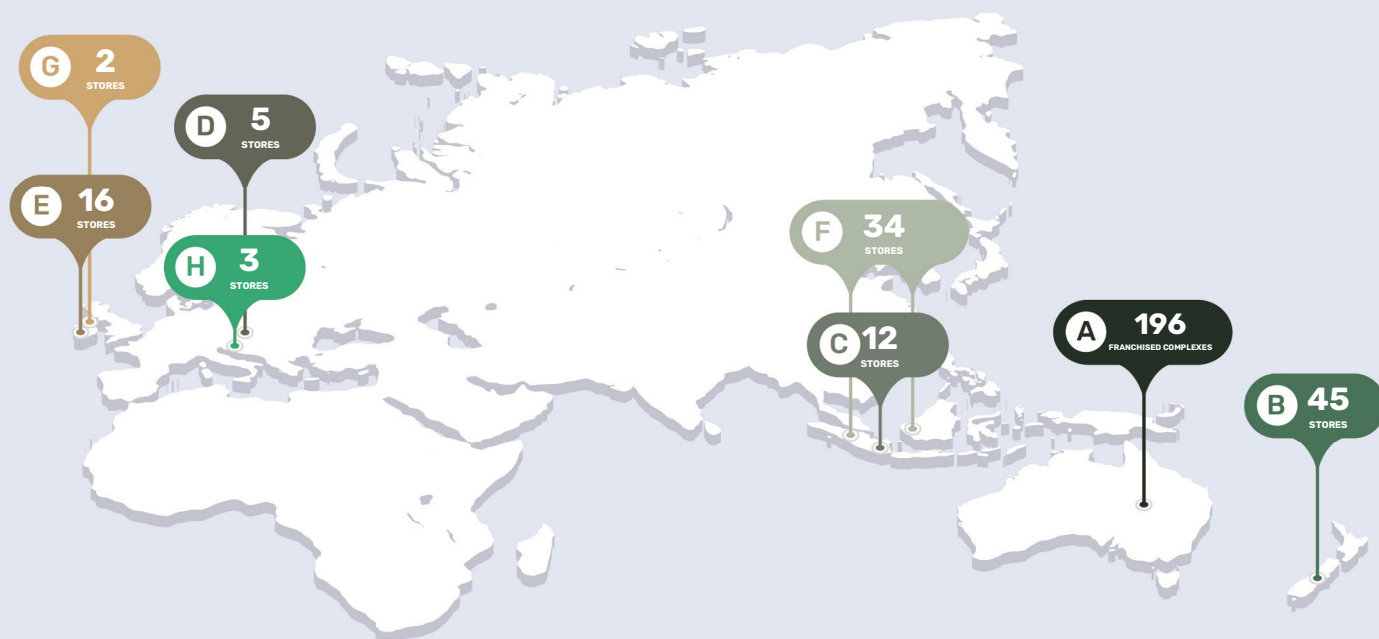
FY24 vs FY23

↑
+1.6%
(up \$70.44m)

FY24 vs FY19

↑
+41.9%
(up \$1.34bn)

Versatile & adaptable operating model and organic expansion in existing countries delivered a 41.9% growth in net assets since FY19.
[5-year CAGR of 7.2%]



Our Global Footprint

We operate an integrated retail, franchise, property and digital system across 8 countries.



196

Franchised Complexes
in Australia

A. Australia **B. New Zealand** **C. Singapore** **D. Slovenia** **E. Ireland** **F. Malaysia** **G. Northern Ireland** **H. Croatia**

Australian Franchising Operations

- 196 franchised complexes in Australia comprising 556 independent franchisees
- FY24 Aggregated Franchisee Sales Revenue: \$6.06 billion
- FY24 Franchising Operations PBT: \$273.56 million

Overseas Company – Operated Retail

- 117 company-operated stores in 7 countries
- FY24 Overseas Company-Operated Revenue: \$2.63 billion
- FY24 Overseas Retail PBT: \$118.54 million
- Comprises 21.9% Total PBT (22.0% excluding property revaluations)

Strategic 'Large-format' Retail Property Portfolio

- 94 franchised complexes owned (48% of total)
- 470 diverse third-party tenants (large proportion ASX-listed)
- \$3.58 billion Australian investment property portfolio (largest single owner in Australia)
- FY24 Property PBT: \$160.56 million (including revaluations)
- 28 international owned retail property assets (24% of total)
- \$638.89 million overseas owner-occupied and investment property portfolio

Investment in Technology, Digital Transformation and IT Infrastructure Assets



Online sales
channel



Click & collect



Quick reserve



Store finder



Trak by
Harvey Norman®



LiveChat

Segment Analysis

An Integrated Retail, Franchise, Property and Digital System

The consolidated entity operates an integrated retail, franchise, property and digital system, comprising three main strategic pillars: 1. Franchise – 2. Retail – 3. Property complemented by a sustained investment in technology, digital transformation and IT infrastructure assets.

Franchising Operations Segment 1	Overseas Company-Operated Retail Segment 2	Property Segment 3
REVENUE \$971.23m FY24 vs FY23 ↓ -8.9% (down \$94.44m) 1H24 vs 1H23 2H24 vs 2H23 ↓ ↓ -14.0% -2.4% (down \$83.27m) (down \$11.17m)	REVENUE \$2.63bn FY24 vs FY23 ↑ +1.2% (up \$31.10m) 1H24 vs 1H23 2H24 vs 2H23 ↑ ↑ +0.9% +1.6% (up \$12.06m) (up \$19.03m)	REVENUE \$327.53m FY24 vs FY23 ↓ -22.6% (down \$95.59m) 1H24 vs 1H23 2H24 vs 2H23 ↓ ↑ -37.7% +1.0% (down \$97.17m) (up \$1.57m)
TOTAL EXPENSES \$697.67m FY24 vs FY23 ↑ +0.8% (up \$5.36m) 1H24 vs 1H23 2H24 vs 2H23 ↑ ↓ +3.2% -1.8% (up \$11.30m) (down \$5.94m)	TOTAL EXPENSES \$2.51bn FY24 vs FY23 ↑ +2.1% (up \$51.61m) 1H24 vs 1H23 2H24 vs 2H23 ↑ ↑ +2.8% +1.4% (up \$35.48m) (up \$16.13m)	TOTAL EXPENSES \$166.97m FY24 vs FY23 ↑ +10.2% (up \$15.51m) 1H24 vs 1H23 2H24 vs 2H23 ↑ ↓ +26.2% -4.0% (up \$18.70m) (down \$3.19m)
PBT RESULT \$273.56m FY24 vs FY23 ↓ -26.7% (down \$99.80m) 1H24 vs 1H23 2H24 vs 2H23 ↓ ↓ -39.8% -3.9% (down \$94.57m) (down \$5.23m)	PBT RESULT \$118.54m FY24 vs FY23 ↓ -14.8% (down \$20.51m) 1H24 vs 1H23 2H24 vs 2H23 ↓ ↑ -23.5% +7.4% (down \$23.42m) (up \$2.90m)	PBT RESULT \$160.56m[*] FY24 vs FY23 ↓ -40.9% (down \$111.10m) 1H24 vs 1H23 2H24 vs 2H23 ↓ ↑ -62.2% +5.6% (down \$115.86m) (up \$4.76m)
Representing 50.7% of PBT excluding property revaluations [or 50.5% of Total PBT]	Representing 22.0% of PBT excluding property revaluations [or 21.9% of Total PBT]	Representing 29.8% of PBT excluding property revaluations [or 29.6% of Total PBT]

[*negatively impacted by: net revaluation increment of \$2.25m in FY24 vs net revaluation increment of \$118.75m in FY23, a reduction of (\$116.50m)]

Directors’ Report Operating and Financial Review

The Franchising Operations Segment in Australia

The Franchised Operating Model in Australia

Harvey Norman Holdings Limited (HNHL) and subsidiaries of HNHL own valuable intellectual property rights, including the trademarks Harvey Norman®, Domayne® and Joyce Mayne®, software and other confidential information to promote and enhance the brands.

A subsidiary of HNHL (a franchisor) grants separate franchises to independent franchisees to use the Harvey Norman®, Domayne® or Joyce Mayne® trade marks in Australia and to conduct the retail business of the franchisee at or from a store within a particular branded complex, pursuant to the terms of a franchise agreement. Each franchisee owns and controls the franchisee business of that franchisee.

Each franchisee has control over the day-to-day operations of the franchisee business and has the discretion and power to make the decisions necessary to drive sales, control floor margins and contain operating costs to maximise the profitability of the franchisee business. Each franchisee pays franchise fees to a franchisor pursuant to a franchise agreement between that franchisee and that franchisor.

The franchising operations segment in Australia captures and records the franchise fees received from franchisees including franchise fees in accordance with franchise agreements, rent and outgoings for the use of a branded complex and interest on the financial accommodation facility that is made available to each franchisee. The franchising operations segment also

includes the costs of operating the franchised system and monitoring and evaluating the performance and compliance of franchisees with their franchise agreements.

1 New Franchised Complex in FY24

- Harvey Norman® Belconnen, ACT: 3 November 2023

2 Closures of Franchised Complexes during FY24

- Joyce Mayne® Warrawong, NSW: 24 March 2024
- Domayne® Maitland, NSW: 28 April 2024

Completed Premium Refits during FY24

- Harvey Norman® Balgowlah, NSW
- Harvey Norman® Preston, VIC
- Harvey Norman® Erina, NSW
- Harvey Norman® Cannington, WA

Premium Refits Currently in Progress

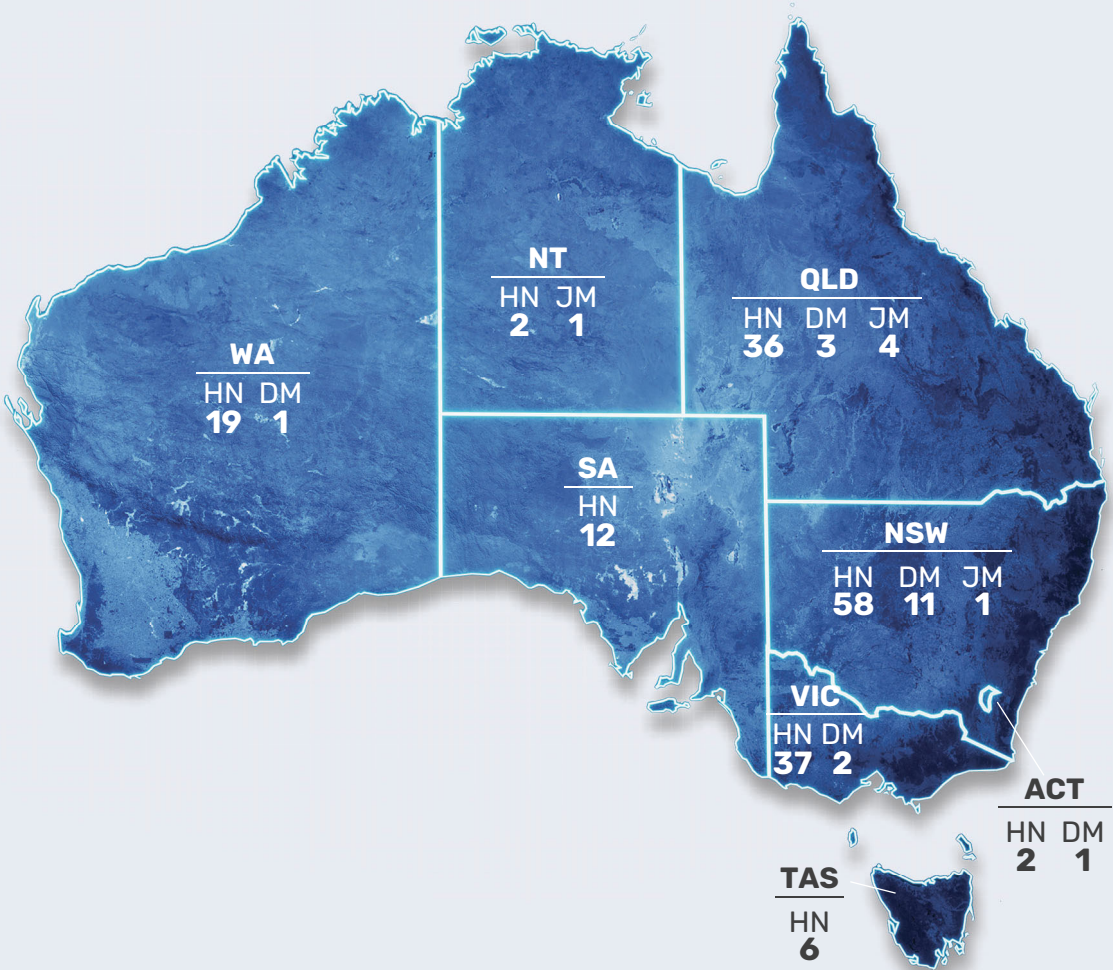
- Harvey Norman® Penrith, NSW
- Harvey Norman® Marion, SA

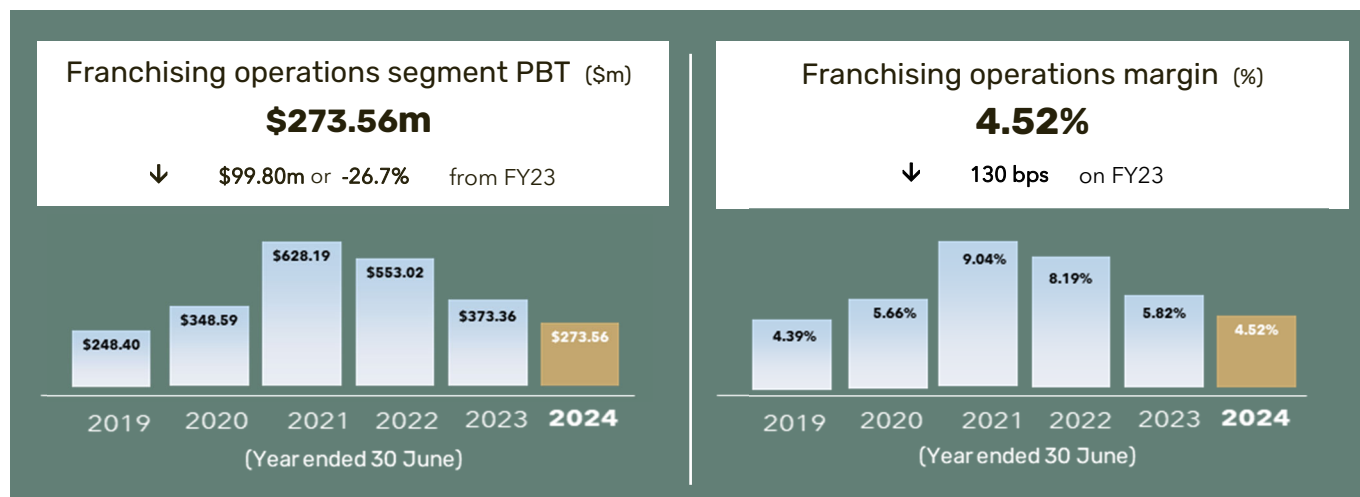
172
Harvey Norman
Franchised Complexes

18
DOMAYNE
Franchised Complexes

6
JOYCE MAYNE®
Franchised Complexes

556
Independent franchisees carrying on their business under Harvey Norman®, Domayne® & Joyce Mayne® brands.





The franchising operations segment PBT result was \$273.56 million for FY24, a reduction of \$99.80 million or -26.7% from \$373.36 million in FY23. This represents a franchising operations margin of 4.52% for FY24 a 130 basis points drop compared to a margin of 5.82% reported in FY23.

The majority of the decline can be attributed to the first half of FY24 where franchising operations profitability reduced by \$94.57 million, or -39.8%, from 1H23 resulting in a franchising operations margin of 4.52% compared to 6.78% achieved in 1H23. Profitability improved in the second half of the FY24, mainly driven by stronger franchisee sales performance in 4Q24, delivering a segment result of \$130.48 million for 2H24, a slight decrease of \$5.23 million, or -3.9%, from a PBT result of \$135.71 million in 2H23. The margin in 2H24 was 4.51% which was only marginally down on the margin of 4.66% in 2H23.

Profitability of the franchising operations segment was negatively impacted by a reduction in franchising operations segment revenues by \$94.44 million, or -8.9%, from \$1.07 billion in FY23 to \$971.23 million in FY24. This decrease is primarily due to a reduction in franchise fees by \$105 million, or -12.2%, to \$755.69 million in FY24 from \$860.70 million in FY23.

There is a direct correlation between Harvey Norman®, Domayne® and Joyce Mayne® franchisee sales revenue in Australia and franchise fees charged in accordance with franchise agreements. Aggregated franchisee sales decreased by \$358.08 million or -5.6% to \$6.06 billion in FY24, with a direct flow-on impact in reducing franchise fee revenues.

Households and businesses continue to face mounting cost of living pressures, with persistent inflation causing continued uncertainty regarding the future direction of interest rates. Dampened consumer and business confidence has continued to tighten household budgets, negatively impacting franchisee sales performance in FY24. This was offset by higher rent and outgoings

received from franchisees occupying properties leased by the consolidated entity by \$11.82 million, or 4.2%, and higher interest to administer franchisee financial accommodation facilities.

Operating costs increased marginally by \$5.36 million or 0.8% relative to the prior year. The net impact of AASB 16 *Leases* was a net gain of \$1.40 million in FY24 compared to a net expense of \$23.40 million, a turnaround of \$24.80 million, due to an improvement (i.e. a reduction) in the discount rates and the higher rental income applied in the fair value assessment of the right-of-use assets within the leasehold investment property portfolio at 30 June 2024.

This was offset by a rise in the costs to monitor and evaluate franchisee compliance and operational performance due to the challenging retail climate and inflationary pressures. Higher finance costs contributed \$7.26 million of the increase due to increased costs of borrowing and higher average utilisation of financing facilities throughout the year. The franchisor continues to promote and enhance the Harvey Norman®, Domayne® and Joyce Mayne® brands in Australia and continues to assist franchisees to invest in their customers to enhance customer loyalty and retention. This investment is primarily in the form of bonus gift cards which has increased by \$9.54 million in FY24 compared to FY23. Overall marketing spend has remained relatively consistent with the previous year, and remains efficient at 5.64% of Australian franchisee sales revenue.

The franchisor intends to capitalise on the solid foothold that Australian franchisees have in the Gen-AI product cycle by investing in the digital initiatives and in-store infrastructure necessary to assist franchisees in promoting the uptake of Gen-AI enabled products by customers. The franchisor has also continued to invest the customer-centric strategies of franchisees to protect and enhance the brands, and preserve customer loyalty and retention.

Franchising operations segment

		1H	2H	FY
Franchising operations segment PBT (\$m)	FY24	\$143.08m	\$130.48m	\$273.56m
	FY23	\$237.65m	\$135.71m	\$373.36m
Aggregated franchisee sales revenue* (\$bn)	FY24	\$3.16bn	\$2.89bn	\$6.06bn
	FY23	\$3.51bn	\$2.91bn	\$6.42bn
Franchising operations margin (%) [calculated as franchising operations segment PBT ÷ aggregated franchisee sales revenue]	FY24	4.52%	4.51%	4.52%
	FY23	6.78%	4.66%	5.82%

*Sales made by franchisees in Australia do not form part of the financial results of the consolidated entity.

Australian Franchisee Sales Revenue Underpins the Franchising Operations Segment

A diversified and adaptable retail strategy across all key product categories for the home continues to be a competitive advantage for Harvey Norman®, Domayne® and Joyce Mayne® franchisees in Australia.

Aggregated franchisee sales revenue for FY24 were \$6.06 billion, a decrease of 5.6% from \$6.42 billion in FY23. The second half of FY24 outperformed the first half, with a minimal decrease of only 0.6% compared to a 9.7% reduction for 1H24.

Australian franchisee sales for 1H24 had decreased by 9.7% to \$3.16 billion relative to 1H23 as 1H23 was buoyed by the normalisation of retail trading conditions following two years of COVID-related disruptions.

There was a significant improvement during 2H24 delivering aggregated franchisee sales of \$2.89 billion for the second half, a slight decrease of 0.6% from \$2.91 billion in 2H23. This is mainly due to the steady performance of franchisees within the Electrical, Mobile & Computer Technology categories, with aggregated sales in those key categories delivering modest sales growth relative to 2H23.

Franchisees in Australia have a significant opportunity to benefit from the growth in the emerging AI-PC market, and the continuing innovation of products is expected to drive sales growth in the Home Appliances, Mobile & Computer Technology categories throughout FY25 and beyond.

Total franchisee sales*

Year ended 30 June 2024

\$6.06bn

FY24 vs FY23



-5.6%

(down \$358.08m)

1H24 vs 1H23



-9.7%

(down \$341.49m)

2H24 vs 2H23



-0.6%

(down \$16.59m)

Comparable franchisee sales*

Year ended 30 June 2024

\$6.03bn

FY24 vs FY23



-6.0%

(down \$384.61m)

1H24 vs 1H23



-10.2%

(down \$355.97m)

2H24 vs 2H23



-1.0%

(down \$28.65m)

* Sales made by franchisees in Australia do not form part of the financial results of the consolidated entity.



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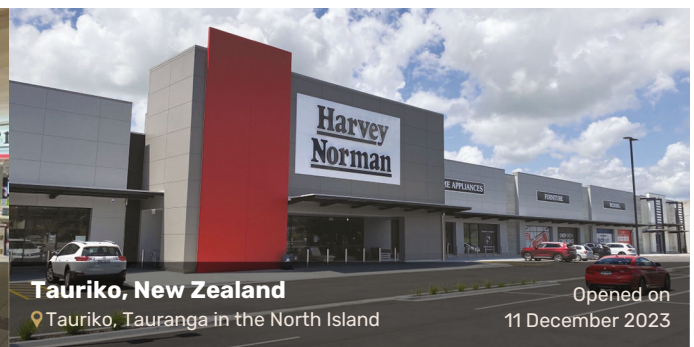
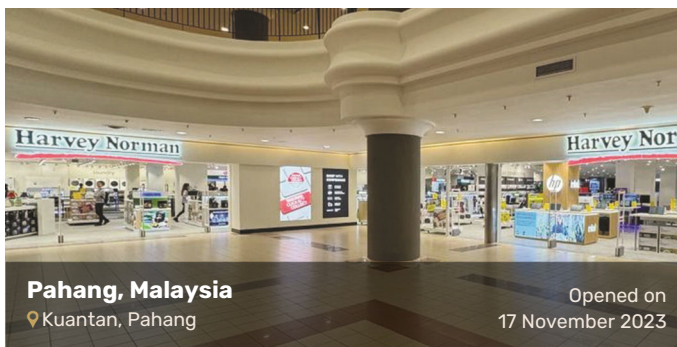
Productivity

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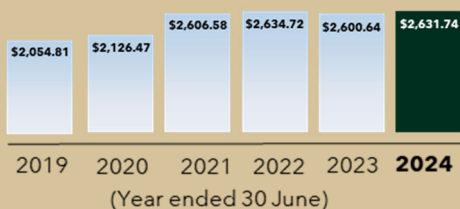


New overseas stores opened in FY24

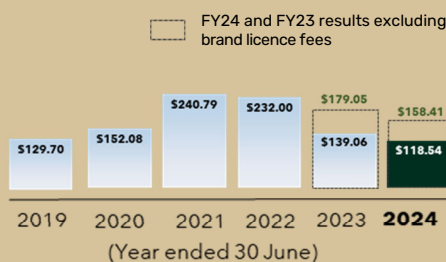


Overseas company-operated retail segment

Aggregated overseas retail revenue (\$AUD M)



Aggregated overseas retail PBT result (\$AUD M)

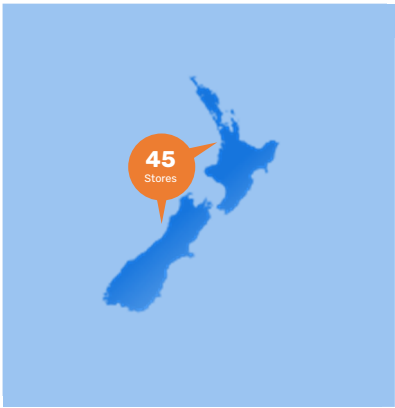


Overseas Retail Segment Comprises

22.0%

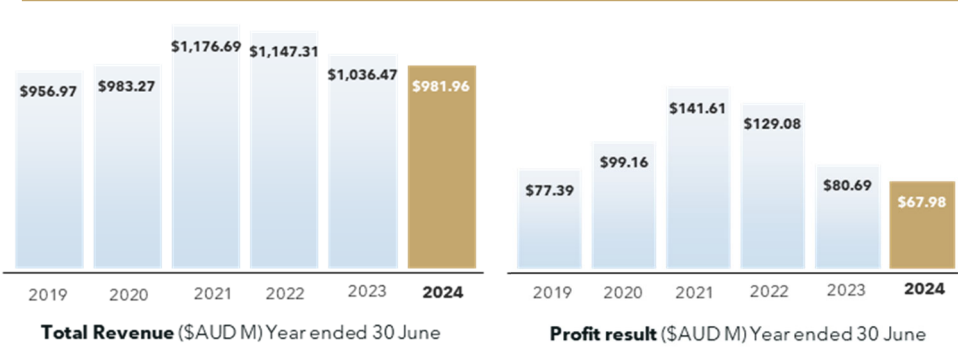
of PBT excluding property revaluations

21.9% of Total PBT



New Zealand

New Zealand Flagship
Wairau Park, Auckland (Launched Jun 2018)



New Zealand

45 Harvey Norman® Company-Operated Stores

In New Zealand, the Harvey Norman® brand holds a market leading position across key categories within the NZ home and lifestyle market. Macroeconomic headwinds have continued to worsen since the end of the pandemic, resulting in a decline in sales and profitability this year. Notwithstanding the challenging retail climate, our NZ balance sheet is strong, underpinned by a solid asset base.

During the financial year, one new company-operated store was opened at Tauriko (Tauranga, North Island) on 11 December 2023 and we relocated the Blenheim store to a new freehold site in May 2024. On 30 June 2024, one store at Henderson, Auckland was closed.

Sales in FY24 declined by NZ\$68.53 million or -6.2% to NZ\$1.03 billion relative to FY23 sales of NZ\$1.10 billion. When translated to Australian dollars, the decrease was \$52.42 million or -5.2%, to \$952.69 million for FY24, from \$1.01 billion in FY23, partially assisted by a 1.1% appreciation in the NZD relative to the AUD this year. 1H24 sales declined by \$22.65 million or -4.3%. 2H24 sales declined by \$29.77 million or -6.3%.

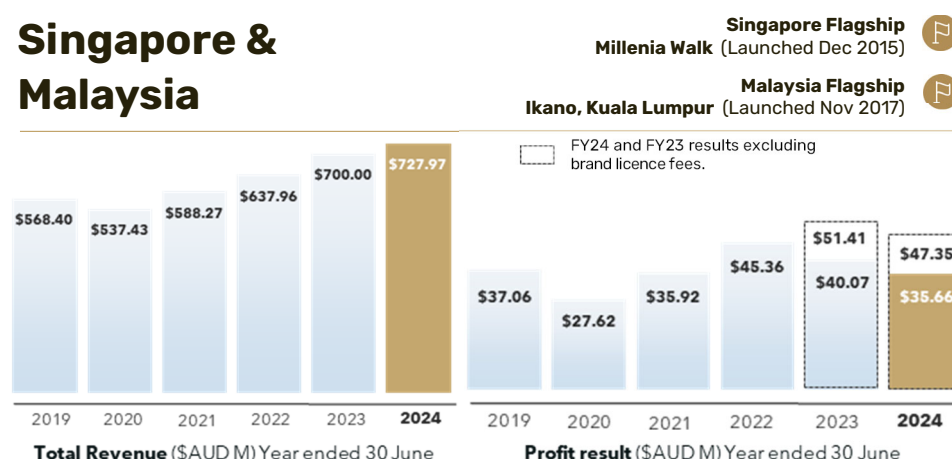
In local currency, the retail profit for FY24 was NZ\$73.49 million, a decrease of NZ\$14.69 million, or -16.7%, from NZ\$88.18 million in FY23. When translated to Australian dollars, the retail result was \$67.98 million for FY24, down by \$12.71 million, or -15.8%, from \$80.69 million in FY23. The fall in retail profit for FY24 was a result of a decrease in sales turnover and a contraction in gross margin due to discounting, coupled with higher operating costs from rising inflation and new store openings. Operating expenses for FY24 were inclusive of intercompany licence fees payable under the revised global transfer pricing policy that was adopted in FY23.

Our NZ business is on track to open 2 new full format stores at Papanui in October 2024 and Ravenswood in November 2024, both in the Christchurch region of the South Island. The solid balance sheet of the NZ business enables it to remain well-positioned to capitalise on potential opportunities and improvements in the discretionary retail environment.





Singapore & Malaysia



Singapore and Malaysia

This segment is comprised of 12 Harvey Norman® stores in Singapore, 34 Harvey Norman® stores in Malaysia and the Space Furniture® branded lifestyle stores in Singapore and Malaysia.

Malaysia | Sales Revenue

34 Harvey Norman® Company-Operated Stores

In Malaysia, the expansion plan continues to progress and strengthen the Harvey Norman® brand and market presence with the opening of 6 new company-operated stores during FY24 located at Shah Alam, Selangor (opened 24 July 2023), Kota Kinabalu, Sabah (opened 28 August 2023), Damansara Heights, Kuala Lumpur (opened 9 October 2023), Kuantan, Pahang (electrical and computers opened on 17 November 2023 and furniture and bedding on 18 March 2024), Seberang Jaya, Penang (opened 30 April 2024) and Batu Pahat, Johor (opened 23 June 2024). One store which was planned to open in 2H24 will now open in 1H25.

Sales for the 34 Harvey Norman® Malaysian stores for FY24 were **\$272.40 million, an increase of \$56.73 million, or 2.5%**, from \$265.67 million in FY23. When translated to Australian dollars, sales were **\$308.18 million, an increase of \$19.00 million, or 6.6%** from \$289.18 million in FY23. This was assisted by a 3.9% appreciation in the SGD relative to the AUD this year. Compared to pre-pandemic sales in FY19, the increase was \$111.06 million or 56.3%, delivering a 5-year CAGR of 9.4%.

The increase in sales is mainly due to the contribution of the 6 new store openings and the full 12-month's contribution from the 1 Utama Shopping Centre, Selangor store which opened on 22 November 2022. Comparable store sales in Malaysia marginally reduced by -1.3% in local currency relative to prior year. 1H24 comparable sales declined by -6.9% compared to 1H23 as retail sales across Malaysia were negatively impacted by the state elections that took place in August 2023, in addition to the weakened consumer sentiment caused by inflationary pressures. On 1 March 2024, the Sales and Services Tax rate increased in Malaysia for most taxable services, further tightening consumer spending. Amid these challenges, 2H24 comparable sales in Malaysia increased by 4.3% relative to 2H23.

It is our present intention to open up to 10 stores in FY25, and grow to up to 80 stores in Malaysia by the end of 2028.

Singapore | Sales Revenue

12 Harvey Norman® Company-Operated Stores

In Singapore, consumer sentiment remains subdued throughout FY24 due to inflationary pressures, interest rate uncertainty and the ongoing geopolitical tensions in Europe and the Middle East. Sales for the Singaporean stores in FY24 were **\$338.50 million, a decrease of \$56.03 million, or -1.8%**, from \$344.53 million in FY23. When translated to Australian dollars, sales were **\$382.96 million, an increase of \$7.94 million, or 2.1%**, from \$375.02 million in FY23. Compared to pre-pandemic retail sales in FY19, the increase was \$40.99 million or 12.0%, delivering a 5-year CAGR of 2.3%.

1H24 sales decreased by \$5.67 million, or -3.2% relative to 1H23 as the preceding half had a surge in sales due to an increase in the national GST from 7% to 8%. The national GST increased to 9% effective from 1 January 2024, however this did not lead to a similar boost in sales in 1H24. 2H24 sales were marginally lower compared to 2H23.

Our flagship store at Millenia Walk has continued to set a high bar for the Harvey Norman® brand in Singapore, performing strongly despite the challenging climate.

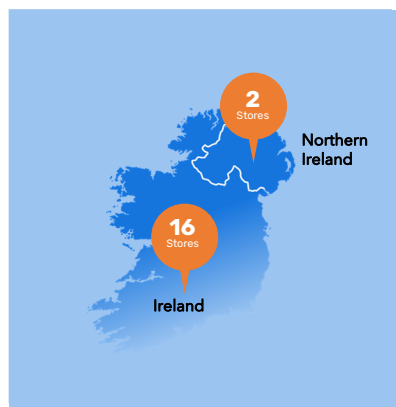
Retail – Singapore and Malaysia

Sales & Segment Result

Aggregated sales revenue for the Harvey Norman® and Space Furniture® brands in Asia totalled **\$625.55 million** in local currency for FY24, **decreasing by \$1.38 million, or -0.2%**, from \$626.93 million in FY23. On translation to Australian dollars, aggregated sales revenue for Asia was **\$707.72 million, an increase of \$25.31 million or 3.7%** from \$682.42 million in FY23. Compared to pre-pandemic aggregated sales in FY19, the increase was \$152.26 million or 27.4%, a 5-year CAGR of 5.0%.

The growth in total sales in AUD have been offset by elevated operating expenses in Asia, primarily due to rising costs in the current retail climate and the cost of new store openings in Malaysia.

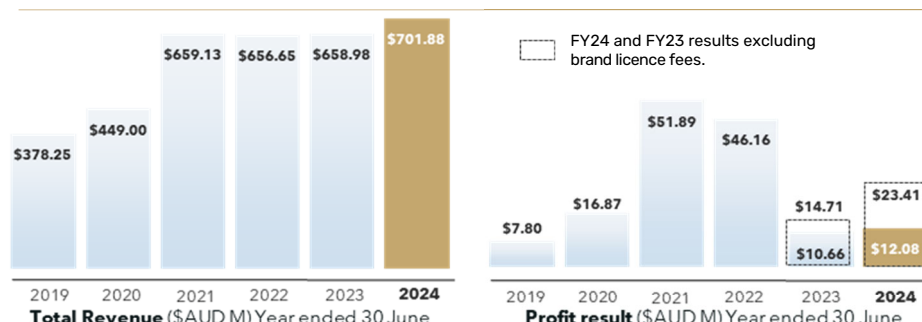
The segment profit result of the Harvey Norman® and Space Furniture® brands in Asia was **\$35.66 million** for FY24, a **decrease of \$4.40 million, or -11.0%**, from \$40.07 million in FY23. Operating expenses for FY24 are inclusive of intercompany brand licence fees payable under the revised global transfer pricing policy that was adopted in FY23. If the intercompany brand licence fees were excluded from the results in both years, the Asian segment would have generated a result of **\$47.35 million, a decrease of \$4.06 million or -7.9%**, from \$51.41 million FY23.



Ireland & Northern Ireland

Ireland Flagship Tallaght, Dublin (Launched Jul 2017)

Northern Ireland Flagship Boucher Rd, South Belfast (Launched Nov 2015)



Ireland

16 Harvey Norman® Company-Operated Stores

In Ireland, the retail climate continues to be challenged by high costs of living, high interest rates and ongoing pressures within the housing and rental markets. However the Irish economy appears to be showing signs of improvement, evidenced by the 25bps reduction in interest rates from the European Central Bank in June 2024, and the notable easing of inflationary pressures. The employment market remains strong, with unemployment rates at near historic lows. There are expectations of improved demand and improved consumer sentiment over the next two years.

Sales in local currency increased to **€408.98 million** in FY24, up by **€2.12 million or 0.5%**, from €406.87 million in FY23. When translated to Australian dollars, sales for FY24 **increased by \$42.90 million, or 6.8%, to \$674.78 million**, from \$631.88 million in FY23. This significant increase was mainly due to a 6.2% appreciation in the EUR relative to the AUD this year. When compared to pre-pandemic sales of \$351.59 million in FY19, there has been substantial growth by \$323.20 million, or 91.9%, with a 5-year CAGR of 13.9%.

Sales in 1H24 reduced by €5.42 million relative to 1H23, however there was a significant turnaround in 2H24, with sales increasing by €7.53 million or 4.4%. In local currency, the Irish retail profit for FY24 was **€9.94 million, an increase of €1.72 million, or 21.0%**, from €8.21 million in FY23. When translated to Australian dollars, the retail result was **\$16.39 million for FY24, up by \$3.64 million, or 28.5%**, from \$12.76 million in FY23.

Operating expenses for FY24 included intercompany brand licence fees payable under the revised global transfer pricing policy that was adopted in FY23. If the intercompany brand licence fees were excluded from the results in both years, the Irish segment would have generated a result of **\$27.73 million in FY24, an increase of \$10.93 million or 65.0%**, from \$16.80 million in FY23.

Northern Ireland

2 Harvey Norman® Company-Operated Stores

In Northern Ireland, the re-establishment of a sitting government in February 2024 has restored some stability and confidence in the economy. However, the ongoing geopolitical tensions in Europe and the Middle East, and the sustained high inflation and cost of living pressures continue to dampen retail sentiment.

Sales in local currency decreased by **£0.98 million or -9.2% to £9.70 million** in FY24, from £10.68 million in FY23. When translated to Australian dollars, sales for FY24 **decreased by \$0.45 million, or -2.4%, to \$18.64 million**, from \$19.09 million in FY23, due to an appreciation of 7.5% in the GBP relative to the AUD this year.

The Northern Ireland business incurred a **loss of \$4.31 million for FY24**, compared to a loss of \$2.09 million for FY23, a deterioration of \$2.22 million or -106.2%.

United Kingdom Expansion Plans

In January 2024, the consolidated entity announced the expansion of the Harvey Norman® brand in the United Kingdom with the signing of a lease at Merry Hill, located in the West Midlands region in England. The 57,000 sq. ft. Harvey Norman® Merry Hill flagship store is on track to open in October 2024.

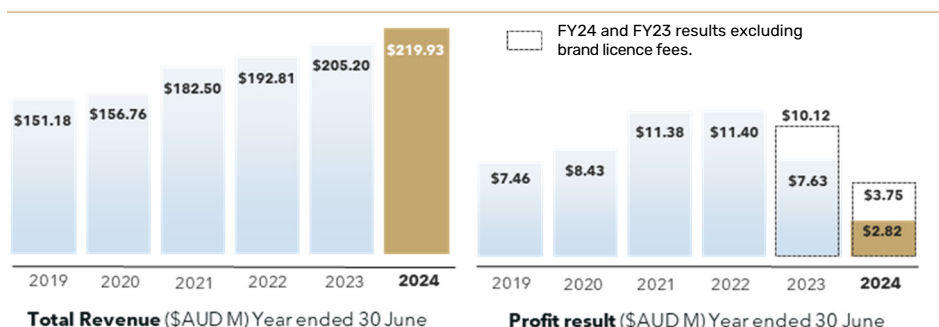
There is an intention to open a second store in the West Midlands, UK, during FY26 with lease negotiations currently underway.



Slovenia & Croatia

Slovenia Flagship
Ljubljana (Launched Jun 2017)

Croatia Flagship
Zagreb (Launched Oct 2018)



Slovenia

5 Harvey Norman® Company-Operated Stores

In **Slovenia**, subdued consumer sentiment has lowered retail foot traffic across the 5 company-operated stores, following the persistent effects of increased inflation, high interest rates, high energy prices, and the ongoing geopolitical tensions in Europe and the Middle East. This was further compounded by severe flooding in August 2023 which restricted trade across many regions, and the cooler weather experienced in the lead-up to summer in 2024 which had negatively impacted outdoor seasonal sales this year.

Local currency sales declined by €7.79 million, or -14.4%, during 1H24 but recovered during 2H24 to be flat on 2H23 with a marginal increase of €0.24 million, or +0.6%. For FY24, total Slovenian sales were **€88.52 million, a reduction of €7.55 million or -7.9%**, from €96.07 million in FY23. When translated to Australian dollars, sales were **\$146.04 million for FY24, down by \$3.15 million or -2.1%**, from \$149.19 million in FY23. When compared against FY19, sales were substantially above pre-pandemic levels increasing by \$30.35 million or 26.2%, a 5-year CAGR of 4.8%.

The retail segment in Slovenia delivered an **overall profit result of \$6.32 million in FY24** (inclusive of the intercompany brand licence fee expense under the global transfer pricing policy that was adopted in FY23), a **\$3.65 million decrease or -36.6%**, from \$9.97 million in FY23. If the payment of the intercompany brand licence fees were excluded from the results in both years, the Slovenian business would have generated a result of **\$7.26 million, a decrease of \$5.21 million or -41.8%**, from \$12.46 million FY23.

Croatia

3 Harvey Norman® Company-Operated Stores

In **Croatia**, our 3 company-operated stores have delivered steady sales growth throughout the year, with total retail sales of **€42.06 million for FY24, an increase of €8.37 million or 24.9%**, from €33.69 million in FY23. In Australian dollars, sales were **\$69.40 million for FY24, increasing by \$17.08 million or 32.6%**, from \$52.33 million in FY23. When compared to FY19, sales were well-above pre-pandemic levels, with an increase of \$36.17 million or 108.9% from \$33.23 million, a 5-year CAGR of 15.9%.

The rise in sales is mainly due to a full year's contribution of the third store that opened at Rijeka in April 2023. Comparable store sales for our Zagreb flagship store and Pula store increased by 3.4% in local currency.

Increased operating costs from the new Rijeka store and a general rise in costs due to inflation has resulted in a loss in Croatia of **\$3.50 million in FY24**, compared to a loss of \$2.34 million in FY23, a deterioration of \$1.17 million or -49.8%.

Directors' Report Operating and Financial Review (continued)

Review of the Property Segment - Strategic 'Large-Format' Retail Property Portfolio

Property ownership is a fundamental pillar of our integrated system, offering a significant competitive advantage. The property segment is essential to our operating model, underpinning our balance sheet and improving financial capabilities and operational leverage through reliable income streams. It enhances our strategic flexibility by providing access to additional capital, allowing us to promptly respond and adapt to evolving business needs.

Our consolidated balance sheet is anchored by a **strong freehold property portfolio totalling \$4.23 billion as at 30 June 2024**. This is comprised of tangible, freehold investment properties in Australia of \$3.58 billion, Ireland of \$28.72 million and New Zealand of \$40.42 million; and freehold owner-occupied properties in New Zealand, Singapore, Slovenia, Australia and Ireland of \$581.01 million in aggregate. Our property segment assets also include joint venture assets of \$2.95 million. **The freehold property segment comprises 53.4% of our \$7.93 billion total asset base.**

The Australian 'Large-Format' Retail (LFR) Market

The stable fair values recorded by our freehold investment properties in Australia, amid the challenging discretionary retail conditions, validates the resilience of the large-format retail (LFR) market in Australia, and the attractiveness of our high-quality LFR properties and solid tenancy mix.

We have 196 Australian franchised complexes geographically spread throughout the country, with a local Harvey Norman®, Domayne® and Joyce Mayne® branded store located within close proximity to customers. 94 franchised complexes (48% of total), and their associated warehouses, are owned by the consolidated entity, which are then leased to external parties, including Harvey Norman®, Domayne® and Joyce Mayne® franchisees.

Our Australian freehold investment property portfolio has grown to **\$3.58 billion as at 30 June 2024**, rising by \$138.47 million or 4.0% during FY24. This increase is due to capital additions and refurbishments during the current year and a modest net revaluation increment of \$7.09 million for 76 Australian freehold investment properties that were subject to revaluation.

Throughout the pandemic and up to June 2023, we had reported on the resilience of the LFR market in Australia, buoyed by strong consumer household spending, the significant uptick in new dwellings and renovations and the high levels of investor demand for quality LFR property assets.

The LFR market continues to be supported by solid economic fundamentals of record population growth, low unemployment, wages growth and the wealth effect from increasing house prices. However, during FY24, there has been evidence of a slight softening of capitalisation rates in LFR centres due to the material

increases in the cash rate that has placed downward pressure on capital values across all asset classes. The slight softening capitalisation rates have been offset by rental growth in new leasing transactions and lease renewals, in addition to solid demand from retailers for existing sites fuelled by a lack of quality LFR supply in the market, evidenced by record-low vacancy rates. This has meant that fair values of the property portfolio have remained largely stable during the year. Whilst there has been a slight softening in LFR property values, this has been modest, and almost completely offset by rental growth, as the LFR sector has been shielded from some of the headwinds facing other property asset classes.

The LFR Centres within our Australian investment property portfolio are in highly-desirable, high population growth locations, geographically spread across most metropolitan cities and large regional areas in Australia. Our vast LFR footprint facilitates the ongoing consolidation and improvement of our tenancy mix. As at 30 June 2024, our LFR centres accommodate a complementary mix of over 470 third-party tenants that are diversified across a variety of different categories including Food, Lifestyle & Other Service Retailers, Hardware, Medical, Chemists, Pets and Auto related products. A large proportion of these third-party tenants are ASX-listed and are national retailers that support the underlying value of our properties.

Whilst there is still some uncertainty about the future direction of interest rates, the current sentiment in the LFR market is reasonably positive, and many are expecting a return to stability and confidence within the retail investment market. Strong population growth, propelled by high net migration, has created a substantial shortfall of residential dwellings. Dwelling commencements are anticipated to significantly ramp up, supported by government intervention to respond to the current housing shortages and encourage further capital and new construction and renovation projects. The National Housing Accord has an aspirational target to build 1.2 million new, well-located homes over the next 5 years to 2029. The flow-on effect of new housing stock is expected to benefit LFR tenants and LFR property values. The solid labour market, underpinned by low unemployment and wages growth, is expected to support LFR spending.

Furthermore, there continues to be scarcity of LFR sites and there are minimal signs of increased LFR supply in the interim. As demand for space from LFR tenants outweighs supply, vacancy rates are likely to remain low, which is conducive to rental growth which will attract investment in the sector.

Since the end of June 2019, the LFR properties of the consolidated entity have increased by \$1.08 billion or 43.3% from \$2.50 billion to \$3.58 billion as at 30 June 2024. This is due to capital appreciation, capital additions and ongoing refurbishments throughout the pandemic and up to 30 June 2024.



Overseas Property Portfolio

Globally, we have 117 company-operated stores across 7 countries. 28 of the stores located overseas (24% of total) are owned by the consolidated entity. The aggregate value of the overseas owner-occupied and investment property portfolio is \$638.89 million, increasing in value by \$42.24 million or 7.1% during FY24.

Capital additions and refurbishments in New Zealand amounted to \$35.51 million for FY24 primarily due to construction costs incurred for the 2 new owned sites that are due to open in late calendar 2024. This was offset by a net reduction in fair values by \$9.92 million due to falling property prices following increased interest rates, rolling mortgages and macroeconomic volatility in the New Zealand market.

There have been increases in the fair values of properties in Slovenia and Singapore during FY24 totalling \$14.48 million.

Total Property Portfolio and the Performance of the Property Segment

Property segment revenues have decreased to \$327.53 million for FY24, down by \$95.59 million, or -22.6%, from \$423.13 million in FY23. This was primarily due to a reduction in the net property revaluation adjustments by \$116.50 million, from a net increment of \$118.75 million for FY23 compared to an increment of \$2.25 million for FY24. This was offset by an increase in rent and outgoings received from freehold properties by \$15.25 million or 5.8% due to higher market rentals and very low vacancy rates during FY24.

Property-related operating costs have continued to normalise throughout FY24 increasing by \$15.51 million during the year, primarily due to higher interest expenses allocated to the property segment by \$8.18 million due to rising borrowing costs relative to the previous year. Excluding interest costs, the increase in operating expenses is consistent with the rise in revenues (excluding net property revaluation adjustments).

The property segment result was \$160.56 million for FY24, a decrease of \$111.10 million or -40.9% from \$271.66 million in FY23. Excluding net property revaluations for both periods, the property segment result would have been \$158.31 million for FY24 compared to \$152.91 million for FY23, an increase of \$5.40 million or 3.5% mainly due to rental growth this year.

PROPERTY SEGMENT ASSETS

\$4.23bn

at 30 Jun 24

FY24 vs FY23	FY24 vs FY19
↑ +4.4% (up \$179.62m)	↑ +41.7% (up \$1.25bn)

PROPERTY SEGMENT REVENUES

\$327.53m

[The previous year included a net revaluation increment of \$118.75m in FY23 compared to \$2.25m in FY24]

FY24 vs FY23	1H24 vs 1H23	2H24 vs 2H23
↓ -22.6% (down \$95.59m)	↓ -37.7% (down \$97.17m)	↑ +1.0% (up \$1.57m)

PROPERTY SEGMENT PBT

\$160.56m

[Excluding net property revaluations for both years, the property segment result would have been \$158.31 million for FY24 compared to \$152.91 million for FY23, an increase of \$5.40 million or 3.5%]

FY24 vs FY23	1H24 vs 1H23	2H24 vs 2H23
↓ -40.9% (down \$111.10m)	↓ -62.2% (down \$115.86m)	↑ +5.6% (up \$4.76m)

NET PROPERTY REVALUATION ADJUSTMENTS

\$2.25m

[Net revaluation increment of \$2.25m in FY24 vs net revaluation increment of \$118.75m in FY23, a reduction of (\$116.50m) due to marginal softening of capitalisation rates, offset by rental growth]

FY24 vs FY23	1H24 vs 1H23	2H24 vs 2H23
↓ -98.1% (down \$116.50m)	↓ -104.8% (down \$112.01m)	↓ -37.9% (down \$4.49m)



Harvey Norman® Batu Pahat, Johor, Malaysia, opened June 2024

Review of the Property Segment

The below table shows the composition of freehold property segment assets as at 30 June 2024, the number of owned property assets and the increase/decrease in fair value recognised in each country.

Composition of freehold property segment assets	June 2024	# of owned retail property assets	# of owned other property assets	Net increase/ (decrease) in fair value (income statement)	Net increase/ (decrease) in fair value (equity)
(1) Investment Properties (Freehold)					
– Australia	\$3,581.47m	94	47	\$7.09m	-
– New Zealand	\$40.42m	-	5		-
– Ireland	\$28.72m	-	1	(\$1.84m)	-
Total Investment Properties (Freehold)	\$3,650.61m	94	53	\$5.25m	-
(2) Owner-Occupied Land & Buildings					
– Australia	\$11.25m	-	1	-	(\$2.00m)
– New Zealand	\$404.46m	21	1	(\$2.53m)	(\$7.39m)
– Singapore	\$32.68m	-	2	-	\$7.36m
– Slovenia	\$107.78m	5	1	-	\$7.12m
– Ireland	\$24.84m	2	-	(\$0.47m)	-
Total Owner-Occupied Land & Buildings	\$581.00m	28	5	(\$3.00m)	\$5.09m
(3) Joint Venture Assets	\$2.95m	-	8	-	-
Total Freehold Property Segment Assets	\$4,234.56m	122	66	\$2.25m	\$5.09m

Net Property Revaluation Adjustments in Australia

For the year ended 30 June 2024, a net revaluation increment of \$7.09 million was recorded in the income statement in relation to the freehold investment property portfolio in Australia. This marginal net revaluation increment can be attributed to a slight softening of capitalisation rates in large-format-retail (LFR) properties which have been offset by solid rental growth. This has meant that fair values of the freehold investment property portfolio have remained largely stable during the year.

At each balance date, the directors make an assessment of the fair value of each freehold investment property.

This assessment is informed by:

- the information and advice contained in the last independent external valuation report for that property prepared by an external, professionally qualified valuer who holds a recognised relevant professional qualification and has specialised expertise in the property being valued (**Independent Valuer**);
- the information and advice contained in the last internal valuation report for that property (which was informed by the immediately preceding independent external valuation report for that property);
- the last management review for that property; and
- other information and professional or expert advice given or prepared by reliable and competent persons in relation to that property.

Each freehold investment property in Australia is independently valued by an Independent Valuer at least once every 2 years on a rotational basis.

For FY24, there were 69 independent valuations of freehold investment properties in Australia representing a total of approximately 52.2% of the value of freehold investment properties externally valued this year, and 48.9% in terms of the number of total freehold investment properties in Australia.

Freehold investment properties not independently externally valued as at balance date are subject to an internal valuation or a management review, performed by persons qualified by relevant education, training or experience. Each internal valuation and management review is informed by the last independent external valuation and reliable market evidence. For the current year, 7 freehold investment properties had been affected by the same factors as the properties which had been independently externally valued. As a consequence, internal valuations for these 7 properties were undertaken to determine the effect of these factors.

Leasehold Property Portfolio | AASB 16 Leases

Right-of-use Assets

Leasehold investment properties (sub-leased or licenced to external parties):

The consolidated entity has a portfolio of property leases primarily for the purposes of being sub-leased, or licenced to, Harvey Norman®, Domayne® and Joyce Mayne® franchisees in Australia. For these properties, the consolidated entity enters into property leasing arrangements with external landlords and then subsequently subleases these sites to franchisees pursuant to a licence, terminable upon reasonable notice. Leasehold investment property: right-of-use asset meets the definition of an investment property and are measured at fair value. As at 30 June 2024, there were 301 leasehold investment properties. 102 leasehold investment properties (34% of total) were sub-leased or licenced to Harvey Norman®, Domayne® and Joyce Mayne® franchisees in Australia for retail purposes, and 199 leasehold investment properties (66% of total) were mainly sub-leased or licenced to Harvey Norman®, Domayne® and Joyce Mayne® franchisees for warehousing.

Right-of-use Assets

Leasehold owner-occupied properties & plant and equipment assets:

Leasehold properties occupied by the consolidated entity primarily include company-operated stores, warehouses and offices that are leased from external landlords. Unlike the leasehold investment properties: right-of-use assets which are measured at fair value, the leasehold owner-occupied properties and plant and equipment assets: right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses.

Composition of the Leasehold Property Portfolio:

The table below shows the composition of right-of-use assets and lease liabilities within our leasehold property portfolio as at balance date, and the number of leased retail properties and other properties leased by the consolidated entity.

Composition of leasehold property portfolio	Right-of-use assets June 2024	Lease liabilities June 2024	# of leased retail property assets	# of leased other property assets
(1) Leases of Properties Sub-Leased to External Parties				
– Australia	\$744.64m	\$809.36m	102	199
(2) Leases of Owner-Occupied Properties and Plant and Equipment Assets				
– Australia	\$43.32m	\$59.22m	-	16
– New Zealand	\$111.49m	\$127.99m	24	35
– Singapore & Malaysia	\$237.10m	\$183.61m	46	21
– Slovenia & Croatia	\$23.63m	\$26.03m	3	2
– Ireland & Northern Ireland	\$96.38m	\$128.84m	16	16
Total Leases of Owner-Occupied Properties and Plant and Equipment Assets	\$511.93m	\$525.69m	89	90
Total Leasehold Property Portfolio	\$1,256.57m	\$1,335.05m	191	289

Financial Impact of AASB 16 Leases on the Consolidated Income Statement:

The table below shows the financial impact of AASB 16 Leases on the consolidated income statement for the year ended 30 June 2024.

Financial impact of AASB 16 leases:	Leases of owner-occupied properties \$000	Leases of properties Sub-leased to external parties \$000	Total leases \$000
Property, plant and equipment: Right-of-use asset - Depreciation expense	\$72,813	-	\$72,813
Investment properties (leasehold): Right-of-use asset - Fair value re-measurement	-	\$76,213	\$76,213
Finance costs: Interest on lease liabilities	\$21,123	\$36,964	\$58,087
Total AASB 16 Expenses Recognised	\$93,936	\$113,177	\$207,113
Less: Lease payments made during FY24 (excluding variable lease payments and short-term, low-value leases)	(\$92,981)	(\$115,318)	(\$208,299)
Other adjustments	\$1,861	(\$46)	\$1,815
AASB 16 Net Decrease in PBT for FY24	\$2,816	(\$2,187)	\$629

A 'Customer-Centric' Strategy

Throughout the 2024 financial year, the consolidated entity has continued to invest in its digital strategy as a critical pillar that underpins the effective operation of the integrated retail, franchise and property system across 8 countries. The digital strategy focuses on enhancing the customer experience by augmenting the various technology platforms and infrastructure to enable Harvey Norman®, Domayne® and Joyce Mayne® franchisees in Australia and overseas company-operated stores to provide customers with a seamlessly integrated, efficient and highly personalised omnichannel experience.

Cyber security is a key priority and enhancements to the current digital infrastructure have continued to increase customer convenience and operational efficiency, whilst maintaining a robust cyber security program to mitigate the cyber risks of the business.

eCommerce Platform Upgrade

To meet the high demand of online shopping, the Australian based online marketplace franchisee has successfully upgraded the digital platform that will deliver a high-quality customer experience for the years ahead. This innovative digital platform offers several key advantages such as:

Enhanced Performance

Faster load times and enhanced scalability for superior customer experience.

Mobile Friendly

Responsive design ensures optimal functionality across all devices.

Flexible Architecture

Modular design facilitates easy customisation of online services.

Improved Security

Robust encryption and secure payment gateways to support diverse payment options for Harvey Norman® customers.

Rich Business Features

Advanced marketing, SEO (search engine optimisation) and catalogue management tools.

Next Generation Commerce Platform-Shopify Plus

With the upgrade to the next-generation of the eCommerce platform- Shopify Plus, in the United Kingdom (UK), our company-operated stores have introduced additional express checkout capabilities. By enabling Shop Pay through Shopify Payments, customers can now streamline their checkout experience thus significantly enhancing convenience for their customers.

Following a successful rollout in the UK, we are now advancing the implementation of our next-generation cloud commerce platform across our other company-operated locations abroad. This initiative supports the international markets within the Republic of Ireland, New Zealand, Singapore and Malaysia with enhanced security, scalability, and an improved customer experience. Furthermore, it will provide enhanced customer insights, enabling continuous monitoring and improvement of the customer journey to deliver an optimal shopping experience.



Forter Fraud Solution

The Forter Fraud Solution is an AI-powered fraud prevention solution that assists Harvey Norman® to detect and prevent fraudulent transactions in real-time. Using advanced machine learning algorithms, Forter analyses extensive data sets to accurately identify and stop fraudulent activities by detecting suspicious patterns and behaviours. Harvey Norman® opted for Forter as the AI-driven approach to help minimise false positives and efficiently process legitimate transactions, thereby improving both security and the overall customer experience.

Future of Payments—Afterpay

The successful launch of Afterpay in Australia and New Zealand allows Harvey Norman® customers to "buy now, pay later", over a series of instalments. This option has been integrated into the online checkout process, as well as being available in-store. In-store use of Afterpay involves simply informing the cashier and using the Afterpay app to complete the purchase. An Afterpay card can be setup in most digital wallets like Apple Pay, Google Pay and Samsung Pay to tap in store which makes payments even easier.

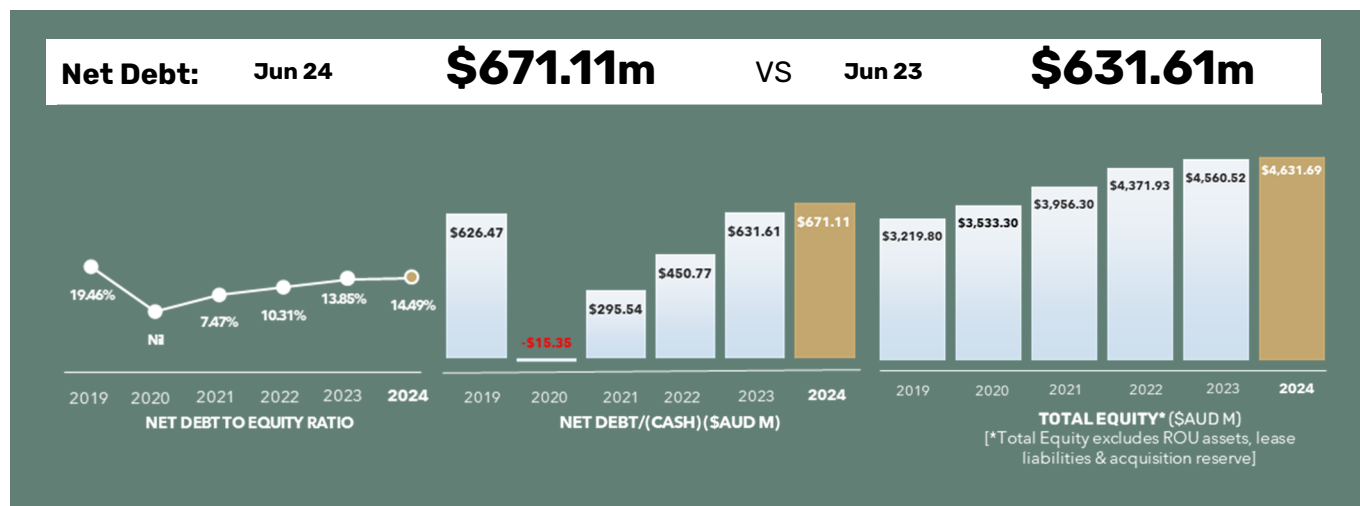
Click & Collect on Microsoft Teams

Continuous Improvements

Harvey Norman® offers Click & Collect services across all franchised complexes in Australia and company-operated stores in 7 countries overseas. Orders placed on the Harvey Norman®, Domayne®, and Joyce Mayne® websites are typically prepared within one hour, ensuring efficient service and customer care facilitated by Microsoft Teams.

Continuous enhancements to the Microsoft Teams-based system provide timely updates on order status and pick-up locations. Integrated notifications allow customers to notify their arrival with a simple "On My Way" or "Arrived" button on their device, whether picking up in-store or opting for car-side delivery. Dedicated Click & Collect parking bays and in-store desks further streamline this service.





Net Debt to Equity Ratio

Across the consolidated entity globally, the total available facilities amounted to \$1,182.27 million as at 30 June 2024 compared to \$1,185.83 million as at 30 June 2023.

As at balance date, the utilised portion was \$940.12 million (Jun-23: \$845.89 million), leaving \$242.16 million (Jun-23: \$339.94 million) accessible financing facilities available. The utilised facilities in FY24 increased by \$94.23 million compared to FY23 resulting in a net debt position of \$671.11 million as at 30 June 2024, compared to a net debt position of \$631.61 million in the prior year. Our net debt to equity ratio remains low at 14.49% (Jun-23:13.85%).

The consolidated entity has sufficient liquidity and the low gearing ratio and strong balance sheet gives us the capacity and ability to access additional liquidity as required.

Strong Cash Flows

Cash and cash equivalents, net of bank overdraft, as disclosed in the Statement of Cash Flows, increased by \$51.10 million to \$253.16 million as at 30 June 2024, compared to \$202.06 million as at 30 June 2023.

Cash flows from operating activities increased by \$6.27 million to \$686.53 million for FY24, from \$680.26 million in FY23. This was primarily attributable to higher receipts from customers by \$37.85 million and lower income tax paid by \$113.20 million, offset by a decrease in net receipts from franchisees by \$112.26 million and higher payments to suppliers and employees by \$31.49 million.

In 1H24, operating cash flows were strong, with a \$156.24 million increase in cash flows from operating activities compared to 1H23. This increase was primarily due to an \$88.88 million increase in net receipts from franchisees, driven by lower funding requests from franchisees for their inventory purchases in response to subdued aggregated franchisee sales revenue which declined by 9.7% in 1H24. However, during 2H24, cash flows from operating activities decreased by \$149.97 million compared to 2H23 mainly due to a \$201.15 million reduction in net receipts from franchisees as higher funding was requested by franchisees to fund their inventory purchases, to respond to the higher demand from their customers. 2H24 outperformed 1H24 with a minimal decline in aggregated franchisee sales of only 0.6% relative to 2H23.

Payments to suppliers and employees increased by \$31.49 million due to higher operating costs attributable to new store openings and a general increase in operating costs due to inflation.

Income tax paid decreased by \$113.20 million primarily due to the higher final tax payment made in FY23 attributable to FY22 taxable profits and the higher income tax instalment rate applied in Australia for FY23.

Receipts from customers increased by \$37.85 million mainly due to a \$27.29 million increase in sales from our company-operated stores.

Net outflows from investing activities decreased by \$32.30 million during FY24 mainly due to net repayments from loans in FY24 of \$27.60 million compared to net loans granted in FY23 of \$22.64 million. This was offset by an increase in payments for the purchase of listed securities by \$10.92 million and an increase in the purchase of property, plant and equipment and intangible assets by \$4.50 million.

Net outflows from financing activities decreased by \$44.83 million mainly due to a reduction in dividends paid by \$105.91 million, offset by a reduction in the proceeds received from the syndicated facility by \$65 million in FY24.

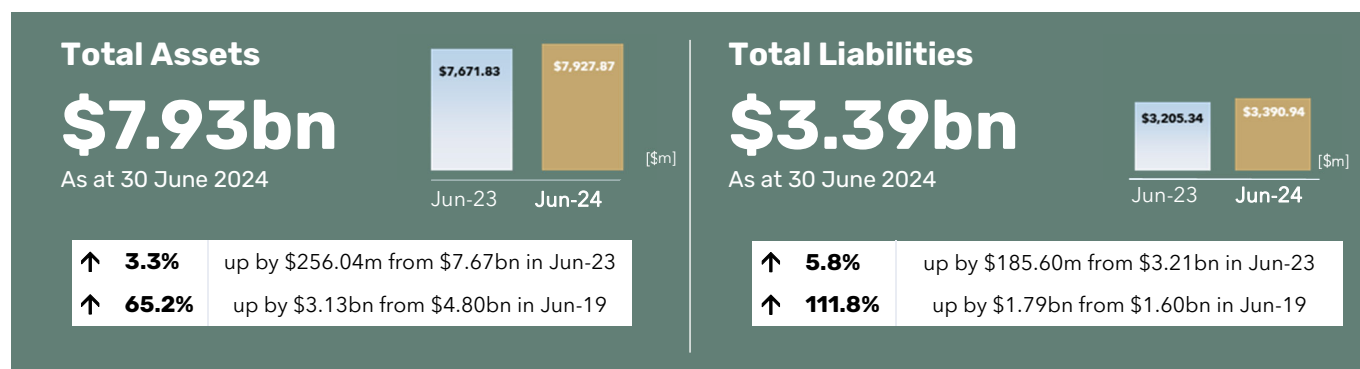
Operating Cash Flows

\$686.53m for FY24 Cash Conversion %*

FY24 vs FY23	FY24 vs FY19	FY24	FY23
↑ 0.9% (up \$6.27m)	↑ 84.1% (up \$313.69m)	100.4%	97.4%
[5-year CAGR of 13.0%]			

* Calculated as Operating Cash Flows (excluding interest & tax) ÷ EBITDA (excluding AASB 16 and net property revaluations)

Review of the Financial Position of the Consolidated Entity (Continued)



Total assets were \$7.93 billion as at 30 June 2024, increasing by \$256.04 million, or 3.3%, from \$7.67 billion as at 30 June 2023. **When compared to 30 June 2019, the increase in total assets was \$3.13 billion or 65.2%, delivering a 5-year CAGR of 10.6%.**

The consolidated entity has ample cash reserves as at 30 June 2024 (Jun-24) of \$273.47 million, an increase of \$54.72 million from \$218.75 million as at 30 June 2023 (Jun-23).

The value of the freehold investment property portfolio increased by \$167.02 million, or 4.8%, to \$3.65 billion as at Jun-24 primarily due to the acquisition and refurbishment of new freehold investment properties in Australia, and the construction of the new freehold franchised complexes at Macgregor (QLD) that is due to open in 1H25.

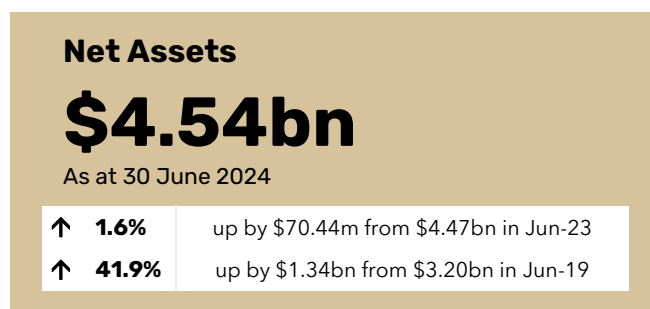
Property, plant and equipment assets increased by \$54.35 million mainly due to the fit-out of 6 new company-operated stores in Malaysia in FY24: Shah Alam, Selangor (July 2023), Kota Kinabalu, Sabah (August 2023), Pavilion Damansara Heights, Kuala Lumpur (October 2023), Kuantan, Pahang (November 2023), Seberang Jaya, Penang (April 2024) and Batu Pahat, Johor (June 2024), 1 new company-operated store located at Tauriko, New Zealand (December 2023) and 1 company-operated store that was relocated at Blenheim, New Zealand (May 2024). Construction costs were incurred in New Zealand for the development of 2 company-operated stores in NZ due to open later in calendar 2024. The fit-out of one new franchised complex located at Belconnen (ACT) in Australia that opened during the year and the completion of the premium refits at Balgowlah (NSW), Erina (NSW), Preston (VIC) and Cannington (WA) also contributed to the increase.

Inventories of company-operated stores increased by \$12.47 million primarily driven by new store openings during the year.

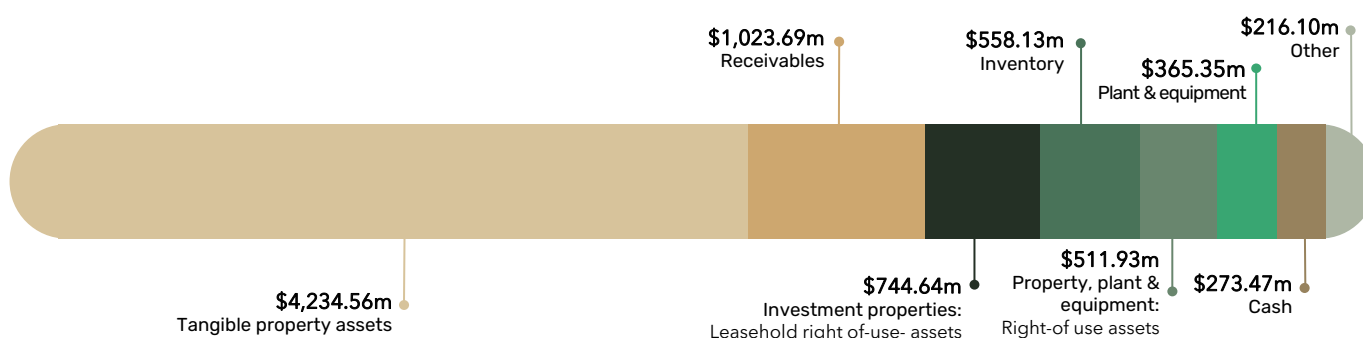
This was offset by a reduction in total current and non-current trade and other receivables by \$56.96 million, or -5.3%, to \$1.02 billion as at Jun-24, compared to \$1.08 billion as at Jun-23. This reduction is mainly due to a decrease in receivables from franchisees by \$28.66 million, or 3.4%, to \$812.34 million as at Jun-24, compared to \$841.00 million as at Jun-23.

Total liabilities increased by \$185.60 million to \$3.39 billion as at Jun-24 from \$3.21 billion as at Jun-23. Interest-bearing loans and borrowings increased by \$94.22 million mainly due to the higher utilisation of the Syndicated Facility by \$85 million, from \$760 million utilised as at Jun-23 to \$845 million utilised as at Jun-24. Deferred tax liabilities increased by \$43.88 million, partially attributed to the legislative change in New Zealand to exclude tax deductions for future building depreciation expenses resulting in the recognition of approximately \$22 million in deferred tax balances.

This has resulted in an increase in net assets by \$70.44 million or 1.6% to \$4.54 billion as at Jun-24 from \$4.47 billion in Jun-23. When compared to Jun-19, net assets increased by \$1.339 billion or 41.9%, delivering a 5-year CAGR of 7.2%.



Composition of Total Assets of \$7.93bn



Outlook:

In **Malaysia**, driven by a resilient economy, solid population growth and recent government initiatives to encourage consumer confidence and spending, we remain committed to our expansion plan. We anticipate opening up to 10 new stores during FY25, and it is still our intention to grow to 80 stores in Malaysia by the end of 2028.

In **New Zealand**, the full-format store at Tauriko, Tauranga in the North Island opened on 11 December 2023. We are on track to open 2 new full-format stores in 1H25 at Papanui in October 2024 and Ravenswood in November 2024, both in the Christchurch region of the South Island.

In June 2024, a decision was made to cease the proposed expansion plans into **Budapest, Hungary** due to unfavourable conditions.

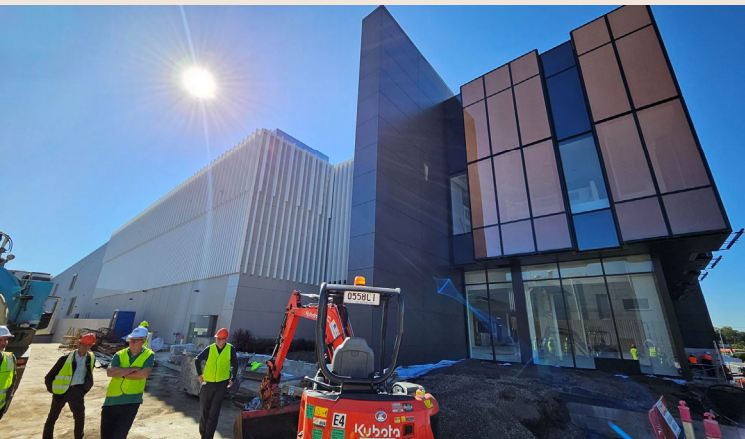
In January 2024, we announced the expansion of the Harvey Norman® brand in the **United Kingdom** with the signing of a lease at Merry Hill, located in the West Midlands region in England. We intend to open the 57,000 sq. ft. Harvey Norman® Merry Hill flagship store in October 2024.

There is an intention to open a second store in the West Midlands, UK, during FY26 with lease negotiations currently underway.



In **Australia**, we opened 1 franchised complex at Belconnen, ACT, on 3 November 2023 as planned, whilst 1 franchised complex has been delayed from 2H24 to 1H25. For FY25, the present intention is to open 2 new franchised complexes and relocate 2 franchised complexes to new sites, both of which are new freehold properties.

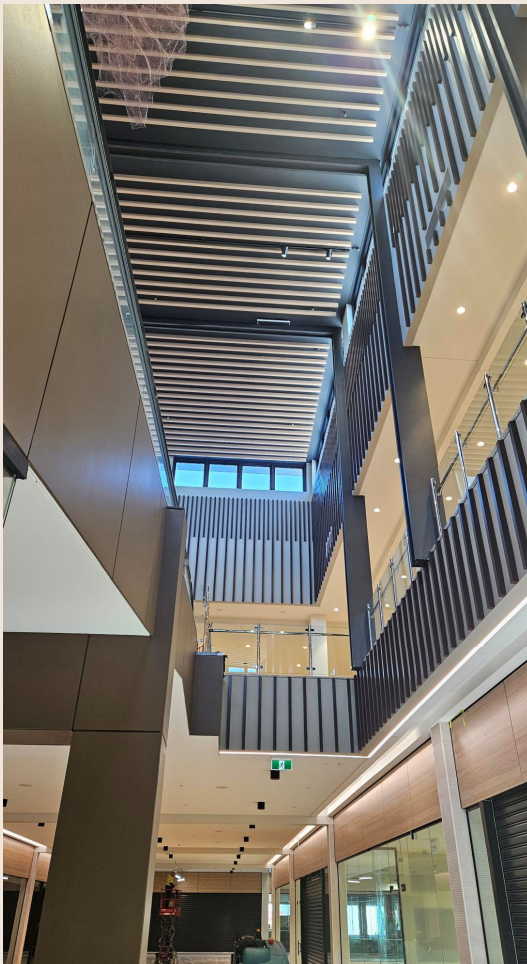
During FY24, the premium refit program has continued with the completion of the refits at Harvey Norman® Balgowlah (NSW), Harvey Norman® Preston (VIC), Harvey Norman® Erina (NSW) and Harvey Norman® Cannington (WA) this year. There are 2 premium refits currently in progress located at Penrith (NSW) and Marion (SA), and we intend to commence a further 2 premium refits during FY25.



Retail Trading Update:

Aggregated sales increase/(decrease) in local currencies from 1 July 2024 to 31 July 2024 vs 1 July 2023 to 31 July 2023:

1 Jul 2024 to 31 Jul 2024 vs 1 Jul 2023 to 31 Jul 2023		% increase / (decrease) calculated in local currencies	
Country		Total %	Comparable %
Australian Franchisees	\$ AUD	3.5	3.3
New Zealand	\$ NZD	(-9.0)	(-9.5)
Slovenia & Croatia	€ EUR	7.0	7.1
Ireland	€ EUR	(-0.3)	(-0.3)
Northern Ireland	£ GBP	(-5.7)	(-5.7)
Singapore	\$ SGD	(-2.3)	(-2.3)
Malaysia	MYR	9.7	(-2.6)



Summary of Key Business Risks

The Board remains optimistic about the consolidated entity's future trading performance and acknowledges that there are several factors that may pose risk to the achievement of the business strategies and future financial performance of the consolidated entity. Every business is exposed to risks with the potential to impair its ability to execute its strategy or achieve its financial objectives.

There are a number of key risks, both specific to the Harvey Norman® integrated retail, franchise, property and digital system and external risks, for example the macroeconomic environment, over which the consolidated entity has no control. The consolidated entity acknowledges the existence of these risks, and in the first instance seeks to identify and understand individual risks, and then - to the extent possible - manage and mitigate those risks.

Changes to macroeconomic conditions and government policy:

The consolidated entity has a significant exposure to the economy of the countries in which it operates. There are a number of general economic conditions, including interest and exchange rate movements, CPI inflation, geopolitical tensions, overall levels of demand, housing market dynamics, wage growth, employment, economic and political instability and government fiscal, trade, monetary and regulatory policies, that can impact the level of consumer confidence and discretionary retail spending. These conditions may affect revenue from sales to customers and franchise fees.

The consolidated entity seeks to reduce its exposure to these risks through appropriate business diversification, and also by closely monitoring both internal and external sources of information that provide insights into any changes in demand within the economies in which it operates. With a property portfolio of over \$4 billion, the consolidated entity is exposed to potential reductions in commercial property values. The consolidated entity has a selective and prudent acquisition and development strategy and maintains high-quality complexes and a solid, dynamic, complementary tenancy mix in order to maximise the profitability of the property segment.

Cyber security risk:

Cyber security attacks can take many forms including:

- i. Attacks on technology infrastructure which generates revenue and threaten to perpetually block access to data unless a ransom is paid (**Ransomware**); and
- ii. Attacks to gain unauthorised access to data or records that can be used alone or with other information to identify, contact or locate a single person, including a customer or employee (**Personal Identifiable Information** or **PII**).

The Company has implemented and continues to improve and enhance, a cyber security risk management framework and security controls to protect against any cyber security risks, including Ransomware and PII attacks. The Company has implemented business continuity plans and disaster recovery plans to respond to cyber security incidents, and mitigate financial and reputational damage from any such incidents.

Compliance by franchisees with franchise agreements:

This risk relates to franchisees acting in breach of the terms and conditions of their respective franchise agreements. The consequences of non-compliance may include damage to the brand, fines and other sanctions from regulators, and a reduction in franchise fees received from franchisees.

The franchisor continually monitors and evaluates the financial and operating performance of each franchisee to actively assess compliance with executed franchise agreements. Instances of non-compliance are promptly addressed to protect the Harvey Norman®, Domayne® and Joyce Mayne® brands and intellectual property of the franchisor.

Increased competition resulting in a decline of retail margin or a loss of market share for franchisees in Australia and company-operated stores in overseas markets:

The integrated retail, franchise, property and digital system, and diverse category mix assists in maintaining the consolidated entity's competitive position. Market consolidation and/or acquisition may result in further competition and changes to retail margins and market share. Franchisees in Australia and company-operated stores in 7 overseas regions operate across a number of categories in the Home and Lifestyle market. Diversity of category and the ability to identify growth opportunities locally and overseas, mitigates the risk from existing and potential competitors.

Emergence of competitors in new channels:

The Harvey Norman® Omni Channel Strategy provides customers of franchisees with a diverse, consistent and distinctive Harvey Norman® customer experience through a range of channels. The Harvey Norman® Omni Channel Strategy integrates retail, online, mobile and social channels. The online operations of franchisees in Australia and the company-operated online operations overseas continue to grow. The digital platform provides new opportunities for growth and new ways to embrace and engage with customers. The Harvey Norman® Omni Channel Strategy sets the Harvey Norman® brand apart from other online and digital competitors. Harvey Norman® customers have a multitude of engagement options to meet their needs. The Harvey Norman® Omni Channel Strategy, supported by the retail property portfolio of the consolidated entity, makes the Harvey Norman® brand a strong competitor in the market.

Reduction in the fair value of the property portfolio and contraction in the large-format retail (LFR) market:

The commercial property market is cyclical in nature with real estate values fluctuating over time. The consolidated entity is exposed to potential reductions in property values within this sector. There are a number of economic circumstances that may impact the value of the property portfolio, these include the interest rate environment.

The consolidated entity has a selective and prudent acquisition and development strategy and maintains high-quality geographically diverse complexes and a solid, complementary tenancy mix in order to maximise the profitability of the property portfolio.

Counterparty risks of service providers:

This risk relates to the inability of service providers and counterparties to meet their obligations and commitments, inclusive of compliance, privacy and data security obligations. The consolidated entity conducts due diligence on, and closely monitors and evaluates the performance of, external service providers to mitigate counterparty risk.

Directors' Report

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Board of Directors

Unless otherwise indicated, all directors (collectively termed 'the Board'), held their position as director throughout the entire year and up to the date of this report.

Gerald Harvey Executive Chairman

In 1982, Mr. G. Harvey was the co-founder, with Mr. I.J. Norman, of Harvey Norman®. He became a director and chairman of Harvey Norman Holdings Limited (the Company) in 1987, and is employed by Yoogalu Pty Limited (Yoogalu), a controlled entity of the Company. Mr. G. Harvey is executive chairman, or a director, of each member of the consolidated entity, with a particular focus on property investments.

Kay Lesley Page Executive Director and CEO

Ms. Page joined Harvey Norman® in 1983 and became a director of the Company in 1987. Ms. Page is employed by Yoogalu. Since 1999, Ms. Page has overall Chief Executive Officer responsibility for each controlled entity of the Company in Australia, and is a director of each member of the consolidated entity.

Chris Mentis *B.Bus., FCA, FGIA, Grad Dip App Fin* Executive Director, CFO & Company Secretary

Mr. Mentis joined Harvey Norman® as a Financial Controller in 1997. Mr. Mentis became secretary of the Company in 2006 and a director of the Company in 2007. He is employed by Yoogalu and, since 2007, has overall Chief Financial Officer responsibility for, or is a director of, each member of the consolidated entity. Mr. Mentis is a Fellow of the Chartered Accountants Australia & New Zealand (CA ANZ) and a Fellow of the Governance Institute of Australia, with extensive experience in financial accounting.

John Evyn Slack-Smith Executive Director and COO

Mr. Slack-Smith was a director of a Harvey Norman® computer franchisee between 1993 and 1999 and became a director of the Company in 2001. He is employed by Yoogalu and has overall executive responsibility for the operations of each controlled entity of the consolidated entity in Australia of which he is a director. Mr. Slack-Smith is a Member of Council at Barker College.

David Matthew Ackery Executive Director

Mr. Ackery became a director of the Company in 2005. He was employed by Yoogalu and had overall executive responsibility for the relationship between each controlled entity in Australia with relevant electrical, appliance, home entertainment and technology franchisees. Mr. Ackery retired as an executive director of the Company and as an employee with effect from 30 April 2024.

Michael John Harvey *B.Com.* Non-Executive Director

Mr. M. Harvey joined Harvey Norman in 1987, having completed a Bachelor of Commerce degree. Mr. M. Harvey gained extensive experience as a Harvey Norman® franchisee from 1989 to 1994. Mr. M. Harvey became a director of the Company in 1993 and was appointed Managing Director in July 1994. Mr. M. Harvey ceased to be an executive director and Managing Director on 30 June 1998.

Christopher Herbert Brown *OAM, LL.M., FAICD, FGIA, CTA* Non-Executive Director

Mr. Brown holds the degree of Master of Laws from the University of Sydney. Mr. Brown is the senior partner in Brown Wright Stein Lawyers. Brown Wright Stein Lawyers has acted as lawyers for the consolidated entity since 1982. Mr. Brown was appointed a director of the Company in 1987, when it became a listed public company. Mr. Brown is a member of the Audit & Risk, Remuneration and Nomination Committees. Mr. Brown is the Chairman of each of Windgap Foundation Limited and Sydney High School Foundation. In 2013 he was awarded the Medal of the Order of Australia (OAM) for service to the community, particularly to people with disability.

Kenneth William Gunderson-Briggs *B.Bus., FCA, MAICD*

Non-Executive Director (Independent)

Mr. Gunderson-Briggs was appointed a director of Harvey Norman Holdings Limited on 30 June 2003. Mr. Gunderson-Briggs is a chartered accountant and a registered company auditor. Mr. Gunderson-Briggs has been involved in public practice since 1982 and a partner in a chartered accounting firm since 1990. Mr. Gunderson-Briggs' qualifications include a Bachelor of Business from the University of Technology, Sydney and he is a Fellow of the CA ANZ. Mr. Gunderson-Briggs was appointed Chair of the Remuneration Committee on 16 December 2015 and was appointed Chair of the Audit & Risk Committee and Nomination

Committee on 25 November 2020.

Mr. Gunderson-Briggs was appointed as an independent Non-Executive Director of NTAW Holdings Limited (formerly National Tyre and Wheel Limited), a company listed on the ASX, from 13 December 2023.

Maurice John Craven *B.Sc., FAICD* Non-Executive Director (Independent)

Mr. Craven was appointed a director of Harvey Norman Holdings Limited on 27 March 2019 and became a member of the Nomination Committee of the Company on 24 June 2021. Mr. Craven holds a Bachelor of Science degree from the University of Melbourne and is a Fellow of the Australian Institute of Company Directors. Mr. Craven has been actively involved with innovation and growth in technology empowered industries for more than 25 years and prior to that was a partner for 25 years with Andersen Consulting. Mr. Craven is Chair of Specialisterne Australia.

Luisa Catanzaro *B.Com., FCA, GAICD* Non-Executive Director (Independent)

Ms. Catanzaro was appointed a Non-Executive Director of Harvey Norman Holdings Limited on 25 November 2020, became a member of the Audit & Risk Committee on 25 November 2020, and became a member of the Remuneration Committee on 24 June 2021. Ms Catanzaro has a Bachelor of Commerce from the University of NSW, is a Fellow of the CA ANZ and is also a Graduate of the Australian Institute of Company Directors. Ms Catanzaro has more than 30 years of professional experience in senior financial executive roles across a range of industries, including FMCG and agriculture sectors, and with ASX listed companies. Ms Catanzaro is currently a Non-Executive Director of ASX listed company, Ricegrowers Limited, from September 2018, where Ms Catanzaro is Chair of the Finance, Risk and Audit Committee and a member of the Remuneration, Nomination and Independent Committees. Since 14 January 2019, Ms Catanzaro has been a Non-Executive Director of Because Movement Foundation Limited, a registered charity. Since 20 August 2023, Ms Catanzaro has been a Non-Executive Director of the Museum of Contemporary Art Limited, where Ms Catanzaro is Chair of the Finance Committee.

Directors' Meetings

The below table represents the number of times the Board, Audit & Risk Committee, Remuneration Committee and Nomination Committee met throughout the year ended 30 June 2024, and the directors' attendance at each meeting. In addition, the executive directors held regular meetings for the purpose of signing various documentation.

DIRECTOR Number of Meetings:	Attendance	Full Board	Audit & Risk	Remuneration	Nomination
G. Harvey	100%	7 [7]	n/a	n/a	n/a
K.L. Page	100%	7 [7]	n/a	n/a	n/a
J.E. Slack-Smith	86%	6 [7]	n/a	n/a	n/a
D.M. Ackery*	83%	5 [6]	n/a	n/a	n/a
C. Mentis	100%	7 [7]	n/a	n/a	n/a
M.J. Harvey	71%	5 [7]	n/a	n/a	n/a
C.H. Brown	91%	5 [7]	10 [10]	5 [5]	1 [1]
K.W. Gunderson-Briggs	100%	7 [7]	10 [10]	5 [5]	1 [1]
M.J. Craven	100%	7 [7]	n/a	n/a	1 [1]
L. Catanzaro	100%	7 [7]	10 [10]	5 [5]	n/a

* Mr. Ackery retired as an executive director of the Company and as an employee with effect from 30 April 2024.

Directors' Relevant Interests

At the date of this report, the relevant direct and indirect interest of each director in the ordinary shares and performance rights instruments of the Company and related bodies corporate are:

Director	Ordinary Shares	Performance Rights
G. Harvey	415,031,937	511,600
K.L. Page	20,405,315	1,432,700
J.E. Slack-Smith	1,470,893	430,700
C. Mentis	1,450,297	430,700
M.J. Harvey	-	-
C.H. Brown	205,525,565	-
K.W. Gunderson-Briggs	10,059	-
M.J. Craven	53,426	-
L. Catanzaro	17,500	-
Total	643,964,992	2,805,700

Company Secretary

Mr. C. Mentis is a chartered accountant and became Company Secretary on 20 April 2006. Mr. Mentis has extensive experience in financial accounting and has been with the consolidated entity since 1997. Mr. Mentis is a Fellow of the Governance Institute of Australia.

Performance Rights

At the date of this report, there were 3,016,257 performance rights (2023: 2,570,300), being a right to acquire ordinary shares in the Company at nil exercise price.

- On 30 November 2021, a total of 914,000 performance rights under Tranche FY22 of the 2016 LTI Plan were granted to the executive directors in accordance with the terms and conditions of the LTI Plan.
- On 1 December 2022, a total of 1,106,800 performance rights under Tranche FY23 of the 2016 LTI Plan were

granted to the executive directors in accordance with the terms and conditions of the LTI Plan.

- On 1 December 2023, a total of 1,052,400 performance rights under Tranche FY24 of the 2016 LTI Plan were granted to the executive directors in accordance with the terms and conditions of the LTI Plan.
- On 30 April 2024, a total of 56,943 performance rights under Tranche FY23 of the 2016 LTI Plan lapsed with the retirement of Mr. David Ackery.

On 3 January 2024, a total of 549,500 performance rights issued on 4 December 2020 under Tranche FY21 of the 2016 LTI Plan, were exercised by the executive directors in accordance with the terms and conditions of the LTI Plan.

CEO and CFO Certification

The CEO and CFO have provided written statements to the Board in accordance with section 295A of the Corporations Act 2001 and have also certified to the Board in relation to the year ended 30 June 2024, that:

- Their view provided on the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board; and
- The Company's risk management and internal compliance and control system is operating effectively in all material respects.

The Board agrees with the views of the ASX on this matter and notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to factors such as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive. CEO and CFO control assurance is not, and cannot, be designed to detect all weaknesses in control procedures. In order to mitigate this risk, internal control questionnaires are required to be answered and completed by the key management personnel of all significant business units, including finance managers, in support of the written statements of the CEO and CFO.

Committee Membership

As at the date of this report, the Company had an Audit & Risk Committee, a Remuneration Committee and a Nomination Committee. Members acting on the committees of the board during the year were:

Non-Executive Director	Audit & Risk	Remuneration	Nomination
C.H. Brown	✓	✓	✓
K.W. Gunderson-Briggs	✓ (Chair)	✓ (Chair)	✓ (Chair)
L. Catanzaro	✓	✓	n/a
M.J. Craven	n/a	n/a	✓

Corporate Governance

The board of directors (**Board**) of Harvey Norman Holdings Limited (the **Company**) is committed to a high standard of corporate governance, and is responsible for establishing, maintaining and monitoring the corporate governance framework of the Company.

The Board has benchmarked its practices against the ASX CGC published guidelines and the CGC corporate governance principles and recommendations (February 2019 edition) (**Principles**). The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Corporate Governance Statement summarises the corporate governance practices of the Company, including the practices that are in alignment with the Principles for the year ended 30 June 2024. The Corporate Governance Statement has been approved by the Board. The full Corporate Governance Statement and further details about corporate governance policies adopted by the Company and the Board and committee charters may be accessed via the Company's website www.harveynormanholdings.com.au.

Dividends

The directors recommend a fully franked final dividend of 12.0 cents per share to be paid on 13 November 2024 to shareholders registered on 16 October 2024 (total dividend, fully franked, \$149,520,798). The following fully franked dividends of the Company have also been paid, declared or recommended since the end of the preceding financial year:

	Payment Date	Amount
2023 Final Fully-franked Dividend	13 November 2023	\$149,520,798
2024 Interim Fully-franked Dividend	1 May 2024	\$124,600,665

The total dividend in respect of the year ended 30 June 2024 of 22.0 cents per share (2023: 25.0 cents per share) represents 77.78% (2023: 57.74%) of profit after tax and non-controlling interests, as set out on page 85 of the financial statements. Excluding the non-cash net property revaluation increments, the total dividend in respect of the year ended 30 June 2024 of 22.0 cents per share represents 78.02% (2023: 68.25%) of profit after tax and non-controlling interests, as set out on page 85 of the financial statements. The Dividend Policy of the Company is to pay such dividends as do not compromise the capability of the Company to execute strategic objectives.

Indemnification of Officers

During the financial year, indemnity arrangements were continued for officers of each member of the consolidated entity. An indemnity agreement was entered into between the Company and each of the directors of the Company named earlier in this report and with each full-time executive officer, director and secretary of all group entities. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities.

No indemnity payments have been made under the Indemnity Agreement referred to above during, or since, the end of the financial year.

Principal Activities

The principal activities of the consolidated entity are that of an integrated retail, franchise, property and digital system including:

- Franchisor;
- Omni-channel retailing of furniture, bedding, computers, communications and consumer electrical products in New Zealand, Singapore, Malaysia, Slovenia, Ireland, Northern Ireland and Croatia;
- Property investment;
- Lessor of premises to Harvey Norman®, Domayne® and Joyce Mayne® franchisees and other third parties;
- Media placement; and
- Provision of consumer finance and other commercial loans and advances.

Significant Changes in the State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the year ended 30 June 2024.

Significant Events After Balance Date

There have been no circumstances arising since balance date which have significantly affected or may significantly affect:

- the operations;
- the results of those operations; or
- the state of affairs of the entity or consolidated entity in future financial years.

Rounding of Amounts

The amount contained in the financial statements and the Directors' Report have been rounded to the nearest thousand dollars (unless specifically stated to be otherwise) under the option available to the Company under Australian Securities and Investments Commission Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

Capital Management Policy

The consolidated entity's capital management policy objectives are to: create long-term sustainable value for shareholders; maintain optimal returns to shareholders and benefits to other stakeholders; source the lowest cost available capital; and prevent the adverse outcomes that can result from short-term decision making.

The Capital Management Policy stipulates a net debt to equity target for the consolidated entity of less than 50%. In this report, the calculation of the net debt to equity ratio excludes the right-of-use assets and lease liabilities recognised under AASB 16 and the acquisition reserve recognised in equity.

As at 30 June 2024, the consolidated entity had unused, available financing facilities of \$242.16 million out of total approved financing facilities of \$1,182.27 million. This has resulted in a net debt to equity ratio of 14.49% as at 30 June 2024, compared to a net debt to equity ratio of 13.85% as at 30 June 2023.

The capital structure of the consolidated entity consists of: debt, which includes interest-bearing loans and borrowings as disclosed in Note 17. Interest-Bearing Loans and Borrowings of this report; cash and cash equivalents; and equity attributable to equity holders of the parent, comprising ordinary shares, retained profits and reserves as disclosed in Notes 22, 23 and 25 respectively.

The consolidated entity's borrowings consist primarily of bank debt provided by a syndicate of eighteen (18) banks (including 3 of the "Big 4" Australian Banks). Concentration risk is minimised by staggering facility renewals and utilising a range of maturities of up to 4 years.

Directors' Report

Remuneration Report

Audited

This remuneration report for the year ended 30 June 2024 outlines the remuneration arrangements of the consolidated entity in accordance with the requirements of the Corporations Act 2001 (Cth), as amended, (the "Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

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Directors' Report | Remuneration Report (Audited)

Letter from the Chair of the Remuneration Committee

The principal objective of the Company is to create long-term sustainable value for shareholders. The remuneration policies support this central focus. The non-executive directors and executive key management personnel (KMP) are committed to protecting and growing a sustainable business and creating long-term sustainable value, through a corporate governance and risk and compliance management framework to achieve the principal objective. These remuneration policies require personal shareholdings to be multiples of annual fixed remuneration and higher than that of peers; annual objectives that focus on business improvements that can “turn the dial” to support higher and sustainable value; financial results that produce sustainable returns to shareholders.

Improvements Made to the Remuneration Framework to Grow Sustainable Value

With the expected ongoing challenges and transformations within the discretionary retail sector and the difficult macroeconomic environment, the Board made the following changes to the remuneration framework:

- Re-balanced the short-term incentive (STI) weighting to 50% (FY23: 70%) being financial KPIs and 50% (FY23: 30%) on the traditionally less-rewarding and difficult STI non-financial conditions.

OUTCOME: Reward from the financial conditions was \$1.18 million (86.49%) compared to \$1.75 million on a comparable basis to FY23, down \$0.56 million or -32%, a larger decrease than the reduction in APAT of 25.6% for the year.

- The non-financial conditions now have a greater emphasis on strategic projects critical to long-term sustainable value as follows:
 - Significant digital reset for innovation
 - Store rollout and construction program ready for growth
 - Core infrastructure upgrade for protection
 - Compliance framework for safeguarding

OUTCOME: Reward from the non-financial conditions was \$1.09 million (79.54%) compared to \$0.27 million on a comparable basis to FY23, aligning with the expected growth in sustainable value from the completion of the projects.

The Committee was satisfied that the higher overall STI payment arising from the weighting re-balance and non-financial KPI achievement will deliver expected growth in sustainable value.

Continued Settings for Achievement of Sustainable Value

- The STI financial performance condition for 100% achievement was set in excess of the analyst consensus forecasts.
- The long-term incentive (LTI) financial performance condition for achievement of Return on Net Assets (RONA) was set in excess of the analyst consensus forecasts.
- Confirmed the reliance on critical business-as-usual safeguards and mitigations as part of the malus adjustments for the STI in respect of:
 - Work, health & safety governance framework
 - Cyber security global security improvement program
 - Sustainability governance
 - Tax governance policies

The Retirement of Long Serving Executive Director David Ackery

The Board considered the retirement of David Ackery, with effect from 30 April 2024, as a long standing executive director and made the following decisions in respect of the “at risk” remuneration in respect of David Ackery:

- No allowance for any reward in respect of the STI (although pro-rata was available)
- Full entitlement to any award under the FY22 performance rights grant as the retirement was 61 days short of the full measurement period of 1,095 days. The remaining expense in respect of his entitlement to the FY22 performance rights grant has been expensed in FY24.
- Pro-rata entitlement to any award under the FY23 performance rights grant.
- No participation in the long-term incentive approved at the 2023 AGM.

Remuneration Highlights at a Glance

- PBT results (excluding AASB 16 net impact and net property revaluations) were down from FY23 by -20.6%:
 - PBT of \$540.07 million, down from FY23 of \$680.23 million
 - PBT return on net assets of 11.94% for FY24, with a 3-year rolling average return of 18.49%
- Continuing high correlation of remuneration outcomes with Company performance detailed at Item 10. Relationship Between Remuneration and Performance
- Risk managed in accordance with the risk management framework and risk appetite
- Independent expert continues to find that the level, mix, structure, shareholding requirements and actual “skin in the game” is, in combination, reasonable having regard to benchmarking against peers

Letter from the Chair of the Remuneration Committee (continued)

Remuneration Highlights at a Glance (continued)

- The entry level to the STI was increased to 80% of the 100% achievement level (up from 50% in FY23).
- STI financial targets are informed by and set above analyst consensus forecasts
- LTI financial targets are informed by and set above analyst consensus forecasts
- Placed a freeze on increases in fixed remuneration for executive directors regardless of inflation
- The remuneration outcomes remain reasonable and the remuneration framework remains sound and appropriate

Outcomes

- The STI Pool was reduced by 25% in FY24 to \$3.375 million from \$4.50 million in FY23 with the retirement of David Ackery.
- In consequence of the retirement of David Ackery, the STI Pool payout was 15.6% or \$0.42 million less than FY23, noting that:
 - The reward from the financial conditions was \$1.18 million compared to \$1.75 million on a comparable basis to FY23, down \$0.56 million or –32%. Adjusted profit after tax (APAT) for FY24 of \$351.15 million was 25.6% lower than FY23 of \$471.88 million.
 - The reward from the non-financial conditions was \$1.09 million compared to \$0.27 million on a comparable basis to FY23, with the completion of the strategic projects critical for long-term sustainable value.
- 3-year Return on Net Assets (RONA) of 17.18% resulted in FY22 LTI Tranche to vest at 61.8%
- The total compensation for KMP Directors was \$10.03 million for FY24, \$2.49 million or –19.9% lower than the previous year mainly due to the lower expenses recognised in respect of the active LTI performance rights tranches in FY24
- The total “take-home” pay for KMP Directors was \$1.57 million or –11.6% lower than the previous year mainly due to the lower STI paid during FY24 compared to the STI paid during FY23
- The total “at risk” compensation expense for FY24 was \$1.80 million or –38.3% lower than the “at risk” expense in FY23.
- Each of the executive directors increased their significant shareholdings in the Company, so that the value of each respective shareholding at year-end exceeded the amount of their respective total fixed remuneration (TFR). There is clear alignment of executive management with shareholders

The Design of Executive Director Remuneration for Another Year of Uncertainty

The Remuneration Committee (**Committee**) continue to apply the following settings:

- Consensus forecasts of market analysts informed the setting of the levels for the STI Plan, with the 100% achievement level set above the analyst forecasts.
- The maximum outcomes for the STI Plan remained capped.
- The performance conditions for the STI Plan were based on financial outcomes as to 50% (FY23: 70%), non-financial performance conditions as to 50% (FY23: 30%) and malus penalty provisions up to 30% in the assessment of 100% achievement.
- The outcomes for the LTI Plan were subject to the achievement of RONA over a 3-year period, consistent with prior years, with the levels set in excess of the analyst consensus forecasts.
- The maximum outcomes for the LTI Plan remained capped.

CONCLUSION: High correlation of remuneration outcomes with performance

Assessment of Conduct

Each participating executive director is subject to an over-riding non-financial performance condition that the Company managed risk in accordance with the risk management framework and risk appetite of each member of the consolidated entity. The Company recognises the critical connection between conduct and reward.

CONCLUSION: Risk was managed in accordance with the risk management framework and risk appetite

Benchmarking for Reasonableness

An independent remuneration expert was engaged to review the level and reasonableness of remuneration of the executive directors during 2024. This included analyses and comparison of alternate peer groups, such as those used for internal analysis and by proxy advisors in their prior assessments of executive remuneration. The critical findings of the independent remuneration expert review were as follows:

- The overall remuneration opportunity remains within a reasonable range given executive tenure and position responsibilities.
- The continuing significant shareholdings of the executive directors align with long-term interests of shareholders.
- The remuneration mix is reasonable given executive director shareholdings.
- The STI framework is reasonable.
- The remuneration should continue to be positioned around the level that reflects the financial accountability and operational scope of the positions relative to the benchmark peer group matched positions' financial accountability and operational scope. This was around the 75th percentile of the benchmark peer group.

The conclusions reached by the Committee, informed by the independent expert review, were that:

- The level of fixed remuneration was reasonable.
- The level of target and maximum remuneration from the short-term incentive (STI) was reasonable.
- The level of target and maximum remuneration from the long-term incentive (LTI) was reasonable.

CONCLUSION: The level, mix and structure remain reasonable



Letter from the Chair of the Remuneration Committee (continued)

Financial Settings for the 2024 STI Plan

ACTION: Financial targets informed by analyst consensus forecasts

The minimum financial performance conditions (entry-level to the 2024 STI Plan) was set at APAT of \$324.80 million (FY23: \$415 million), the 100% achievement level at APAT of \$406 million (FY23: \$518 million), with a maximum over-achievement level at APAT of \$487.20 million (FY23: \$575 million).

The levels were set by the Committee with reference to analyst consensus forecasts compiled by Visible Alpha from each of Goldman Sachs, CLSA, Macquarie, Jardin, JP Morgan, Marquee, UBS, Barrenjoey, Jeffries, Evans & Partners and Citi, updated in September 2023. The 100% achievement level was set in excess of the analyst forecast.

Achievement up to the 100% target, and between the 100% target and the over-achievement target remained on a straight-line basis, subject to achieving the entry threshold.

It is noted that APAT excludes the after tax-effects of property revaluation increments or decrements and the net impact of AASB 16 Leases.

Remuneration Outcomes

The financial achievements of the consolidated entity for the 2024 financial year were reflected in the remuneration outcomes.

The outcome of the "at risk" remuneration in respect of the 2024 STI Plan and the LTI Plan were appropriate recognition of the performance of the executive directors in dealing with the multi-faceted challenges imposed during the year, demonstrating resilience in management of the integrated retail, franchise, property and digital business through transformations in the discretionary retail sector, and the difficult macroeconomic environment.

On behalf of the Board, I invite you to review the full report and thank you for your continued interest.

Yours sincerely,

Ken Gunderson-Briggs

KEN GUNDERSON-BRIGGS
Remuneration Committee Chair

01 Introduction

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

Each KMP is employed by a wholly-owned subsidiary, Yoogalu, and the remuneration details of each KMP during the 2024 financial year are set out below. For the purposes of this report, the term "executive" includes the Chief Executive Officer ("CEO"), executive directors and senior executives of the consolidated entity.

Key Management Personnel (KMP)	Position	Term as KMP
Executive Directors		
Gerald Harvey	Executive Chairman	Full financial year
Kay Lesley Page	Executive Director & Chief Executive Officer	Full financial year
John Evyn Slack-Smith	Executive Director & Chief Operating Officer	Full financial year
David Matthew Ackery*	Executive Director	Retired 30 April 2024
Chris Mentis	Executive Director, Chief Financial Officer & Company Secretary	Full financial year
Non-Executive Directors		
Christopher Herbert Brown OAM	Non-Executive Director	Full financial year
Michael John Harvey	Non-Executive Director	Full financial year
Kenneth William Gunderson-Briggs	Non-Executive Director (independent)	Full financial year
Maurice John Craven	Non-Executive Director (independent)	Full financial year
Luisa Catanzaro	Non-Executive Director (independent)	Full financial year
Senior Executives		
Thomas James Scott	General Manager—Property	Full financial year
Gordon Ian Dingwall	Chief Information Officer	Full financial year
Haydon Ian Myers	General Manager—Electrical	Appointed 1 March 2024
Emmanuel Hohlastos	General Manager—Home Appliances	Resigned 29 September 2023
Darren Salakas	General Manager—Technology & Entertainment	Full financial year
Christopher Coen	General Manager—Home Appliances	Appointed 1 August 2023
Benjamin Kelada	General Manager—Audio Visual	Appointed 1 August 2023
Carene Myers	General Manager—Small Appliances	Full financial year

* David Matthew Ackery was appointed to the Board in 2005 as an Executive Director of the Company and was an employee of Yoogalu Pty Limited (Yoogalu), a wholly-owned subsidiary of the Company. David Matthew Ackery retired as an Executive Director of the Company and as an employee with effect from 30 April 2024.

02 Remuneration Principles and Strategy

The executive remuneration strategy in 2024 is designed to attract, motivate and retain high performing individuals and align the interests of executives with shareholders. The relevant factors in determining the suitability of a board member, including the executive directors, are integrity, business savvy, an owner-oriented attitude and a deep genuine interest in the business of each member of the consolidated entity. In applying these principles to each member of the consolidated entity:

- Integrity requires a level of fundamental honesty, candour and frankness in dealing with colleagues, regulators and other third parties. Integrity necessarily requires a director to bring an open mind and independent judgment to the discussion of any matter of concern to the Board.
- Business savvy requires a deep understanding of one or more of the sectors of retail, property, franchising and digital.
- An owner orientation or perspective of an owner requires the individual to either have:
 - "skin in the game" by holding, controlling or benefitting from a significant parcel of shares where the financial interests of the director are aligned with the long term beneficial interest of shareholders; or
 - a perspective of advising owners of businesses and understanding that wealth generation is derived from the building of business interests that create long-term sustainable value.
- Directors with an owner orientation retain an open mind to consider diverse views but are not strictly beholden to the whims of fashionable thinking and are able to form their own views as to what constitutes best practice in corporate governance.
- Interest in and time to do the job means:
 - the person has an executive role, meaning that the person's career is based on job performance at the Company; or
 - the individual has a limited number of outside interests (i.e., the person is not a professional non-executive director).

In both cases, the individual has an independence of mind and outlook.

02 Remuneration Principles and Strategy (continued)

Applying these criteria to the current Board, the Board is satisfied that each director, including the executive directors, bring to the Board the necessary skills and attributes specified.

The following table illustrates how the remuneration strategy of the consolidated entity in 2024 aligns with the strategic direction and links remuneration outcomes to performance.

Objective of the consolidated entity in 2024			
To be recognised as a leader in the sectors in which the consolidated entity operates and build long-term sustainable value for shareholders			
Remuneration strategy linkages to objectives of the consolidated entity in 2024	Align the interests of executives with shareholders	The remuneration framework incorporates "at risk" components, through STI and LTI plans	Short-term performance is assessed against a suite of financial and non-financial measures relevant to the success of the consolidated entity in 2024 and generating returns for shareholders
	Long-term performance is assessed against financial performance conditions calculated exclusively in respect of RONA	Attract, motivate and retain high performing individuals Longer-term remuneration encourages retention and multi-year performance focus	The remuneration offering is competitive for companies of a similar sector, size and complexity
Component	Vehicle	Purpose	Link to Performance
Fixed remuneration	Comprises base salary, superannuation contributions and other benefits	To provide competitive fixed remuneration set with reference to role, market and experience	Consolidated entity and individual performance are considered during the annual remuneration review
Short-term incentive (STI)	Paid as cash as a performance cash incentive (PCI), subject to minimum shareholding of individual Executive Directors	Rewards executives for their contribution to achievement of consolidated entity outcomes	<ul style="list-style-type: none"> a. There is no STI award for an executive director unless the executive director satisfies the Participant Performance Review in terms of the Individual Executive Director Assessment Report. b. There is no STI award unless the Entry Level financial condition is achieved. c. The STI pool in respect of 100% achievement level is subject to performance criteria as to: <ul style="list-style-type: none"> i. 50% subject to financial conditions; ii. 50% subject to business critical non-financial conditions; and iii. Malus reductions of up to 30% of the pool for non-achievement of further non-financial performance conditions. d. Financial achievement calculated over the 100% achievement level is subject to financial conditions only. e. Executive directors are to hold shares to the value equating to the level of fixed remuneration for that executive director at the end of the given financial year. f. If shares held are less than the benchmark, benefits will not be in cash but in the form of shares.
Where Annual Profit After Tax (APAT) is calculated as follows:	Annual Net Profit After Tax (APAT), excluding the after-tax effect of property revaluation increments or decrements and the after-tax effect of the net impact of AASB 16 Leases		
Long-Term Incentive (LTI)	Awards under the LTI Plan are granted in the form of performance rights, being a right to acquire one ordinary share in the Company at nil exercise price	Rewards executives for their contribution to the financial performance of the consolidated entity and the effective utilisation of net assets to generate wealth for shareholders	<p>Vesting of LTI performance rights is conditional upon achievement, in aggregate, of minimum RONA over the 2024, 2025 and 2026 financial years of 15% (for 50% vesting) with full vesting (i.e. 100%) achieved at 20% RONA.</p> <p>If an amount of 15% RONA is achieved, 50% of the Performance Rights will vest, with a proportionate or partial vesting of the remaining 50% of the Performance Rights upon the achievement of RONA in the range of 15% to 20%.</p>
Where Return on Net Assets (RONA) means the fraction:	$\frac{\text{APBT (annual net profit before income tax excluding property revaluation increments or decrements and the net impact of AASB 16 Leases)}}{\text{Net Assets (excluding non-controlling interests) at the close of the preceding financial year}}$		

03 Remuneration Governance

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on the remuneration arrangements for executive directors and non-executive directors (**NEDs**). The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of NEDs and executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing director and executive team. In 2024, independent remuneration experts provided remuneration benchmark information for consideration and analysis in respect of the level of executive director remuneration, including fixed remuneration, the short-term incentives and the long-term incentives, and the reasonableness of the remuneration framework. The Remuneration Committee comprises three NEDs, two of whom are independent NEDs. Further information on the Remuneration Committee's role, responsibilities and membership is located on the website: www.harveynormanholdings.com.au.

Remuneration Approval Process

The Board approves the remuneration arrangements of the CEO and executives and all awards made under the long-term incentive plans of the Company, following recommendations from, and certain determinations by, the Remuneration Committee. The Board sets the aggregate remuneration of NEDs, subject to shareholder approval of the NED remuneration cap. The Remuneration Committee approves, having regard to the recommendations made by the CEO, the level of the STI pool for executive directors. No Director participates in deliberations about, or decisions, in respect of the remuneration of that Director. No executive director was present at any meeting of directors which considered any short-term incentive plan or long-term incentive plan of the Company, and no executive director voted on those matters.

The Design of Executive Director Remuneration STI and LTI Plans

The Remuneration Committee continued to apply the following settings to the remuneration framework for the executive directors:

- Consensus forecasts of market analysts to establish the entry point, the full achievement and the over-achievement levels for the Short-Term Incentive (**STI**) Plan.
- Capped maximum outcomes for the STI Plan.
- The performance conditions for the STI Plan not exclusively based on financial outcomes, with both non-financial performance conditions and malus penalty reductions included in the assessment of achievement.
- The outcomes for the Long-Term Incentive (**LTI**) Plan subject to achievement over a 3-year period, and not specifically weighted in respect of any year.
- Capped maximum outcomes for the LTI Plan.

Evaluation of Performance of Executive Directors

An appraisal of the performance of each executive director and the executive director team was undertaken following the end of the 2024 year as part of the annual Participant Performance Review by the Remuneration Committee. This year, consistent with last year, the appraisal focused on ensuring that executive remuneration in respect of the FY24 financial result was fair and reasonable and was in line with performance.

The appraisal considered matters in respect of performance, including:

- The actions of the executive directors in protecting the business and reacting to the changes in market demand, including across the key functions of franchising, physical stores, on-line presence, supply chain management, logistics, marketing and advertising, government relations and property across the eight separate countries; and
- The management of risks to the business which included employee and stakeholder welfare.

The Remuneration Committee views the outcome of the 2024 STI Plan and the LTI Plan as appropriate recognition of the performance of the executive directors in dealing with the multi-faceted challenges imposed during the year, demonstrating resilience in the management of the integrated retail, franchise, property and digital business.

No Unfair Benefit

Both the annual STI Plan and the ongoing LTI Plan have provisions to prevent an 'unfair benefit' being obtained by any participant in respect of fraud or breach of obligation.

04 Remuneration Mix—Target

For the 2024 financial year, the executive remuneration framework comprised fixed remuneration, STI and LTI. The consolidated entity aims to reward executives with a level and mix of remuneration appropriate to their position and responsibilities, while being market competitive.

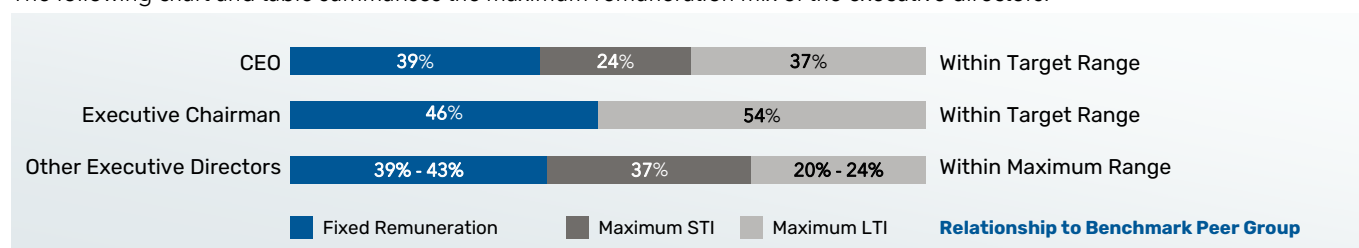
During FY24, a review by an independent remuneration expert was undertaken in respect of the remuneration benchmarking used by the Company, with reference to both sector peers and comparator groups comprising companies of comparable financial size and operations, and a reasonableness review, to ensure that the overall remuneration and the remuneration framework is reasonable. Informed by this independent review, the policy of the Company continued to position fixed remuneration against the level that reflects the financial accountability and operational scope of the position relative to peer group positions.

The determination of fixed remuneration of executive directors was subject to the following principles:

- The performance of the Company, the longevity of the executive directors in their respective roles and the assessment of opportunity costs in respect of replacement;
- Be in line with the remuneration policies of the Company for executive directors so as to position fixed remuneration reflective size relative to peers (i.e. 75th percentile of the peer group size); and
- Target total remuneration to provide the opportunity for executive directors to earn top quartile rewards for outstanding performance.

Remuneration levels are considered annually, with consideration of market data and the performance of each member of the consolidated entity and individual. The remuneration mix is considered against the maximum total remuneration for each executive director compared to the size percentile relative to the benchmark (currently the 75th percentile) advised by the independent remuneration expert.

The following chart and table summarises the maximum remuneration mix of the executive directors.



Executive Directors: Maximum Remuneration for FY24

Executive Directors	Fixed Remuneration	% of Total	Maximum STI	% of Total	Maximum LTI	% of Total	Maximum Total Remuneration
Gerald Harvey	\$625,000	46%	-	-	\$721,980	54%	\$1,346,980
Kay Lesley Page	\$2,170,000	39%	\$1,305,000	24%	\$2,022,300	37%	\$5,497,300
John Evyn Slack-Smith	\$1,320,000	43%	\$1,125,000	37%	\$616,896	20%	\$3,061,896
David Matthew Ackery*	\$908,960	100%	-	-	-	-	\$908,960
Chris Mentis	\$1,010,000	39%	\$945,000	37%	\$616,896	24%	\$2,571,896
Total	\$6,033,960	45%	\$3,375,000	25%	\$3,978,072	30%	\$13,387,032

* pro-rated to the date of retirement on 30 April 2024

The remuneration expert was commissioned to review the level and reasonableness of the remuneration set for executive directors. The independent remuneration expert found the remuneration framework, the level of the remuneration and the remuneration mix to be reasonable. The maximum STI opportunity for the CEO has remained at 60% of the fixed remuneration. For the other executive directors, the maximum STI opportunity is between 85% and 94% of the fixed remuneration, which is consistent with FY23. There is no STI opportunity for the Executive Chairman. There is no STI opportunity for David Matthew Ackery due to his retirement, with effect on 30 April 2024. The maximum LTI opportunity for the CEO and Executive Chairman was reduced to equate to 93% (FY23: 100%) of the fixed remuneration. For the other executive directors, the maximum LTI opportunity is between 46% and 62% (FY23: 48% and 63%) of the fixed remuneration.

05 Details of the Short-Term Incentive (STI) Plan

The extent to which the financial conditions and non-financial conditions have been satisfied are documented in a Performance Report and an Internal Audit Report, for consideration by the Remuneration Committee in accordance with the terms and conditions of the short-term and long-term incentive plans. The Performance Report is a report prepared for, and on behalf of, the CEO addressing whether each weighted non-financial condition has been satisfied or, where relevant, the extent to which each weighted non-financial condition has been satisfied. The Internal Audit Report is a report prepared by the Chief Internal Auditor of Yoogalu, which is an objective appraisal of the Performance Report and documents the findings of the audit of the Performance Report.

05 Details of the Short-Term Incentive (STI) Plan (continued)

2024 STI Plan

The consolidated entity operates an annual STI program available to executive directors and awards a performance cash incentive (PCI), or equity, subject to the achievement of clearly defined measures, targets, initiatives and conditions.

Who participates?	Executive Directors
How is the STI delivered?	<p>STI awards, in the form of a cash bonus as a performance cash incentive (PCI) or equity, have been made annually to executive directors in order to align remuneration with the achievement of a number of performance measures, targets and initiatives covering both financial and non-financial, corporate and individual measures of performance.</p> <p>Executive directors are to hold shares in the Company to the value of fixed remuneration for that executive director at the end of the given financial year (the Benchmark Shareholding Level), with any STI paid in equity or cash subject to the following:</p> <ol style="list-style-type: none"> If the executive director is under the Benchmark Shareholding Level, the STI reward will be paid in equity, subject to shareholder approval and compliance with the ASX Listing Rules, to the value that increases the holding of the executive director to the Benchmark Shareholding Level, with any remaining balance of the STI reward paid in cash. If the executive director is over the Benchmark Shareholding Level, the STI reward will be paid in cash. <p>The policy remains valid in the event of a new executive director, or if a present executive director wishes to sell-down.</p>
When is the STI paid?	The payment of the 2024 STI Plan PCI to an executive director under the 2024 STI Plan is to be made on 30 August 2024, or as soon as reasonably practicable after that date, subject to the satisfaction of 2024 STI Plan Performance Conditions and 2024 STI Plan Service Conditions.
What is the 2024 STI opportunity?	<p>Executive directors, excluding the Executive Chairman, have a maximum STI opportunity of between 60% to 94% of fixed remuneration. The target STI opportunity is set at a level so as to provide sufficient incentive to executive directors to achieve the operational targets and such that the cost to the consolidated entity is reasonable in the circumstances.</p> <p>For the year ended 30 June 2024, the 100% STI Pool for the 2024 STI Plan PCI was \$2,737,500 allocated as follows:</p> <ol style="list-style-type: none"> Kay Lesley Page \$1,058,500; John Evyn Slack-Smith \$912,500; and Chris Mentis \$766,500 <p>The maximum over-achievement pool for allocation was \$637,500, with the maximum STI pool being \$3,375,000. The over-achievement pool was allocated in proportion to the 100% STI Pool.</p> <p>David Ackery did not receive an STI in respect of the FY24 year due to his retirement, with effect on 30 April 2024.</p>
What are the STI performance conditions for FY24?	<p>Actual STI payments awarded to each executive director depend on the extent to which specific measures, targets, initiatives and conditions for the 2024 financial year (STI Targets) were met. STI Targets cover financial and non-financial measures of performance. There is no STI award for an executive director unless the executive director satisfies the Participant Performance Review in terms of the Individual Executive Director Assessment Report. There is no STI award unless the Entry Level financial condition is achieved.</p> <p>The primary weighting of the 2024 STI Plan Performance Conditions are as follows:</p> <ol style="list-style-type: none"> Financial Condition as to 50% entitlement to the 100% STI Pool; Non-Financial Conditions as to 50% entitlement to the 100% STI Pool; Malus reductions of up to 30% for non-achievement of certain other non-financial performance conditions; and Financial Condition as to the Over-Achievement Pool. <p>Business as usual measures are included in the malus conditions. The financial and critical non-financial measures, as well as the malus measures, must be met for the STI conditions to be achieved.</p>

(a) STI 50% Financial Condition

APAT was selected as the STI performance measure as it indicates the level of after-tax profit adjusted for the after-tax effects of net property revaluation adjustments and the net impact of AASB 16 Leases, and provides a basis for comparing profitability year-on-year.

The Financial Condition was calculated in respect of the year ended 30 June 2024 and was achieved at the following levels:

- Entry Level at APAT of \$324.80 million, equating to 80% entitlement of the STI subject to the financial condition;
- 100% Level at APAT of \$406.00 million, equating to 100% entitlement of the STI subject to the financial condition (i.e., 50% entitlement to the 100% STI pool = \$1.37 million);
- Over-Achievement Level at APAT of \$487.20 million, equating to 100% entitlement of the 100% STI Pool subject to the financial condition (i.e., 50% entitlement to the 100% STI pool = \$1.37 million) and 100% entitlement to the Over-Achievement Pool Amount of \$0.64 million, resulting in a total Over-Achievement entitlement of \$2.01 million;
- Straight-line sliding scale for achievement of the 100% level, subject to achieving the Entry Level threshold; and
- Straight-line sliding scale for achievement between the 100% Level and the Over-Achievement Level.

The Financial Condition settings were determined in line with internal expectations and consensus forecasts of external market analysts.

(b) STI 50% Non-Financial Conditions

The Non-Financial Conditions were assessed in respect of the following:

- Digital innovations and Telco optimisation programs equating to 60% entitlement of the STI subject to the non-financial conditions (i.e., 30% entitlement to the STI pool = \$0.82 million);
- Store/complex rollout and construction programs equating to 30% entitlement of the STI subject to the non-financial conditions (i.e., 15% entitlement to the STI pool = \$0.41 million); and
- Compliance Framework improvements equating to 10% entitlement of the STI subject to the non-financial conditions (i.e., 5% entitlement to the STI pool = \$0.14 million).

Full achievement of the non-financial conditions will equate to 50% entitlement to the STI pool i.e., a total of \$1.37 million.

(c) Malus adjustments of up to 30% for non-achievement

The malus (financial penalty) provisions could reduce the overall achievement of the STI award by 30%. The malus provisions were made up of the following items:

- Work, health & safety governance framework = 10% of the 30%
- Sustainability governance = 7.5% of the 30%
- Cyber security global security improvement program & policies = 7.5% of the 30%
- Tax governance and policies = 5.0% of the 30%

The malus provisions could potentially reduce the overall achievement of the STI award by up to 30% of the 100% STI Pool i.e., a reduction of up to \$0.82 million.

05 Details of the Short-Term Incentive (STI) Plan (continued)

How is performance assessed?	<p>In respect of the 2024 STI, each participating Executive Director will be subject to an additional non-financial performance condition in the form of a Participant Performance Review which is to:</p> <ul style="list-style-type: none"> Measure the extent of the proper performance and discharge of the executive responsibilities and accountabilities of that Individual Participant Executive Director; and Measure the extent of the proper performance and discharge of the duties of that Individual Participant Executive Director, as an officer and director of the Company. <p>To determine whether an individual is eligible for the 2024 STI, in terms of performance, the following process is undertaken:</p> <ul style="list-style-type: none"> A report by the CEO in respect to which each Individual Participant Executive Director has satisfied the Participant Performance Review in the form of an Individual Executive Director Assessment Report. In respect of the assessment of the CEO, the Chair of the Remuneration Committee shall undertake the report and assessment in respect of the CEO. An objective appraisal by the Internal Auditor of the process and conclusions reached in the Individual Executive Director Assessment Reports, to be provided to the Remuneration Committee promptly after 30 June 2024. <p>Subject to a satisfactory Participant Performance Review, and after consideration of reports and performance against STI Targets, the Remuneration Committee makes a final determination of the amount of STI to be paid to the CEO and other Executive Directors.</p> <p>The extent to which the financial conditions and non-financial conditions have been satisfied will be documented in the Performance Report and an Internal Audit Report for consideration by the Remuneration Committee in accordance with the terms and conditions of the 2024 STI Plan.</p> <p>The Remuneration Committee (acting on behalf of the Company) may at any time, in its absolute discretion, decrease the amount of the STI which is, or may become, payable to an executive under the 2024 STI Plan by serving a written notice to the relevant executive at any time before the payment date.</p>
What happens if an executive leaves?	<p>For "Bad Leavers" (defined by the Company as resignation or termination for cause), any STI is forfeited, unless otherwise determined by the Board. For any other reason, the Board has discretion to award STI on a pro-rated basis taking into account time and the current level of performance against performance hurdles.</p>

06 Details of the Long -Term Incentive (LTI) Plan

There were four (4) active tranches of the 2016 LTI Plan in the 2024 financial year. The FY21 Tranche was issued in FY21 and was measured over 2021, 2022, and 2023. The FY22 Tranche was issued in FY22 and was measured over 2022, 2023 and 2024. The FY23 Tranche was issued in FY23 and is measured over 2023, 2024 and 2025.

The FY24 Tranche was issued in FY24 as follows:

Tranche FY24 of the 2016 LTI Plan

Tranche FY24 of the 2016 LTI Plan		LTI grants are made annually to Executive Directors in order to align remuneration with the creation of sustainable shareholder value over the long-term.																									
Who participates?	Executive Directors which have an impact on the performance of the consolidated entity against the relevant long-term performance measures.																										
How is the LTI delivered?	<p>Shareholders at the AGM held on 24 November 2015 approved the terms and conditions of the 2016 LTI Plan that permitted the grant of performance rights to executive directors in three separate tranches in the 2016, 2017 and 2018 financial years. At subsequent annual general meetings of the Company, shareholders had permitted the further grant of separate tranches of performance rights in respect of the 2019, 2020, 2021, 2022, 2023 and 2024 financial years to Executive Directors. Shareholders at the AGM held on 29 November 2023 permitted the grant of Tranche FY24 of performance rights to Executive Directors in the 2024 financial year, subject to the terms and conditions of the 2016 LTI Plan.</p> <table><tr><th>Executive</th><th>Tranche FY24 Performance Rights</th><th>Tranche FY24</th><th>Key Dates</th></tr><tr><td>G. Harvey</td><td>191,000</td><td>Grant date</td><td>1 December 2023</td></tr><tr><td>K.L Page</td><td>535,000</td><td>Vesting date</td><td>31 December 2026</td></tr><tr><td>J.E. Slack-Smith</td><td>163,200</td><td>First exercise date</td><td>1 January 2027</td></tr><tr><td>C. Mentis</td><td>163,200</td><td>Last exercise date</td><td>31 October 2038</td></tr><tr><td>Total</td><td>1,052,400</td><td></td><td></td></tr></table>			Executive	Tranche FY24 Performance Rights	Tranche FY24	Key Dates	G. Harvey	191,000	Grant date	1 December 2023	K.L Page	535,000	Vesting date	31 December 2026	J.E. Slack-Smith	163,200	First exercise date	1 January 2027	C. Mentis	163,200	Last exercise date	31 October 2038	Total	1,052,400		
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C. Mentis	163,200	Last exercise date	31 October 2038																								
Total	1,052,400																										
What is the LTI opportunity issued in FY24?	<p>A performance right is the right to acquire one ordinary share in the Company at nil exercise price. No amount is payable in respect of the grant of a performance right. If exercised, each performance right will be converted into one ordinary share in the Company along with additional dividend equivalent shares. Executive directors have a maximum LTI opportunity of between 46% and 116% of fixed remuneration. A total of 1,052,400 performance rights under Tranche FY24 of the 2016 LTI Plan were granted to executive directors on 1 December 2023. The performance rights were independently valued by Mercer Consulting (Australia) Pty Limited at grant date, with a fair value of \$3.78 per entitlement share based on a share price of \$3.78 as at grant date.</p> <p>The fair value was derived from a discounted cash flow technique where the value of the performance right is the face value of the share at grant date. Subject to the satisfaction of the financial performance condition and service conditions of the 2016 LTI Plan, the total fair value of Tranche FY24 performance rights amounted to \$3,978,072 in aggregate.</p>																										

06 Details of the Long -Term Incentive (LTI) Plan (continued)

Tranche FY24 of the 2016 LTI Plan

What are the performance conditions for Tranche FY24 of the 2016 LTI Plan?	Performance conditions are deemed to be an essential component of all variable reward entitlements. The proposed allocation of performance rights will be subject to service conditions and financial performance conditions. The Board (after consideration of the recommendations of the Remuneration Committee), may, in its discretion, impose additional non-financial performance conditions which must be satisfied as a condition of exercise of any performance rights by the Grantee.								
100% Financial Condition	<p>The financial condition in respect of the achievement of Tranche FY24 of the 2016 LTI Plan is based on RONA, where Tranche FY24 RONA means the fraction: Tranche FY24 Aggregate APBT ÷ Tranche FY24 Aggregate Net Assets, expressed as a percentage.</p> <p>Where:</p> <ul style="list-style-type: none"> Tranche FY24 Financial Years means the financial years ending 30 June 2024, 2025 and 2026; Tranche FY24 Aggregate APBT means the aggregate amounts of the annual net profit before income tax of the consolidated entity for each of the Tranche FY24 Financial Years, but excluding amounts accounted for in the financial statements of the consolidated entity for increments or decrements arising from the revaluation of land or buildings and the net impact of AASB 16 Leases; Tranche FY24 Aggregate Net Assets means the aggregate amounts of the net assets of the consolidated entity, excluding non-controlling interests, as at each of 30 June 2023, 2024 and 2025 as described in the annual report of the consolidated entity in respect of each of the Tranche FY24 Financial Years. <table> <tr> <th>Tranche FY24 RONA Achieved</th><th>Tranche FY24 % of Performance Rights that will become exercisable</th></tr> <tr> <td>Less than 15%</td><td>NIL</td></tr> <tr> <td>15%</td><td>50%</td></tr> <tr> <td>20%</td><td>100%</td></tr> </table> <p>RONA is a key financial metric link to performance. Full vesting of the Performance Rights is conditional upon achievement of RONA of at least 20%. If an amount of 15% is achieved, 50% of the Performance Rights will vest with a proportionate or partial vesting of the remaining 50% of the Performance Rights upon the achievement of RONA in the range of 15% to 20%. Achievement between the levels will be calculated on a straight-line basis.</p>	Tranche FY24 RONA Achieved	Tranche FY24 % of Performance Rights that will become exercisable	Less than 15%	NIL	15%	50%	20%	100%
Tranche FY24 RONA Achieved	Tranche FY24 % of Performance Rights that will become exercisable								
Less than 15%	NIL								
15%	50%								
20%	100%								
How is performance assessed?	<p>Level of satisfaction of LTI Plan conditions is monitored by the Remuneration Committee, with assistance from Internal Audit, each year, with the vesting outcomes ultimately determined at the end of the three-year performance period.</p> <p>The LTI award for each of the financial years will be measured over a three-year period, with Tranche FY24 of the 2016 LTI Plan measured over the period for financial years ending 30 June 2024, 30 June 2025 and 30 June 2026.</p>								
When does the LTI vest?	Performance rights granted under Tranche FY24 of the 2016 LTI Plan will vest on 31 December 2026, subject to meeting the financial performance conditions and service conditions, and will be capable of exercise between 1 January 2027 and 31 October 2038.								
How are potential LTI awards treated on termination?	Subject to the rules of the 2016 LTI Plan at a relevant time, in general, where a participant resigns or is terminated for cause before a performance right vests, all unvested performance rights will lapse. The Board (after consideration of the recommendations of the Remuneration Committee of the Board), has discretion to determine the treatment of any unvested performance rights where a participant ceases employment in "good leaver" circumstances (such as by reason of death, disability or otherwise in circumstances approved by the Board). In the event of fraud, dishonesty or breach of obligations, the Board may make a determination, including lapsing an award of performance rights, to ensure no unfair benefit is obtained by a participant.								
How are potential LTI awards treated if a change of control occurs?	In the event of a takeover, scheme of arrangement or other transaction which may result in a person becoming entitled to exercise control over the Company, the Board has a discretion to determine whether any unvested performance rights should vest, lapse or become subject to different performance conditions, or whether any resulting shares that are subject to a restriction period, should become unrestricted.								
Are executives eligible for dividends?	Dividends will not be paid on unvested Performance Rights. If vested and exercised, each vested Performance Right will convert into one share. In addition, on exercising the vested Performance Rights, the participant will receive a Dividend Equivalent Amount in relation to those vested and exercised Performance Rights, delivered as additional Shares which are equal in value to the amount of dividends that would have been paid to the Participant and re-invested into Shares based on the close price on the ex-dividend date as if the Participant had been the owner of Shares from the grant date until the date of exercise. These Performance Rights have an independently determined fair value equal to the face value of the shares at the time of grant. The Board retains a discretion to make a cash equivalent payment instead of an allocation of Shares.								

07 Performance and Executive Remuneration Outcomes in FY24

7a. Actual Remuneration Earned by Key Management Personnel (KMP) in FY24

The compensation expensed in respect of KMP in FY24 is set out in Table 1 (for directors) and Table 2 (for senior executives) on pages 52 and 53 of this report. This provides shareholders with a view of the remuneration earned by KMP for performance in the 2024 financial year and the value of any LTIs expensed during the financial year.

The 'take-home pay' for KMP directors, representing the benefits paid to each director during the year ended 30 June 2024, or as soon as practicable after that date, is set out in Section 13 of the Remuneration Report on page 56.

7b. Fixed Remuneration

Executive contracts of employment do not include any guaranteed base pay increases. The fixed remuneration of executive directors is reviewed annually by the Remuneration Committee. In line with the independent review undertaken during the 2024 financial year by an independent remuneration expert, the determination of fixed remuneration of executive directors was subject to the following principles:

- The performance of each member of the consolidated entity, the longevity of the executive directors in their respective roles and the assessment of opportunity costs in respect of replacement;
- Be in line with the remuneration policies of the Company for executive directors so as to position fixed remuneration at around the 75th percentile of the peer group; and
- Target total remuneration to provide the opportunity for executive directors to earn top quartile rewards for outstanding performance.

Remuneration levels are considered annually, with consideration of market data and the benchmark peer group. The process undertaken by the Remuneration Committee consisted of a review of each member of the consolidated entity, business unit and individual performance, relevant comparative remuneration, and external advice independent of management as to the reasonableness of the fixed remuneration of the executive directors. Based on the latest benchmarking and independent review, the Committee imposed a fixed remuneration freeze, and no increases were made.

7c. Actual Performance Against Short Term Incentive (STI) Measures

A combination of financial and non-financial measures are used to measure performance for STI awards. The STI 100% opportunity pool was \$2,737,500 (2023: \$3,650,000). The pool for over-achievement was \$637,500 (2023: \$850,000). The maximum aggregate pool for allocation was \$3,375,000 (2023: \$4,500,000). 50% of the 100% STI was dependent on the satisfaction of financial performance conditions (based on APAT) and 50% was measured against the achievement of non-financial measures. The Over-Achievement Pool was subject to the financial performance condition only. The reduction in the STI Pool for FY24 was due to the retirement of David Ackery who did not receive an STI in this year.

Actual performance against those measures is as follows for the 2024 financial year:

- 86.49% achievement of the 50% Financial Condition (score of 43.245 out of 50) of the 100% STI pool = \$1,183,821
- 0% achievement of the Over-Achievement Pool subject to the Financial Condition (score of 0 out of 20) = \$0
- 79.54% achievement of the 50% Non-Financial Conditions (score of 39.77 out of 50) = \$1,088,714
- 0% reduction for malus penalties of up to -30% of the STI Pool (score of 30 out of 30) = reduction of \$0

The total 2024 STI Plan payable in respect of the 2024 financial year is \$2,272,535 (2023: \$2,692,532). This represents a total achievement of 83.02% of the 100% Level (2023: 73.8%) or 67.3% of the maximum Over-Achievement Level (2023: 59.8%), as shown in the tables below.

Financial Conditions of the 2024 STI Plan

ACHIEVEMENT OF 50% FINANCIAL CONDITION					
Calculation of FY2024 APAT	Annual Net Profit After Tax (APAT) excluding the after-tax effects of property revaluation increments or decrements and the net impact of AASB 16 <i>Leases</i>				= \$351.15 million for FY24
Directors	100% Level 2024 STI PCI	% Financial Conditions	2024 STI PCI Financial Condition	% Financial Condition Satisfied	2024 STI PCI Payable
Kay Lesley Page	\$1,058,500	50%	\$529,250	86.49% (43.245 out of 50)	\$457,744
John Evyn Slack-Smith	\$912,500	50%	\$456,250	86.49% (43.245 out of 50)	\$394,607
Chris Mentis	\$766,500	50%	\$383,250	86.49% (43.245 out of 50)	\$331,470
Total	\$2,737,500		\$1,368,750		\$1,183,821

07 Performance and Executive Remuneration Outcomes in FY24 (continued)

ACHIEVEMENT OF 120% OVER-ACHIEVEMENT POOL					
Directors	120% Level 2024 STI PCI	% Financial Conditions	2024 STI PCI Financial Condition	% Financial Condition Satisfied	2024 STI PCI Payable
Kay Lesley Page	\$246,500	100%	\$246,500	0% (0 out of 20)	-
John Evyn Slack-Smith	\$212,500	100%	\$212,500	0% (0 out of 20)	-
Chris Mentis	\$178,500	100%	\$178,500	0% (0 out of 20)	-
Total	\$637,500		\$637,500		-

APAT for the 2024 financial year was \$351.15 million (2023: \$471.88 million) resulting in 86.49% achievement of the financial conditions for the STI 100% Pool (level required \$406 million), and nil achievement of the financial conditions in respect of the Over-Achievement Pool (level required \$487.20 million).

Non-Financial Conditions of the 2024 STI Plan

ACHIEVEMENT OF 50% NON-FINANCIAL CONDITIONS					
For 2024, 50% of the 100% opportunity pool i.e., \$1,368,750 was subject to non-financial performance measures as to:					
<ul style="list-style-type: none"> Digital innovations equating to 60% (30% entitlement to the STI pool = \$821,250) Store / Franchised Complex Rollout & Construction Programs to 30% (15% entitlement to the STI pool = \$410,625); and Compliance framework improvements equating to 10% (5% entitlement to the STI pool = \$136,875); and 					
Directors	100% Level 2024 STI PCI	% Non-Financial Conditions	2024 STI PCI Non-Financial	% Non-Financial Condition Satisfied	2024 STI PCI Payable
Kay Lesley Page	\$1,058,500	50%	\$529,250	79.54% (39.77 out of 50)	\$420,969
John Evyn Slack-Smith	\$912,500	50%	\$456,250	79.54% (39.77 out of 50)	\$362,905
Chris Mentis	\$766,500	50%	\$383,250	79.54% (39.77 out of 50)	\$304,840
Total	\$2,737,500		\$1,368,750		\$1,088,714

The Remuneration Committee had regard to certificates and reports from employees of Yoogalu, other Board committees and management, including the Individual Director Assessment Reports and Internal Audit Reports, and noted that 79.54% of the non-financial performance hurdles for the 2024 STI Plan were achieved, equating to a score of 39.77 points out of 50 points.

Achievement of the Non-Financial Performance Conditions for the 2024 STI Plan are set out in the following table:

ASSESSMENT OF NON-FINANCIAL CONDITIONS OF THE 2024 STI PLAN					
Measure	Initiative	Primary Weighting	Achievement	Commentary	Score
Digital Innovations	Upgrade the operational and digital platform in Australia.	10%	100%	Full achievement	10%
	Manage the risks of the digital platforms and upgrade the digital gift card systems in overseas controlled entities located in Ireland, Singapore, Malaysia and New Zealand.	12.5%	100%	Full achievement	12.5%
	Manage the Telco Optimisation Program to upgrade the core infrastructure in Australia and modernise the internet and data services.	7.5%	100%	Full achievement	7.5%
Store / Franchised Complex Rollout & Construction Programs	Open 13 new company-operated stores and franchised complexes during FY24 and confirm the opening of 19 new stores / complexes for FY25	7.5%	63.6%	Delays in the opening of franchised complexes and stores overseas.	4.77%
	Deliver active construction programs in Australian and New Zealand for FY24 and FY25.	7.5%	0%	Did not achieve stringent budget and schedule requirements.	0%
Compliance Framework Improvements	Implement a central governance, risk and compliance (GRC) system for the SAP S/4HANA financial system located in Australia and in overseas controlled entities.	5%	100%	Full achievement	5%
Total		50%			39.77%

07 Performance and Executive Remuneration Outcomes in FY24 (continued)

Malus Reduction in Respect of 2024 STI Plan

MALUS REDUCTIONS OF UP TO 30% OF THE 2024 STI

Malus (financial penalty) provisions to reduce the overall achievement of the 100% STI pool by up to 30% i.e. \$821,250, in respect of:

- Work, health & safety governance framework = 10% of the 30%
- Sustainability governance = 7.5% of the 30%
- Cyber security global security improvement program and policies = 7.5% of the 30%
- Tax governance and policies = 5% of the 30%

Directors	100% Level 2024 STI PCI	Maximum % Malus Reductions	2024 STI PCI Malus Reductions	% Malus Reductions (Score)	Reduction in 2024 STI PCI Payable
Kay Lesley Page	\$1,058,500	-30%	(\$317,550)	-0% (30 out of 30)	-
John Evyn Slack-Smith	\$912,500	-30%	(\$273,750)	-0% (30 out of 30)	-
Chris Mentis	\$766,500	-30%	(\$229,950)	-0% (30 out of 30)	-
Total	\$2,737,500		(\$821,250)		-

There was no malus reduction for FY24.

SUMMARY OF TOTAL ACHIEVEMENT OF 2024 STI

100% POOL AMOUNT

OVER-ACHIEVEMENT POOL

Directors	Financial	Non-Financial	Malus	Financial	TOTAL 2024 STI
Kay Lesley Page	\$457,744	\$420,969	-	-	\$878,713
John Evyn Slack-Smith	\$394,607	\$362,905	-	-	\$757,512
Chris Mentis	\$331,470	\$304,840	-	-	\$636,310
Total	\$1,183,821	\$1,088,714	-	-	\$2,272,535

Service Conditions of the 2024 STI Plan

The 2024 STI Plan Service Conditions will be deemed to be satisfied, if and only if, as at the relevant payment date (30 August 2024):

- the executive has not resigned or provided notice of resignation of employment from the Employer, except in order to retire from the workforce;
- the Employer has not terminated the employment of the executive for cause; or
- the Board has not determined that the incentives should be revoked or lapse as a result of any breach of the law, corrupt conduct, bribery, fraud, gross misconduct or conduct of the executive which brings the Company or the Employer into disrepute.

Shareholding Benchmark of the 2024 STI Plan

Executive directors are to hold shares in the Company to the value equating to the level of fixed remuneration for that executive director at the end of the financial year (the Benchmark Shareholding Level). If shares held by the executive director are less than the Benchmark Shareholding Level, the STI benefit is to be provided in the form of shares, subject to shareholder approval and compliance with ASX Listing Rules, to the value that increases the holding of the executive director to the Benchmark Shareholding Level. Each of the executive directors that participated in the 2024 STI Plan held shares in the Company of a value that was in excess of the Benchmark Shareholding Level. The STI benefit under the 2024 STI Plan is to be paid in cash.

07 Performance and Executive Remuneration Outcomes in FY24 (continued)

7d. Actual Performance Against Long Term Incentive (LTI) Measures for Tranche FY24 of the 2016 LTI Plan

A total of 1,052,400 performance rights were granted to executive directors on 1 December 2023. The performance rights were independently valued by Mercer Consulting (Australia) Pty Limited at grant date, with a fair value of \$3.78 per entitlement share based on a share price of \$3.78 as at grant date. Subject to the satisfaction of the financial performance condition and service conditions of the 2016 LTI Plan, the total fair value of Tranche FY24 performance rights amounted to \$3,978,072 in aggregate.

The Remuneration Committee had regard to certificates and reports from employees of Yoogalu, other Board committees and management and Internal Audit Reports, and has estimated, based on the available evidence in respect of the 2024 financial year, the financial performance condition for Tranche FY24 of the 2016 LTI Plan may not be achieved by the end of the vesting period and it may not be probable for the estimated fair value of the performance rights to meet the performance condition.

The probability of nil vesting has been estimated based on the calculation of Tranche FY24 RONA for the 2024 financial year of 12.19%. The financial condition of the Tranche FY24 requires a minimum RONA of 15% to be achieved for 50% of Performance Rights to vest. No Performance Rights will vest if the RONA is less than 15%. Therefore the 12.19% RONA for FY24 would result in a nil vesting for year 1 of the three-year measurement period, but is available for re-measurement during the 2025 and 2026 financial years. No amount has been recognised as remuneration to executive directors and no expense has been recognised in the income statement in FY24 in respect of Tranche FY24.

ACHIEVEMENT OF 100% FINANCIAL CONDITION FOR TRANCHE FY24 OF 2016 LTI PLAN						
Calculation of FY24 RONA:	FY24 APBT (net profit excluding property revaluations and the net impact of AASB 16 <i>Leases</i>)				\$540.07 MILLION	= 12.19% RONA
	FY23 Net Assets (excluding non-controlling interests)				\$4,431.25 MILLION	
Directors	Number of Performance Rights	Fair Value Per Right	Fair Value of Performance Rights	Probability of Vesting %	Estimated Value of Tranche FY24 2016 LTI Plan to Vest	Tranche FY24 LTI Plan Expense in FY24
Gerald Harvey	191,000	\$3.78	\$721,980	0%	-	-
Kay Lesley Page	535,000	\$3.78	\$2,022,300	0%	-	-
John Evyn Slack-Smith	163,200	\$3.78	\$616,896	0%	-	-
Chris Mentis	163,200	\$3.78	\$616,896	0%	-	-
Total	1,052,400		\$3,978,072	0%	-	-

Subject to the satisfaction of the financial performance condition and service conditions of the 2016 LTI Plan, Tranche FY24 will vest on 31 December 2026.

The exercise price for each performance right will be nil. If exercised, each performance right will be converted into one ordinary share of the Company. Unexercised performance rights will lapse, irrespective of whether the performance rights have become exercisable on 31 October 2038 or:

- such earlier date specified by the Board;
- the Board determines the performance rights granted to a Grantee should lapse, as a result of any fraud, gross misconduct or conduct by that Grantee which brings the Company into disrepute; or
- the Board determines the relevant requirements in relation to performance rights granted to a Grantee, including performance conditions and a service condition, have not and are incapable of being met.

7e. Reassessment of Tranche FY23 of the 2016 LTI Plan Performance Conditions and Expense Recognised in FY24

In the 2023 financial year, a total of 1,106,800 performance rights were granted to executive directors on 1 December 2022 under Tranche FY23 of the 2016 LTI Plan. The performance rights were independently valued by Mercer Consulting (Australia) Pty Limited at a fair value of \$4.32 per entitlement share, based on a share price of \$4.32 as at grant date, resulting in a total fair value of Tranche FY23 of \$4,781,376. Tranche FY23 of the 2016 LTI Plan will be measured over a three-year period for financial years ending 30 June 2023, 30 June 2024 and 30 June 2025.

In the 2023 Remuneration Report, it was reported that the financial performance condition for Tranche FY23 of the 2016 LTI Plan may not be achieved by the end of the vesting period so it is probable nil will vest. Therefore, the estimated expense of the Tranche FY23 performance rights has been reduced to nil with the Tranche FY23 RONA for the 2023 financial year of 15.96%.

In respect of David Ackery, the Board exercised its discretion in acknowledgement of David's tenure and contribution as an executive director, his status as a good leaver with the genuine intention to retire and permitted him to pro-rate the unvested Tranche FY23 performance rights to reflect his employment period to be tested in accordance with the financial condition and vest as calculated in accordance with the rules of the Grant. This resulted in 89,557 performance rights being retained of the 146,500 being granted, with 56,943 performance rights lapsing upon his retirement on 30 April 2024.

As at 30 June 2024, the number of unvested performance rights in respect of Tranche FY23 was 1,049,857.

07 Performance and Executive Remuneration Outcomes in FY24 (continued)

The financial performance condition of Tranche FY23 is subject to reassessment during each of the Tranche FY23 Financial Years being the financial years ending 30 June 2023, 2024 and 2025. A reassessment of the Tranche FY23 Aggregate APBT and Tranche FY23 Aggregate Net Assets for the 2023 and 2024 financial years has resulted in a revised RONA for the two-year aggregated period of 14.04%. The revised RONA of 14.04% has resulted in a probability of vesting of 0%. Full vesting of the Performance Rights is conditional upon achievement of RONA of at least 21%. If an amount of 16% is achieved, 50% of the Performance Rights will vest with a proportionate or partial vesting of the remaining 50% of the Performance Rights upon the achievement of RONA in the range of 16% to 21%. Achievement between the levels will be calculated on a straight-line basis.

The cumulative expense in respect of Tranche FY23, as assessed in the 2024 financial year at a probability of vesting of 0%, was \$0. The total value of Tranche FY23 expense recognised in the 2024 financial year was \$0.

REASSESSMENT OF 100% FINANCIAL CONDITION FOR TRANCHE FY23 OF 2016 LTI PLAN						
Calculation of Aggregated RONA for Tranche FY23 Financial Years (FY23 and FY24)		Tranche FY23 Aggregated APBT (2023 + 2024) Tranche FY23 Aggregated Net Assets (2022 + 2023)			\$1,220.30 MILLION \$8,692.28 MILLION	= 14.04% RONA
Directors	Probability Vesting % in FY23	Tranche FY23 Estimated Fair Value in FY23	Revised Probability Vesting in FY24	Revised Estimated Tranche FY23 Fair Value in FY24	Adjustment due to Reassessment	Tranche FY23 LTI Plan Expense in FY24
Gerald Harvey	0%	-	0%	-	-	-
Kay Lesley Page	0%	-	0%	-	-	-
John Evyn Slack-Smith	0%	-	0%	-	-	-
David Matthew Ackery	0%	-	0%	-	-	-
Chris Mentis	0%	-	0%	-	-	-
Total		-		-	-	-

7f. Reassessment of Tranche FY22 of the 2016 LTI Plan Performance Conditions and Expense Recognised in FY24

In the 2022 financial year, a total of 914,000 performance rights were granted to executive directors on 30 November 2021 under Tranche FY22 of the 2016 LTI Plan. The performance rights were independently valued by Mercer Consulting (Australia) Pty Limited at a fair value of \$4.12 per entitlement share, based on a share price of \$5.07 as at grant date, resulting in a total fair value of Tranche FY22 of \$3,765,680. Tranche FY22 of the 2016 LTI Plan was measured over a three-year period for financial years ending 30 June 2022, 30 June 2023 and 30 June 2024.

In the 2023 Remuneration Report, the probability of vesting was reassessed, and it was reported that the estimated achievement of Tranche FY22 of the 2016 LTI Plan would have been 89% by the end of the vesting period and that 89% of the estimated fair value of the Tranche FY22 performance rights will meet the performance condition. This reassessment was based on a 2-year aggregated RONA, being the Tranche FY22 Aggregate APBT and Tranche FY22 Aggregate Net Assets for the 2022 and 2023 financial years. The reassessment in 2023 resulted in a revised 2-year aggregated RONA of 19.90%.

The financial performance condition of Tranche FY22 was subject to final year of reassessment for the financial year ending 30 June 2024. A final reassessment of the Tranche FY22 Aggregate APBT and Tranche FY22 Aggregate Net Assets for the 2022, 2023 and 2024 financial years has resulted in a revised RONA for the three-year aggregated period of 17.2%. A revised aggregated RONA of 17.2% for the Tranche FY22 Financial Years has resulted in the actual achievement of 61.8% of the Tranche FY22 performance rights. This revised achievement calculation of 61.8% is lower than the previous probability of vesting of 89% as calculated in FY23.

The cumulative expense in respect of Tranche FY22 has been reassessed in FY24 as \$2,327,190. The total value of Tranche FY22 expense recognised in FY24 was \$280,589, relating to the recognition of the Tranche FY22 expense on a straight-line basis for FY24 of \$755,173, less an adjustment of (\$524,833) due to the reduced probability of vesting from reassessment. An additional expense of \$50,249 was recognised in FY24 for the entitlement of David Ackery to Tranche FY22 as the Board exercised its discretion in acknowledgement of David's tenure and contribution as an executive director, his status as a good leaver with the genuine intention to retire. David was permitted to retain the unvested Tranche FY22 performance rights in full as the retirement was 61 days short of the full measurement period of 1,095 days.

FY24 was the final year of measurement for Tranche FY22 with the performance rights scheduled to vest on 31 December 2024.

07 Performance and Executive Remuneration Outcomes in FY24 (continued)

REASSESSMENT OF 100% FINANCIAL CONDITION FOR TRANCHE FY22 OF 2016 LTI PLAN

Calculation of Aggregated RONA for Tranche FY22 Financial Years (FY22, FY23 & FY24)

Tranche FY22 Aggregated APBT (2022 + 2023 + 2024)
Tranche FY22 Aggregated Net Assets (2021 + 2022 + 2023)

\$2,157.10 MILLION
\$12,557.11 MILLION = 17.2% RONA

Directors	Probability Vesting % in FY23	Tranche FY22 Estimated Fair Value in FY23	Revised Probability Vesting in FY24	Revised Tranche FY22 Fair Value in FY24	Adjustment due to Reassessment	Tranche FY22 LTI Plan Expense in FY24
Gerald Harvey	89%	\$531,686	61.8%	\$369,194	(\$162,492)	\$36,541
Kay Lesley Page	89%	\$1,488,721	61.8%	\$1,033,741	(\$454,980)	\$102,317
John Evyn Slack-Smith	89%	\$443,683	61.8%	\$308,085	(\$135,598)	\$30,494
David Matthew Ackery	89%	\$443,683	61.8%	\$308,085	(\$135,598)	\$80,743*
Chris Mentis	89%	\$443,683	61.8%	\$308,085	(\$135,598)	\$30,494
Total		\$3,351,456		\$2,327,190	(\$1,024,266)	\$280,589

* includes the remaining expense in respect of the entitlement of David Ackery to the FY22 performance rights grant

7g. Vesting of Tranche FY21 of the 2016 LTI Plan Performance Conditions and Expense Recognised in FY24

In 2021, a total of 549,500 performance rights were granted to executive directors on 4 December 2020 under Tranche FY21 of the 2016 LTI Plan. The performance rights were independently valued by Mercer Consulting (Australia) Pty Limited at a fair value of \$3.85 per share, based on a share price of \$4.66 as at grant date, resulting in a total fair value of Tranche FY21 of \$2,115,575. Tranche FY21 of the 2016 LTI Plan was measured over a three-year period for financial years ending 30 June 2021, 30 June 2022 and 30 June 2023.

In the 2023 Remuneration Report, it was reported that there was 100% actual achievement of Tranche FY21 of the 2016 LTI Plan in respect of the 2021, 2022 and 2023 financial years and that 100% of the performance rights were scheduled to vest at the end of the vesting period at 31 December 2023, and were exercisable from 1 January 2024. On 3 January 2024, a total of 549,500 performance rights issued on 4 December 2020 under Tranche FY21 of the 2016 LTI Plan were exercised by the executive directors in accordance with the terms and conditions of the LTI Plan.

The cumulative expense in respect of Tranche FY21 was \$2,115,575 as reported in the 2023 Remuneration Report. The 2023 financial year was the final year of Tranche FY21 measurement. During the 2024 financial year, an expense of \$346,630 was recognised in respect of Tranche FY21 of the 2016 LTI Plan representing the remaining vesting period up to 31 December 2023.

ASSESSMENT OF 100% FINANCIAL CONDITION FOR TRANCHE FY21 OF 2016 LTI PLAN

Calculation of Aggregated RONA for Tranche FY21 Financial Years (FY21, FY22 & FY23)

Tranche FY21 Aggregated APBT (2021 + 2022 + 2023)
Tranche FY21 Aggregated Net Assets (2020 + 2021 + 2022)

\$2,653.94 MILLION
\$11,572.21 MILLION = 22.93% RONA

Directors	Actual Achievement in FY23	Actual Tranche FY21 Fair Value	Tranche FY21 LTI Plan Expense in FY24
Gerald Harvey	100%	\$252,175	\$41,318
Kay Lesley Page	100%	\$704,550	\$115,439
John Evyn Slack-Smith	100%	\$419,650	\$68,758
David Matthew Ackery	100%	\$419,650	\$68,758
Chris Mentis	100%	\$319,550	\$52,357
Total		\$2,115,575	\$346,630

07 Performance and Executive Remuneration Outcomes in FY24 (continued)

7h. Summary of Performance and Executive Remuneration Outcomes in FY24

REMUNERATION COMPONENT	VALUE OF STI AND LTI DISCLOSED IN 2024 AND 2023 REMUNERATION REPORTS						
	Maximum Over Achievement Amount	Achievement	Score	Amount Payable	Vesting Period	2024 Remuneration Amount	2023 Remuneration Amount
2024 STI Plan							
Financial conditions (50/100)	\$1,368,750	86.49%	43.245%	\$1,183,821	1 Year	\$1,183,821	-
Over-achievement pool (20/20)	\$637,500	0%	0%	-		-	-
Non-financial conditions (50/100)	\$1,368,750	79.54%	39.77%	\$1,088,714		\$1,088,714	-
Malus Adjustments (up to 30/100)	-	0%	0%	-		-	-
Total	\$3,375,000		83.02% or 67.3% of Over-Achievement Level	\$2,272,535		\$2,272,535	-
2023 STI Plan							
Financial conditions (70/100)	\$2,555,000	91.10%	63.77%	\$2,327,532	1 Year	-	\$2,327,532
Over-achievement pool (20/20)	\$850,000	0%	0%	-		-	-
Non-financial conditions (30/100)	\$1,095,000	33.33%	10.00%	\$365,000		-	\$365,000
Malus Adjustments (up to 30/100)	-	0%	0%	-		-	-
Total	\$4,500,000		73.77% or 59.8% of Over-Achievement Level	\$2,692,532		-	\$2,692,532
Total Short-Term Incentive PCI						\$2,272,535	\$2,692,532
Tranche FY24 of 2016 LTI Plan							
Financial conditions (100%)	\$3,978,072	0%	0%	-	3.1 Years	-	-
Non-financial conditions (0%)	-			-	(01/12/23 to 31/12/26)	-	-
Total	\$3,978,072			-		-	-
Tranche FY23 of 2016 LTI Plan							
Financial conditions (100%)	\$4,781,376	0%	0%	-	3.1 Years	-	-
Non-financial conditions (0%)	-			-	(01/12/22 to 31/12/25)	-	-
Total	\$4,781,376			-		-	-
Tranche FY22 of 2016 LTI Plan							
Financial conditions (100%)	\$3,765,680	61.8%	61.8%	\$2,327,190	3.1 Years	\$280,589	\$1,006,324
Non-financial conditions (0%)	-			-	(30/11/21 to 31/12/24)	-	-
Total	\$3,765,680			\$2,327,190		\$280,589	\$1,006,324
Tranche FY21 of 2016 LTI Plan							
Financial conditions (100%)	\$2,115,575	100%	100%	\$2,115,575	3.1 Years	\$346,630	\$687,609
Non-financial conditions (0%)	-			-	(04/12/20 to 31/12/23)	-	-
Total	\$2,115,575			\$2,115,575		\$346,630	\$687,609
Tranche FY20 of 2016 LTI Plan							
Financial conditions (100%)	\$1,906,765	100%	100%	\$1,906,575	3.1 Years	-	\$311,565
Non-financial conditions (0%)	-			-	(02/12/19 to 31/12/22)	-	-
Total	\$1,906,765			\$1,906,765		-	\$311,565
Total LTI Performance Rights						\$627,219	\$2,005,498
Total Value of STI and LTI						\$2,899,754	\$4,698,030

The total value of STI and LTI expensed in the Income Statement for the 2024 financial year and disclosed in this remuneration report was \$2.90 million compared to \$4.70 million expensed in the 2023 financial year, a decrease of \$1.80 million or -38.3%, relative to the previous year.

08 Executive Contractual Arrangements

Remuneration arrangements for executive KMPs are formalised in employment agreements. Details of these contracts are below.

Chief Executive Officer

The CEO, Ms. K.L. Page is employed under a rolling contract.

Under the terms of the present contract the CEO's total potential employment cost is \$5,497,300 comprised of:

- fixed remuneration of \$2,170,000 per annum;
- maximum STI opportunity in respect of the year ended 30 June 2024 of \$1,305,000 (including the over-achievement level); and
- maximum LTI opportunity in respect of the year ended 30 June 2024 of \$2,022,300.
- The CEO's termination provisions are as follows:

CEO's Termination Provisions	Notice Period	Payment in Lieu of Notice	Treatment of STI on Termination	Treatment of LTI on Termination
Employer initiated-termination	6 months	6 months	Pro-rated for time and performance	Board discretion
Termination for serious misconduct	None	None	Unvested awards forfeited	Unvested awards forfeited
Employee-initiated termination	6 months	6 months	Unvested awards forfeited subject to board discretion	Unvested awards forfeited subject to board discretion*

Minimum Shareholding Requirement

There are no minimum shareholding requirements imposed on the CEO. There is a Benchmark Shareholding Level in respect of the 2024 STI Plan to determine whether the reward is to be paid as cash or in shares. The CEO held shares in the Company at 30 June 2024 equating to a value of \$85.09 million.

Other Executive KMPs

All other Executive KMPs have rolling contracts.

Termination Provisions	Notice Period	Payment in Lieu of Notice	Treatment of STI on Termination	Treatment of LTI on Termination
Employer initiated-termination	6 months	6 months	Pro-rated for time and performance	Board discretion
Termination for serious misconduct	None	None	Unvested awards forfeited	Unvested awards forfeited
Employee-initiated termination	6 months	6 months	Unvested awards forfeited subject to board discretion	Unvested awards forfeited subject to board discretion*

* Subject to the rules of the 2016 LTI Plan at a relevant time.

09 Non-Executive Director Remuneration Arrangements

Remuneration Policy

The Board seeks to set aggregate remuneration at a level that provides each member of the consolidated entity with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to NEDs of comparable companies. The Board considers published material from external sources and makes its own enquiries when undertaking the annual review process.

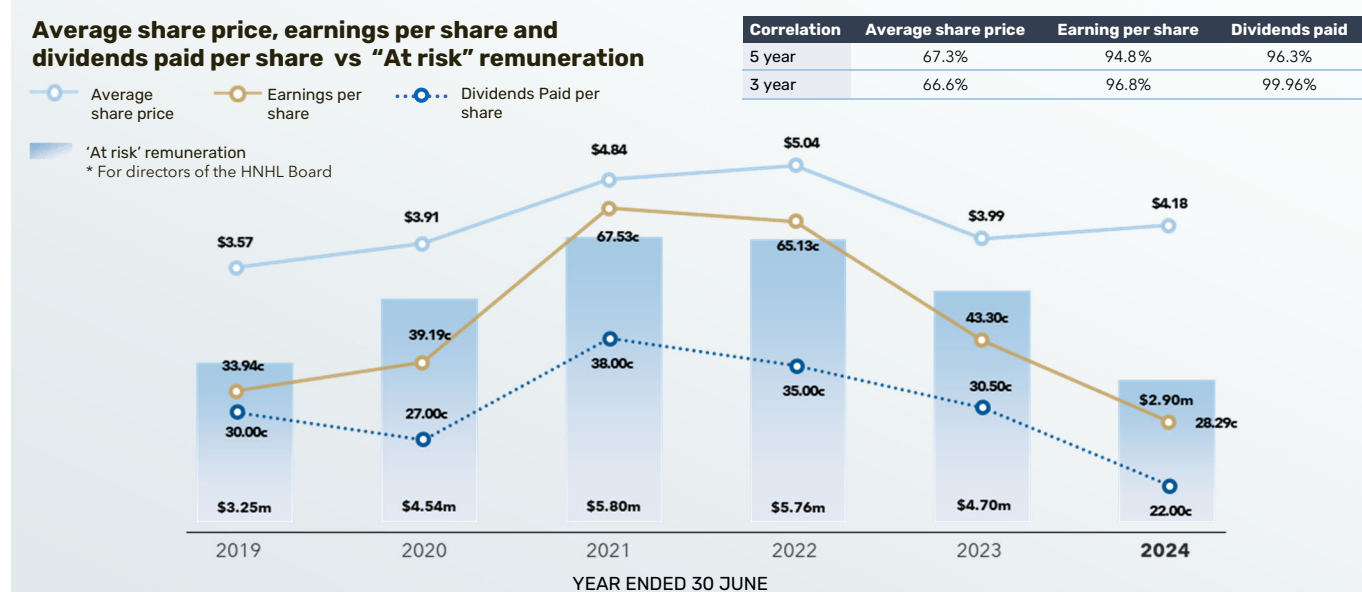
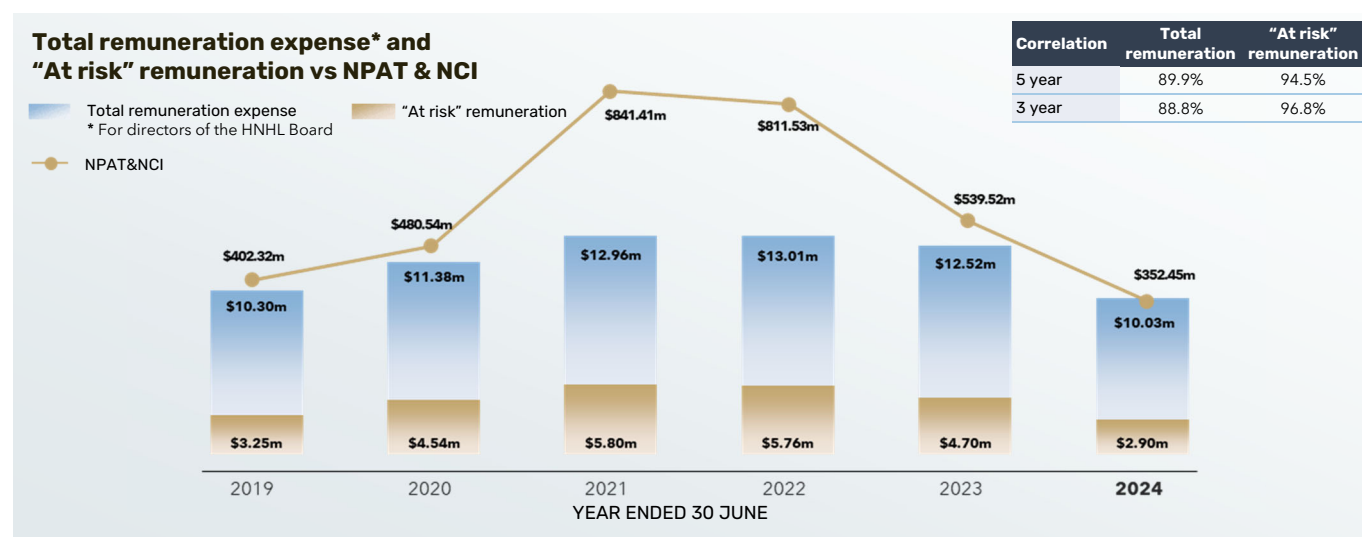
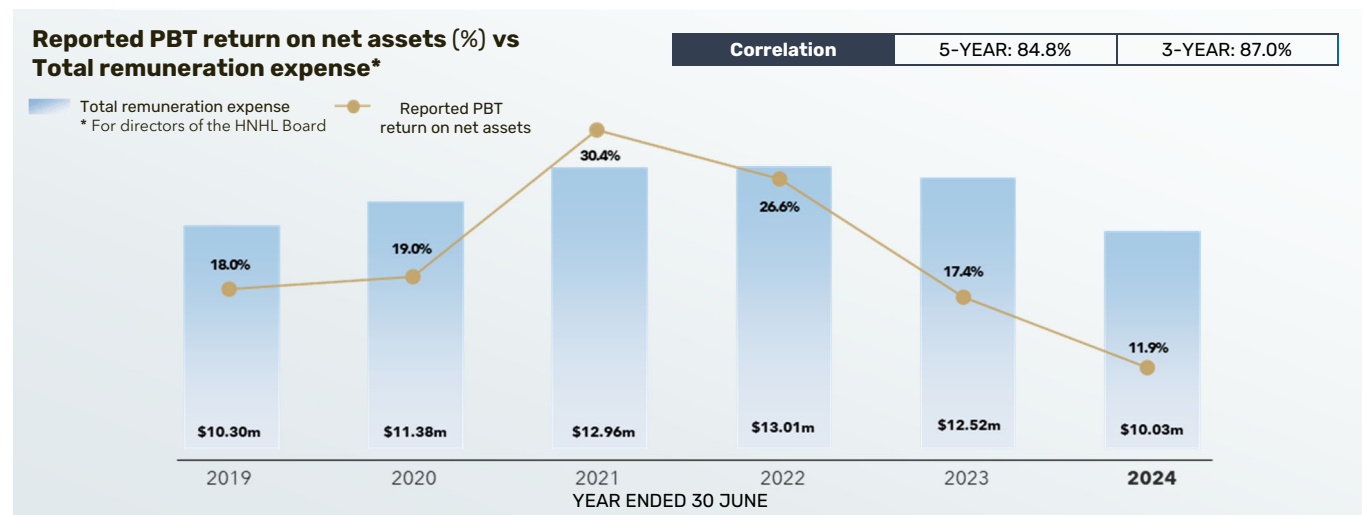
The Company's constitution and the ASX listing rules specify that the NED fee pool shall be determined from time to time by a general meeting. At the 2020 annual general meeting (AGM) held on 25 November 2020, shareholders approved the aggregate NED pool of \$1,500,000.

Structure

The remuneration of NEDs consists of directors' fees, including board fee and committee fees, and committee chair fees, as appropriate. NEDs do not receive retirement benefits, nor do they participate in any incentive programs. In exceptional circumstances associated with governance oversight work not encompassed within regular board and committee work, a NED may receive additional fees. The structure of NED remuneration is separate and distinct from executive remuneration. The remuneration of NEDs for the years ended 30 June 2024 and 30 June 2023 are disclosed in Table 1 on page 52 of this report.

10 Relationship between Remuneration and Performance

The graphs below illustrate the performance of the consolidated entity for the past five financial years and the high level of correlation between remuneration and performance. Correlation is a calculation of the degree of relationship between two items with 100% being strongest and 0% being weakest. Correlation between the indicators of performance and remuneration remain strong.



11 Compensation of Key Management Personnel

Table 1: Compensation of Key Management Personnel Expensed for the Year Ended 30 June 2024
Directors of Harvey Norman Holdings Limited:

In \$AUD		SHORT-TERM BENEFITS				POST EMPLOYMENT	LONG TERM INCENTIVES	OTHER	Total Remuneration	% earned at risk
		Salary & Fees	Performance Cash Incentive	Other Short Term ^(a)	Non- Monetary Benefits ^(a)	Super- annuation	Performance Rights	Long Service Leave ^(b)		
Gerald Harvey Executive Chairman	2024	587,201	-	10,400	-	27,399	77,859	-	702,859	11.1%
	2023	739,308	-	10,400	-	25,292	278,747	-	1,053,747	26.5%
Kay Lesley Page Executive Director/CEO	2024	2,112,610	878,713	-	29,980	27,410	217,756	-	3,266,469	33.6%
	2023	2,120,446	780,834	-	24,262	25,292	779,765	-	3,730,599	41.8%
John Evyn Slack-Smith Executive Director/COO	2024	1,292,590	757,512	-	-	27,410	99,252	21,543	2,198,307	39.0%
	2023	1,294,708	673,133	-	-	25,292	331,421	21,578	2,346,132	42.8%
David Matthew Ackery Executive Director	2024	875,079	-	12,000	-	21,881	149,501	156,759	1,215,220	12.3%
	2023	1,276,708	673,133	18,000	-	25,292	331,421	21,578	2,346,132	42.8%
Chris Mentis Executive Director/CFO	2024	965,471	636,310	-	17,119	27,410	82,851	16,091	1,745,252	41.1%
	2023	945,834	565,432	-	38,874	25,292	284,144	15,764	1,875,340	45.3%
Michael John Harvey Non-Executive Director	2024	54,054	-	-	-	5,946	-	-	60,000	-
	2023	54,299	-	-	-	5,701	-	-	60,000	-
Christopher Herbert Brown Non-Executive Director	2024	144,144	-	-	-	15,856	-	-	160,000	-
	2023	144,796	-	-	-	15,204	-	-	160,000	-
Kenneth William Gunderson-Briggs Non-Executive Director	2024	351,805	-	-	-	21,627	-	-	373,432	-
	2023	615,856	-	-	-	25,292	-	-	641,148	-
Maurice John Craven Non-Executive Director	2024	130,631	-	-	-	14,369	-	-	145,000	-
	2023	131,222	-	-	-	13,778	-	-	145,000	-
Luisa Catanzaro Non-Executive Director	2024	144,144	-	-	-	15,856	-	-	160,000	-
	2023	144,796	-	-	-	15,204	-	-	160,000	-
Total for the 2024 Financial Year		6,657,729	2,272,535	22,400	47,099	205,164	627,219	194,393	10,026,539	28.9%
Total for the 2023 Financial Year		7,467,973	2,692,532	28,400	63,136	201,639	2,005,498	58,920	12,518,098	37.5%

The listed Parent Company, Harvey Norman Holdings Limited, does not have any employees.

- Short-term benefits includes car allowances paid (Other Short Term) and the cost of fully-maintained motor vehicles (Non-Monetary Benefits)
- Table 1 includes the accrual for long service leave entitlements in respect of the years ended 30 June 2024 and 30 June 2023. The 2024 amount for David Matthew Ackery relates to the payment of entitlements upon retirement on 30 April 2024.

11 Compensation of Key Management Personnel (continued)

Table 2: Compensation of Key Management Personnel Expensed for the Year Ended 30 June 2024
Senior Executives of Harvey Norman Holdings Limited:

In \$AUD		SHORT-TERM BENEFITS				POST EMPLOYMENT	OTHER		Total Remuneration	% earned at risk
		Salary & Fees	Performance Cash Incentive	Other Short Term	Non-Monetary Benefits	Super-annuation	Termination Benefits (h)	Long Service Leave (i)		
Thomas James Scott GM – Property	2024 2023	691,926 669,708	- -	- -	- -	27,399 25,292	- -	11,532 11,162	730,857 706,162	- -
Gordon Ian Dingwall Chief Information Officer	2024 2023	565,656 547,708	- -	- -	- -	27,399 25,292	- -	9,428 9,128	602,483 582,128	- -
Emmanuel Hohlastos (a) GM – Home Appliances	2024 2023	110,408 441,628	- -	- -	- -	6,861 25,292	42,601 -	- 7,360	159,870 474,280	- -
Haydon Ian Myers (b) GM – Electrical	2024 2023	233,333 -	- -	12,007 -	- -	13,597 -	- -	1,296 -	260,233 -	- -
Darren Salakas (c) GM – Technology & Entertainment	2024 2023	419,853 291,651	- -	- -	30,918 25,314	27,399 18,357	- -	5,062 3,516	483,232 338,838	- -
Glen Gregory (d) GM – Technology & Entertainment	2024 2023	- 131,857	- -	- 3,548	- -	- 7,479	- 126,357	- -	- 269,241	- -
Richard Beaini (e) GM – Audio Visual	2024 2023	- 387,725	- -	- -	- -	- 25,292	- -	- 6,462	- 419,479	- -
Christopher Coen (f) GM – Home Appliances	2024 2023	403,123 -	- -	- -	- -	27,399 -	- -	6,159 -	436,681 -	- -
Benjamin Kelada (g) GM – Audio Visual	2024 2023	355,415 -	- -	- -	- -	27,399 -	- -	5,430 -	388,244 -	- -
Carene Myers GM – Small Appliances	2024 2023	365,582 352,527	- -	- -	34,492 35,198	27,399 25,292	- -	6,093 5,875	433,566 418,892	- -
Total for the 2024 Financial Year		3,145,296	-	12,007	65,410	184,852	42,601	45,000	3,495,166	-
Total for the 2023 Financial Year		2,822,804	-	3,548	60,512	152,296	126,357	43,503	3,209,020	-

- Resigned as General Manager–Home Appliances on 29 September 2023
- Appointed to General Manager–Electrical on 1 March 2024
- Appointed to General Manager–Technology & Entertainment and is a new KMP effective from 10 October 2022
- Resigned as General Manager–Technology & Entertainment on 17 October 2022
- Ceased to be a KMP from 1 July 2023
- Appointed to General Manager–Home Appliances on 1 August 2023
- Appointed to General Manager–Audio Visual on 1 August 2023
- This amount represents the cash payment of employee leave entitlements upon resignation
- This amount represents the accrual for long service leave entitlements in respect of the years ended 30 June 2024 and 30 June 2023

12 Additional Disclosures Relating to Options, Performance Rights & Shares

Options Granted to Executive Directors as Part of Remuneration:

There were no options granted to any executive director during the year ended 30 June 2024. There were no movements in option holdings during the year ended 30 June 2024.

Options Holdings of Key Management Personnel for the Year Ended 30 June 2024:

There were no options held by any director or senior executive during the year ended 30 June 2024.

Table 3: Performance Rights Granted to Executive Directors as Part of Remuneration:

The table below discloses the number of performance rights granted to executive directors as remuneration during the year ended 30 June 2024 as well as the number of performance rights that vested, were exercised or lapsed during the year. Performance rights do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date.

	PERFORMANCE RIGHTS GRANTED AS REMUNERATION DURING THE YEAR (a)		PERFORMANCE RIGHTS VESTED DURING THE YEAR (b)		PERFORMANCE RIGHTS LAPSED DURING THE YEAR		UNVESTED PERFORMANCE RIGHTS AT 30 JUNE 2024 (c)		PERFORMANCE RIGHTS EXERCISED DURING THE YEAR (d)	
	Number Granted	Fair Value Granted \$	Number Vested	Fair Value Vested \$	Number Lapsed	Fair Value Lapsed \$	Number Unvested	Fair Value Unvested \$	Number Exercised	Fair Value Exercised \$
Gerald Harvey	191,000	\$721,980	65,500	\$252,175	-	-	511,600	\$2,077,972	65,500	\$252,175
Kay Lesley Page	535,000	\$2,022,300	183,000	\$704,550	-	-	1,432,700	\$5,819,164	183,000	\$704,550
John Eryn Slack Smith	163,200	\$616,896	109,000	\$419,650	-	-	430,700	\$1,748,296	109,000	\$419,650
David Matthew Ackery	-	-	109,000	\$419,650	(56,943)	(\$245,994)	210,557	\$885,406	109,000	\$419,650
Chris Mentis	163,200	\$616,896	83,000	\$319,550	-	-	430,700	\$1,748,296	83,000	\$319,550
Total	1,052,400	\$3,978,072	549,500	\$2,115,575	(56,943)	(\$245,994)	3,016,257	\$12,279,134	549,500	\$2,115,575

- A total of 1,052,400 performance rights under Tranche FY24 of the 2016 LTI Plan were granted to executive directors on 1 December 2023. The performance rights were independently valued by Mercer Consulting (Australia) Pty Limited at grant date with a fair value of \$3.78 per entitlement on 1 December 2023, based on a share price of \$3.78 at grant date, resulting in a total fair value of Tranche FY24 performance rights of \$3,978,072 in aggregate.
- On 31 December 2023, 549,500 performance rights representing 100% of Tranche FY21 of the 2016 LTI Plan vested after all financial conditions and service conditions were satisfied.
- As at 30 June 2024, a total of 3,016,257 performance rights were outstanding, unvested and not capable of exercise comprised of:
 - 914,000 performance rights under Tranche FY22 of the 2016 LTI Plan;
 - 1,049,857 performance rights under Tranche FY23 of the 2016 LTI Plan; and
 - 1,052,400 performance rights under Tranche FY24 of the 2016 LTI Plan.
- On 3 January 2024, 549,500 performance rights under Tranche FY21 of the 2016 LTI Plan were exercised, reducing the unexercised performance rights under Tranche FY21 of the 2016 LTI Plan to nil.

Table 4: Performance Rights of Key Management Personnel for the Year Ended 30 June 2024

The table below discloses the number of performance rights granted to executive directors as remuneration during the year ended 30 June 2024 as well as the number of performance rights that vested, were exercised or lapsed during the year. Performance rights do not carry any voting or dividend rights and can be exercised once the vesting conditions have been met until their expiry date.

						VESTED DURING THE YEAR ENDED 30 JUNE 2024		
	1 July 2023 Balance at beginning of the year	Granted as Remuneration	Performance Rights Exercised	Performance Rights Lapsed	30 June 2024 Balance at end of the year	Total	Exercised	Lapsed
Gerald Harvey	386,100	191,000	(65,500)	-	511,600	65,500	65,500	-
Kay Lesley Page	1,080,700	535,000	(183,000)	-	1,432,700	183,000	183,000	-
John Eryn Slack Smith	376,500	163,200	(109,000)	-	430,700	109,000	109,000	-
David Matthew Ackery	376,500	-	(109,000)	(56,943)	210,557	109,000	109,000	-
Chris Mentis	350,500	163,200	(83,000)	-	430,700	83,000	83,000	-
Total	2,570,300	1,052,400	(549,500)	(56,943)	3,016,257	549,500	549,500	-

12 Additional Disclosures Relating to Options, Performance Rights & Shares (continued)

Apart from the KMPs disclosed above, comprised of the executive directors, each of the non-executive directors or senior executives did not have any performance rights during the year ended 30 June 2024.

The closing balance of the 3,016,257 performance rights in the Company as at 30 June 2024 is comprised of:

- 914,000 performance rights under Tranche FY22 of the 2016 LTI Plan at a fair value at grant date of \$4.12 to vest on 31 December 2024. The FY22 Tranche is exercisable between 1 January 2025 and 31 October 2026.
- 1,049,857 performance rights under Tranche FY23 of the 2016 LTI Plan at a fair value at grant date of \$4.32 to vest on 31 December 2025. The FY23 Tranche is exercisable between 1 January 2026 and 31 October 2027.
- Granted as remuneration during the 2024 financial year: 1,052,400 performance rights under Tranche FY24 of the 2016 LTI Plan at a fair value at grant date of \$3.78 to vest on 31 December 2026. The FY24 Tranche is exercisable between 1 January 2027 and 31 October 2028.

Table 5: Shareholdings/Relevant Interests of Key Management Personnel for the Year Ended 30 June 2024

	1 July 2023 Balance at Beginning of the Year	On Exercise of Performance Rights (a)	Net Change Other (b)	30 June 2024 Balance at End of the Year
Gerald Harvey	414,966,437	65,500	-	415,031,937
Kay Lesley Page	20,222,315	183,000	-	20,405,315
John Evyn Slack Smith	1,361,893	109,000	-	1,470,893
David Matthew Ackery	901,471	109,000	(1,010,471)(c)	-
Chris Mentis	1,367,297	83,000	-	1,450,297
Michael John Harvey	-	-	-	-
Christopher Herbert Brown	205,525,565	-	-	205,525,565
Kenneth William Gunderson-Briggs	10,059	-	-	10,059
Maurice John Craven	53,426	-	-	53,426
Luisa Catanzaro	-	-	17,500	17,500
KMP: Senior Executives				
– Thomas James Scott	10,000	-	-	10,000
– Carene Myers	3,000	-	-	3,000
– Darren Salakas	250	-	-	250
– Haydon Ian Myers	-	-	11,102	11,102
– Christopher Coen	-	-	150	150
Total	644,421,713	549,500	(981,719)	643,989,494

- On 18 December 2023, the Company announced that 549,500 performance rights, representing 100% of the performance rights issued in accordance with Tranche FY21 of the 2016 LTI Plan, will vest and become exercisable from 1 January 2024. A member of the consolidated entity acquired shares in the Company via an 'on-market trade' at an average price of \$4.05 per share for the purposes of satisfying the entitlements of each Executive Director to the performance rights in respect of Tranche FY21 of the 2016 LTI Plan.
- The 'Net Change Other' column discloses the number of shares acquired or disposed by each KMP via an 'on-market trade' in accordance with the prevailing market conditions on the ASX at the time of the transaction. These trades were on no more favourable terms and conditions than those that would be reasonably expected of an arm's length transaction, and have been conducted in accordance with the Company's Share Trading Policy. This column also includes the shareholdings of those KMPs that commenced employment during FY24.
- This amount relates to the shareholding of David Ackery as at his retirement date of 30 April 2024 as he ceased to be an executive director of the Company from that date.

13 'Take-Home Pay' for KMP Directors

The below table shows the 'take-home pay' for each KMP director, representing the benefits paid to each director during the year ended 30 June 2024, or as soon as practicable after that date.

Total 'take-home pay' for the KMP directors amounted to \$11.90 million for the year ended 30 June 2024. The total value of remuneration expensed for KMP directors in respect of the 2024 financial year was \$10.00 million (refer to Table 1 on page 52 of this report). For the 2024 financial year, total 'take-home pay' was \$1.90 million higher than the value of remuneration expensed to the income statement mainly due to the higher STI amount paid in FY24 in respect of FY23.

In \$AUD	Salary & Fees	Other Short Term	Non-Monetary Benefits	Super-annuation	Short-term Performance Cash Incentive (a)	Exercise of Tranche FY19 & FY20 2016 LTI Plan	Exercise of Tranche FY21 2016 LTI Plan (b)	Other (c)	FY24 Total Take-Home Pay	FY23 Total Take-Home Pay
Gerald Harvey	587,201	10,400	-	27,399	-	-	252,175	-	877,175	1,002,285
Kay Lesley Page	2,112,610	-	29,980	27,410	780,834	-	704,550	-	3,655,384	3,823,635
John Evyn Slack Smith	1,292,590	-	-	27,410	673,133	-	419,650	-	2,412,783	2,576,355
David Matthew Ackery	875,079	12,000	-	21,881	673,133	-	419,650	156,759	2,158,502	2,858,665
Chris Mentis	965,471	-	17,119	27,410	565,432	-	319,550	-	1,894,982	2,035,635
Michael John Harvey	54,054	-	-	5,946	-	-	-	-	60,000	60,000
Christopher Herbert Brown	144,144	-	-	15,856	-	-	-	-	160,000	160,000
Kenneth William Gunderson-Briggs	351,805	-	-	21,627	-	-	-	-	373,432	641,148
Maurice John Craven	130,631	-	-	14,369	-	-	-	-	145,000	145,000
Luisa Catanzaro	144,144	-	-	15,856	-	-	-	-	160,000	160,000
Total Take-Home Pay 2024 Financial Year	6,657,729	22,400	47,099	205,164	2,692,532	-	2,115,575	156,759	11,897,258	
Total Take-Home Pay 2023 Financial Year	7,467,973	28,400	63,136	201,639	3,512,500	2,189,075	-	-		13,462,723

- The short-term incentive of \$2.69 million represented the payment of the 2023 STI Plan that was earned in respect of the 2023 financial year, and was paid to Executive Directors in September 2023.
- The aggregate fair value of the performance rights exercised during the 2024 financial year was \$2.12 million, calculated as the fair value at grant date of \$3.85 per right multiplied by 549,500 performance rights exercised for Tranche FY21.
- The Other amount for David Ackery relates to the payment of entitlements upon retirement on 30 April 2024.

14 Other Matters for Disclosure

Result of the 2023 AGM

The previous AGM of the Company was held on 29 November 2023. A vote of 81.74% of the eligible shareholdings were cast against Item 2. Adoption of the Remuneration Report. As such, Item 2. was not carried and the Remuneration Report in respect of the 2023 financial year was not adopted. The eligible shareholdings that voted against the adoption of the Remuneration Report represented 18.17% of the total shareholdings.

Therefore, in compliance with s300A of the Corporations Act (2001), the Company is required to provide an explanation of the Board's proposed response to any comments associated with the vote. The Company engaged with stakeholders and determined that the vote outcomes were largely the result of comments and recommendations of proxy advisors employed by institutional investors who voted in accordance with those recommendations. The Company has addressed the most pertinent of the proxy advisor comments and recommendations below.

Proxy Advisor Mistakes in Fact and Errors of Judgement

The Board is aware of the mistakes in fact and errors of judgement that were contained in the reports of the various proxy advisors circulated to shareholders prior to the 2023 AGM. The Board is also aware of the reliance of shareholders on those reports and the influence of the mistakes and errors contained in those reports as to the voting decisions made by shareholders.

The Board is concerned that the free float of the HVN shares on market may have been misled by non-exhaustive statements by the various proxy advisors, and as a matter of good governance wishes to bring these matters to the attention of shareholders.

The Board is of the view that information provided in respect of HVN by third party advisors to shareholders needs to be correct, evidence based and should not be provided for the purpose of influencing voting behaviour without rigour. The Board is of the view that there should be consequences for the provision of incorrect information and that each third party advisor that provides incorrect information should be held to the same standard to which a company listed on the ASX (like HVN) needs to comply.

14 Other Matters for Disclosure (continued)

INSTITUTIONAL SHAREHOLDER SERVICES (ISS)	CGI GLASS LEWIS	OWNERSHIP MATTERS (and ACSI)
BENCHMARKING		
Benchmarking compares Harvey Norman at revenue of \$2.776bn and not the Harvey Norman® system revenues of \$9.193bn (Pg 5). This is wrong and directly effects the qualitative pay for performance analysis.	CGI provides 2 benchmark groups, one termed "Country" with only 7 members and no matches to the 19 members of the Harvey Norman benchmarking group, and "Industry" with 7 members and only 4 matches.	Asserts that the overall pay levels are above peers and investor expectations for a business the size and sector of HVN, without reference to any benchmarking or disclosure of peer group.
The ISS benchmarking group for Harvey Norman had 13 members compared to 19 in the Harvey Norman benchmarking group, one less than FY2022 with only 9 members matching.	The CGI benchmarking is less broad than ISS and does not cover comparable financial and business characteristics such as EBIT, net assets, tangible assets, franchising, physical stores, on-line, overseas operations and property investment.	
The ISS benchmarking is not broad and does not cover comparable financial and business characteristics such as EBIT, net assets, tangible assets, franchising, physical stores, on-line, overseas operations and property investment.		Advised that "the accounts would be improved if the franchise network were voluntarily consolidated" notwithstanding that the financial statements fully comply with all relevant accounting standards, are consistent year to year, and are subject to an independent external audit and is consistent with ASIC RG-247 requirement of IFRS and non-IFRS financial information. We note that equity analysts have no problem in understanding the financial statements. We also note that despite their additional disclosure requirement, OM do not consider what has been disclosed for Harvey Norman® system revenues to assess the appropriateness of the remuneration.
FIXED REMUNERATION		
There is no mention that the fixed remuneration of executive directors is balanced with high shareholding as there was in the FY2022 ISS report.	CGI proffers that the CEO fixed pay stands out amongst peers, based on the non-representative benchmark groups used by CGI. This is incorrect.	
There is no reference to the Australian Multiline Retail Industry average in FY2023 with which the fixed remuneration is aligned.		
SHORT-TERM INCENTIVES		
Commentary about the reduction in STI targets is not balanced with the strong correlation of financial performance with "at risk" remuneration (Pg 51).	States that the STI on-target vesting does not align with analyst forecasts. This is incorrect. The calculation by CGI does not adjust for the effect of AASB16 as required. The CGI calculation only uses 4 of the 11 stated analyst forecasts.	
Questions the usefulness of the executive shareholding policy, which sees each executive director with excess of one years fixed remuneration in shares but is silent as to the alignment the policy creates with shareholders.	In any event, commentary about the on-target vesting of STI is not balanced with the strong correlation of financial performance with "at risk" remuneration (See Pg 51).	
LONG-TERM INCENTIVES		
Questions the rigour and alignment of RONA as the LTI performance measure, notwithstanding that the measure has been consistently used from FY2016, ISS voted in favour of the LTI grants at previous AGM's, and the strong correlation of financial performance with "at risk" remuneration (Pg 51).	Questions the use of a single metric for LTI performance notwithstanding that the measure has been consistently used from FY2016, CGI voted in favour of the LTI grants at previous AGM's, and the strong correlation of financial performance with "at risk" remuneration (see Pg 51).	Advised shareholders to vote against the Remuneration Report because the "accounting for the franchise network makes it difficult to rely on the net assets disclosed for the purposes of the return on asset number". The accounting is the same as it has been in previous years, including FY2021 and FY2022, with no similar recommendation made by OM in those years.
States that there is a provision for dividends on unvested shares in respect of the LTI. This is incorrect. We note ISS voted in favour of the grant of similar performance rights at the 2022 AGM.		Return on Net Assets (RONA) has been a consistent measure used for the LTI grants since 2016 and has been calculated in a consistent way. OM has recommended shareholder approval of the grant of performance rights that remain on foot with RONA as the financial measure.
ISS did not proffer any performance measure that could be applied, in addition to, or instead of RONA that would be a more valid indicator.	CGI did not proffer any performance measure that could be applied, in addition to, or instead of RONA that would be a more valid indicator.	OM did not proffer any performance measure that could be applied, in addition to, or instead of RONA that would be a more valid indicator.
CONFLICTS OF INTEREST—UNSOLICITED FEE FOR SERVICE FOLLOW-UP TO ADVISOR RECOMMENDATIONS		
The Board noted the receipt of an unsolicited offer from ISS on 4 December 2023 to work with Harvey Norman, for a fee, to assist in resolving the unfavourable 2023 vote.	The Board noted the receipt of an unsolicited offer from CGI on 4 December 2023 to subscribe to the 2024 Glass Lewis Governance Hub and peer reports to assist Harvey Norman as a company with which CGI could work.	

14 Other Matters for Disclosure (continued)

Changes Made to the Remuneration Framework

To consider changes to the executive director remuneration for FY2024, the Board engaged an independent expert to assist the Board to undertake an independent review of the remuneration of executive directors. Following that independent review, the Board has taken the following action in respect of the vote against the 2023 Remuneration Report:

- Re-balanced STI award financial conditions and non-financial conditions to 50% each.
- Focused the non-financial conditions to strategic projects critical to long-term sustainable value.
- Placed a freeze on increases in fixed remuneration for executive directors regardless of inflation.
- Reduced the number of executive directors on the Board with the retirement of David Ackery during the year.
- Provided further explanation on non-executive fee components.

15 Loans to Key Management Personnel and their Related Parties

There were no loans granted to key management personnel and their related parties during the year ended 30 June 2024 (2023: nil). There were no loans outstanding from key management personnel and their related parties as at 30 June 2024 (2023: nil).

16 Other Transactions & Balances with Key Management Personnel and their Related Parties

	CONSOLIDATED	
	June 2024 \$	June 2023 \$
i. Lease of business premises from Ruzden Pty Limited		
The consolidated entity leases business premises at Bundall, Queensland from Ruzden Pty Limited. Mr G. Harvey, Ms K.L. Page, Mr M.J. Harvey and I.J. Norman Nominees Pty Limited (C.H. Brown) have an equity interest in Ruzden Pty Limited. The lease arrangements were approved by shareholders in the General Meeting held 25 May 1993, and in the General Meeting held 31 August 1999. The lease is subject to normal commercial terms and conditions. Lease payments and outgoings made by the consolidated entity to Ruzden Pty Limited were:	5,621,717	5,448,983
ii. Legal fees paid to a director-related entity		
Legal fees were paid to the firm of which Mr C.H. Brown is a partner for professional services rendered to the consolidated entity in the normal course of business.	3,643,808	3,255,548
iii. Other income derived by related entities of key management personnel		
Certain franchises are operated by entities owned or controlled by relatives of key management personnel under normal franchisee terms and conditions. Aggregated net income derived by entities owned or controlled by relatives of key management personnel were:	989,882	1,128,455
iv. Perth City West Complex		
Gerald Harvey has a 50% equity interest and a subsidiary of Harvey Norman Holdings Limited has a 50% equity interest in the Perth City West Property. The property was subject to a lease of part of the property in favour of a subsidiary of Harvey Norman Holdings Limited (the "P.C.W. Lessee"). Gerald Harvey is entitled to one-half of the lease payments and outgoings paid by the P.C.W. Lessee. The amount of lease payments and outgoings paid by the P.C.W. Lessee to Gerald Harvey and the subsidiary of Harvey Norman Holdings Limited for the year ended 30 June 2024 was \$1.00 million (2023: \$1.00 million). Each of the above transactions were executed under terms and conditions no more favourable than those which it is reasonable to expect would have applied if the transactions were at arm's length.		
v. Gepps Cross Home HQ		
GH Gepps Cross Pty Limited, an entity associated with Gerald Harvey ("GH Entity") and MJH Gepps Cross Pty Limited, an entity associated with Michael Harvey ("MJH Entity") and, M&S Gepps Cross Pty Limited, collectively have a 50% share as tenants in common of the Gepps Cross Property. A subsidiary of Harvey Norman Holdings Limited has the remaining 50% share of the property. A part of the property is leased to a subsidiary of Harvey Norman Holdings Limited on arm's length commercial terms ("G.C. Lessee"). The GH Entity is entitled to one-quarter of the lease payments and outgoings paid by the G.C. Lessee. The MJH Entity is entitled to one-eighth of the lease payments and outgoings paid by the G.C. Lessee. The application of AASB 16 <i>Leases</i> resulted in the recognition of a lease liability of \$16.35 million by the G.C. Lessee as at 30 June 2024 (2023: \$17.10 million). The amount of lease payments and outgoings paid by the G.C. Lessee for FY24 was \$4.29 million (FY23: \$4.16 million). Each of the above transactions were executed under terms and conditions no more favourable than those which it is reasonable to expect would have applied if the transactions were at arm's length.		

Sustainability Report

This sustainability report updates the position of Harvey Norman® Holdings Limited ACN 003 237 545 (**Company**) and each relevant controlled entity in relation to relevant sustainability matters.

The Company has recognised the need to put in place systems, processes and governance practices desirable or required to meet new proposed climate reporting requirements, including the proposed Australian Sustainability Reporting Standards (**Draft ASRS**). Until climate reporting requirements are settled and mandatory, the Company remains committed to reporting on relevant sustainability issues, in accordance with its sustainability governance and compliance risk management framework.

Sustainability Governance

The principal objective of the Company is to create long term sustainable value for shareholders (**Principal Objective**). Directors of the Company and each relevant controlled entity consider the interests of relevant community stakeholders when making decisions. Each of the Company and each relevant controlled entity has developed, and continues to improve, a corporate governance and risk and compliance management framework to achieve the Principal Objective and comply with obligations and commitments (**Sustainability Framework**). Elements of the Sustainability Framework include elements that are like, or informed by, elements of the Draft ASRS, or required by current regulatory obligations.

Sustainability has always been and remains a critical focus of the Board and management.

The Board is responsible for oversight of the Sustainability Framework. This responsibility includes oversight of the risk and compliance management framework of the Company, including controls relating to sustainability obligations and commitments.

The Sustainability Framework is designed to enable the effective identification and management of sustainability risks and opportunities.

A controlled entity of the Company has established an executive sustainability committee (**ESC**). Members of the ESC are employees of the controlled entity and include three executive directors. The ESC has responsibility for the development, implementation, and improvement of policies and procedures to enable the Company and each relevant controlled entity to comply with relevant sustainability obligations and commitments, in the course of business operations.

The ESC meets regularly to assess and review the operations and

performance of the Company and each relevant controlled entity in relation to relevant sustainability matters. The ESC reports to a committee of the Board of the Company in respect of compliance by the Company and relevant controlled entities with relevant sustainability obligations and commitments.

Sustainability Working Group

A sustainability working group (**SWG**) has been formed by the ESC in preparation for mandatory sustainability reporting in Australia, the European Union, and other relevant jurisdictions.

The ESC engaged qualified independent experts to inform decision making by the ESC in relation to measures required to be undertaken by the Company and each relevant controlled entity to enable compliance with the proposed mandatory reporting obligations under the Draft ASRS and other relevant obligations. The ESC has developed a sustainability action plan to be implemented by the relevant SWG in each relevant jurisdiction to ensure that the Company and each relevant controlled entity is well positioned to manage sustainability risks and opportunities and comply with new mandatory sustainability reporting obligations in Australia, the European Union and other relevant jurisdictions.

Sustainability Policy

The Company has adopted a sustainability policy to provide strategic direction to its business operations through a consideration of sustainability related risks and opportunities.

The sustainability policy of the Company and each relevant controlled entity is that decisions of the Company and each relevant controlled entity are intended to create long term sustainable value for shareholders, with consideration of the interests of relevant community stakeholders, informed by the statement of values of the Company as set out below.

Statement of Values

The values set out below inform and underpin everything that we do in our communities.

Integrity

We comply with the law and develop systems that make it easy for our colleagues to comply with the law. We act honestly, ethically and with integrity. We do not mislead or deceive people.

Humanity

We treat all people with respect. We are tolerant of differences in ethnicity, religion, gender, sexuality, physical and intellectual ability. We are patient when cultural misunderstandings arise. We are inclusive and collaborative. We recognize that sometimes genuine people make honest mistakes.

Authenticity

We are authentic. We stand up for the things we believe in. We deliver on our promises. We value honesty, candour and frankness. We will act fairly.

Optimism

We are optimistic. We are passionate about what we do. We search for opportunity and manage risk. We recognise that our environment is constantly evolving. We innovate with product and technology. We believe we can all keep learning – and learn from our failures as well as our successes.

Responsibility

We are part of a wider community. We aspire to make a positive impact within each community that we conduct business. We are committed to environmental responsibility and a sustainable future. We are proud that we can create jobs and opportunities for people in countries in which we operate.

Three Pillars of Sustainability

Subject to the oversight of the Executive Sustainability Committee, the Sustainability Framework informs activities across three pillars: People, Places and Products.

People

Members of the consolidated entity are proud to employ over 6,500 employees globally across a diverse range of industries and occupations. In addition, independent Harvey Norman®, Domayne® and Joyce Mayne® Franchisee businesses employ approximately 9,400 employees in each of their local communities.

Globally, each member of the consolidated entity seeks to provide their customers with an outstanding experience, delivered by engaged and well-trained employees who work in a safe, diverse and inclusive environment that is reflective of the communities in which they operate.



A Global Pipeline of Women Leaders

Women comprise **50%** of the Managing Directors of all global regions

Women comprise **40%** of Senior Executives across all global regions

Women comprise **44%** of Employees across all global regions

% of Women in local Regional Leadership positions



Diversity & Inclusion

Each controlled entity recognises and values the contribution of people from a range of diverse backgrounds. That is as much about cultural factors as it is about age, gender, life experience, socioeconomic background, perspectives, education, and ability.

Each relevant member of the consolidated entity globally provides opportunities to people of all backgrounds to join the business and contribute and grow across the range of roles and variety of industries in which they employ, across the variety of industries and occupations.

The consolidated entity has continued to maintain its gender balance across both the global employee teams and the global senior executive teams.

Globally, over 40% of Senior Executive roles in members of the consolidated entity are held by women, across a broad range of functional and line roles.

The consolidated entity continues its focus on actively supporting and building a diverse pipeline of future leaders and Senior Executive successors from the diverse talent pool of current employees.

David Ackery retired from his position as an Executive Director of HNHL during FY24, with no replacement appointed as at the end of FY24. The CEO, Kay Lesley Page, is an Executive Director of the Company, and is one of only 20 women CEO's in ASX200 companies. The breakdown of the HNHL Board and each member of the consolidated entity as a whole by gender as at the end of FY24 is below.

est. 30 June 24	Percentage		YoY Change	
	Men	Women	Men	Women
Chair	100%			
CEO		100%		
Board	78%	22%	-2%	2%
Senior Executives*	60%	40%	–	–
All Employees	56%	44%	1%	-1%

* The holder of a Senior Executive position has primary responsibility for the equivalent of a department, business unit, or key function.

Each member of the consolidated entity is committed to the creation of equal employment opportunities, and equal pay for equal work (**Pay Equity**), regardless of an individual's personal attributes, including gender. Each relevant member of the consolidated entity monitors equal opportunity and Pay Equity to ensure the consolidated entity meets this commitment.

Controlled entities in Australia and Ireland report publicly annually on the Gender Pay Gap (**GPG**) of the operations within their respective region. Australia reports GPG information to the Workplace Gender Equality Agency (**WGEA**) relating to 10 controlled entities within Australia that employ across a range of industries and occupations ranging from manufacturing, warehousing and logistics, retail, information technology, property and construction, and administration. This data does not include employees of independent Harvey Norman®, Domayne®, or Joyce Mayne® Franchisee businesses.

The Company internally monitors the GPG of controlled entities globally, and as at 30th June 2024 the median GPG was 6.5%*.

The median GPG of independent Harvey Norman®, Domayne®, or Joyce Mayne® Franchisee businesses in Australia, combined, as at 30th June 2024 was 4.8%.

* This differs from the GPG published by WGEA as the WGEA GPG does not include the overseas controlled entities.

Across the consolidated entity, there were a range of initiatives during FY24 aimed at educating and celebrating the range of abilities, cultures and backgrounds of our global workforce.

Our global headquarters, situated in Homebush West, saw the launch of the refreshed Diversity & Inclusion Framework and the FY24 Diversity & Inclusion Action Plan (DIAP) - the progress of which is shared with employees. As part of the DIAP, a number of initiatives were undertaken in Australia including:

- Celebrating cultural events including Lunar New Year, Diwali and Taste of Harmony on campus.
- Sharing awareness materials on the Intranet focusing on educating employees on the significance of Ramadan and NAIDOC week.
- Inviting employees and managers to attend a number of sessions focussed on awareness and inclusion of individuals with disabilities, hosted by WhatAbility.
- Investing in the partnership with Specialisterne, to build awareness of neurodiversity via management and employee sessions and review opportunities to improve inclusivity and employment for neurodiverse individuals.
- Partnering with WhatAbility and Paralympics Australia to create an eLearning module made available to employees of the consolidated entity and each Franchisee business, focused on engaging with people with disabilities.
- Engaging with Paralympics Australia on the creation of their Building Employer Confidence Framework which is designed to foster confidence among employers to hire, retain, and support talent individuals with disabilities.
- The Employee Diversity and Inclusion Policy of each controlled entity was reviewed and updated.
- Improvements to the collection of Diversity data were made to better inform and provide improved insights to the Executive Management Committee quarterly.
- Consultation and awareness initiative occurred with Managers on the Gender Pay Gap and Pay Equity.
- Continuation of Community Partnerships (see page 64).
- Reviewing of advertisement templates, in conjunction with external tools, to ensure they are inclusive and minimise bias.

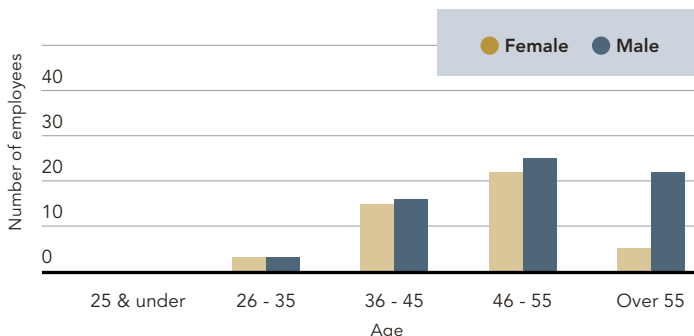
In New Zealand, staff celebrated Diwali, Matariki (Maori New Year) and Gumboot Friday, a campaign raising funds for mental health support services funding, particularly for youth.

In New Zealand, Harvey Norman® also supports the Paralympics New Zealand team, and together their teams have raised more than \$300,000 through silent auctions, staff fundraising and the sale of branded Paralympics New Zealand merchandise in stores.

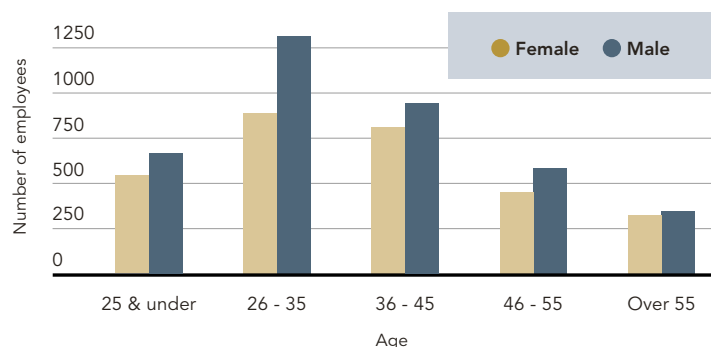
Parental Leave

	Female	Male
Parental leave takes by gender	109	29
Staff returned to work after parental leave	88	28
Retention rates after parental leave	81%	97%

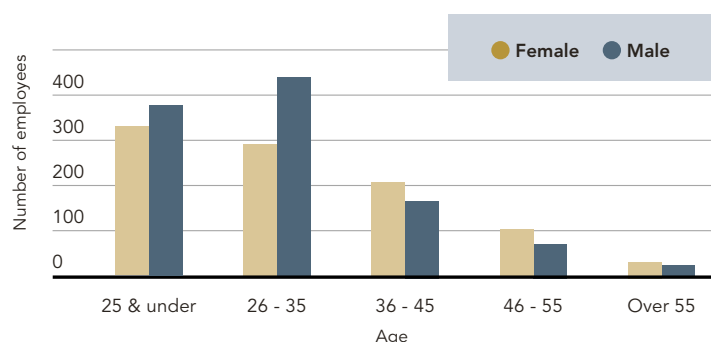
Gender & Age Balance - Senior Executives



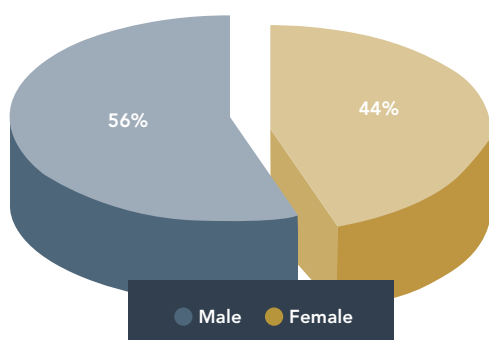
Gender & Age Balance - All Other Employees



Gender & Age Balance - New Hires



Gender Balance - All Employees



Staff Engagement

Each member of the consolidated entity recognises the value of an engaged workforce, including the benefits to productivity, attendance, retention, and achievement of team and company goals. In FY24, employees had the opportunity to participate in engagement activities focussing on training, future opportunities within the business, thoughts on culture and their working environment, and progress on sustainability matters.

Key initiatives and progress in FY24 include:

- The Republic of Ireland controlled entity was certified by Great Place to Work as one of Ireland's Best Workplaces in 2024, based on the results of the Great Place to Work survey.
- Employee feedback and consultation mechanisms were improved in a number of regions, via enhancements to checkpoints at various stages of the employee lifecycle.
- Improvements to proactive succession planning steps in relation to the future Store Manager talent pool

We collect feedback from our staff throughout their employment, including through the Life @ Work survey. Feedback collected from staff is reviewed regularly and informs our future people strategies.

We are continuing to embed our community partnerships into our people initiatives for FY25 and beyond, including the planned launch of our Olympic and Paralympics Calendar which is designed to promote the games through a number of activities both online and at our Global Headquarters.

Training and Development

Each controlled entity offers a range of training opportunities to employees across a range of areas. Training undertaken is mainly role specific (particularly in customer facing roles), with all employees being required to undertake training in WHS and various compliance related topics. The amount of time allocated to training activities varies by role type. There are a range of development programs in place.

The focus applied by each member of the consolidated entity on developing and bringing people through is evident in our internal successor appointment rate for our Senior Executive positions, of 60% in FY24.

Health and Safety

In FY24, each member of the consolidated entity has continued to mature in its approach to Health and Safety.

Each controlled entity globally has adopted the Health and Safety Framework and established a Work Health and Safety (WHS) Management Committee, which is responsible for creating and implementing a Health and Safety Action Plan (HSAP) in its business. These committees meet quarterly to review progress and submit reporting relating to their HSAP progress and any significant incidents or hazards that may have occurred in their business. This process has demonstrated a good level of buy-in by each relevant controlled entity of the Health and Safety framework and sets up each region and business unit well for future improvements.

Although there are some inconsistencies in the local compliance requirements between countries, the Health and Safety Framework takes a high watermark approach and has each global region managing their HSAP's and reporting based on the Regions where WHS is most mature in terms of regulatory requirements – that being Australia and New Zealand. Consequently, controlled entities in other regions align to their practices at a level above their peers in their local Region, which seeks to lead to better health and safety outcomes for their employees.

The implementation of a single global software solution for WHS is planned for FY25. Once implemented, the software will be a major consolidation point of data from the various surveys and information collection exercises that currently exist. In the future, this will provide a 'single source of truth' solution that will enhance the insights and real time visibility into health and safety performance at all levels of the consolidated entity.

From FY25, the refreshed approach to Health and Safety will be reflected in new internal campaigns and communications, under the branding "Safe + Healthy". This updated messaging for Health and Safety internally seeks to promote and initiate action orientated behaviours that focus on being safe and healthy at work.

Data Protection and Privacy

FY24 saw the continuation of the Global Security Improvement Program, requiring each controlled entity in each Region to revise

their approach to data management and storage practices and implement improvements lowering their data management risk profile.

Part of this program is the ongoing maintenance of the security controls inherent in our business storage practices. Targeted systems security updates are regularly performed and completed in line with planning.

The comprehensive cyber security strategy includes threat protection systems, regular security audits and employee training programs, to ensure that our defences are resilient to external attack.

Harvey Norman® websites of controlled entities are continually threatened by external attack. The measures in place to protect those websites against interruption work well and as a result, Harvey Norman® has seen minimal disruption to online activity in FY24.

Our ongoing conservative approach to managing the privacy of customers and staff is designed to maintain a low risk tolerance for privacy risk and this has worked well for core systems, with no data breaches recorded in FY24 of systems operated by members of the consolidated entity.

Community Engagement and Sponsorship

The Company and several members of the consolidated entity have invested in the following sponsorships throughout FY24 to further strengthen the engagement with local communities to continue to enhance and promote the Harvey Norman® brand.



The Harvey Norman® Young Women's Leadership Academy

Led by the CEO of Harvey Norman® Holdings Limited, Katie Page, Western Sydney University has launched a first-of-its-kind 10-year development program with the philanthropic donation of \$7.9 million from Harvey Norman®. Focusing on learning and mentorship opportunities for young women in the community, the establishment of The Harvey Norman® Young Women's Leadership Academy, piloted through Auburn Girls High School, a newly-created academy led by our CEO, is supporting the next generation of aspiring female leaders. The Harvey Norman® Young Women's Leadership Academy, to be delivered by Western Sydney University and Auburn Girls High School, provides higher education opportunities to future female professionals and will include learning, development and mentorship opportunities for young women, parent and community engagement, and a research component to analyse the program's impact.

Katie Page with The Harvey Norman® Young Women's Leadership Academy



Minerva Network

Harvey Norman® has recently joined forces with Minerva Network as an official partner to support and elevate women athletes to be successful on and off the field as our future leaders.

Harvey Norman® has been investing and advocating for Australian women's sport for over 20 years – originally with the NRL, the AFL, motorsport, Para-sport, and more recently, surfing and basketball.

The Minerva Network facilitates connections, unlocks opportunities and provides personal and professional development to support over 800 professional sportswomen representing 76 sports at every stage of their career.

Minerva mentors are leading professional women at the top of their field, who mentor Minerva athletes on the challenges of developing a professional career on and off the field.

Minerva's mission is to open minds to professional sportswomen's challenges on and off the field, and to open doors through the united powers of business and sport.

Good360 Australia

Harvey Norman® continues to support Good360 providing furniture for Australians in need, helping provide goods for rehoused communities and families seeking refuge, assisting with the furniture needs in domestic violence centers and residents affected by natural disasters. During FY24, \$871,523 worth of goods were donated, supporting over 24 communities.

Alison Covington AM – Founder & Managing Director of Good360 Australia says "We can always count on Harvey Norman® when times are challenging, and Australia has been through many challenging times since we started our partnership in 2019. They have helped when the floods were first happening, and they continue to stand with communities as they rebuild. We are thankful for a partner who understands that communities need businesses to continue to be there in their local communities through all these challenging times bringing hope and dignity when it matters most"

Harvey Norman® proudly supported the inaugural EveryOne Day where every \$1 donated to Good360 sees \$20 of brand-new goods delivered to an Australian in need. Harvey Norman® pledged and donated \$250,216 which connected approximately \$5M worth of goods to people in need, improving the lives of over 50,000 people in Australia and saving 100 tonnes of product from waste. The national campaign to support EveryOne Day also helped to drive awareness of the cause and contribute to the overarching success of the October 2023 campaign.



What Ability

What Ability

Harvey Norman® is proud to sponsor What Ability, an NDIS registered disability support service that exists to bring happiness to people living with a disability. What Ability supports ages 5 to 65 with community-based day programs and overnight camps across the country.

What Ability provides 1:1 support in New South Wales, Queensland, Western Australia and Victoria, utilising support workers across the country, some of which are semi professional and professional athletes.

Harvey Norman® continues to support What Ability and pave the way for an inclusive world, supporting initiatives in the disability sector through camps, experiences, What Ability Days, product support and corporate days out.

Representatives from the Corporate Office participated in a 'Day in the Life' with What Ability, gaining insights into the role of a support worker and seeing first-hand the positive impact on their participants. Reflecting on the day, Treasury & Tax Manager Evan Panopoulos said "It was a pleasure to participate in the day. A very enriching experience meeting such great kids and the dedicated What Ability staff. The happiness and pride gained by the participants is priceless."



Women in Sport

Harvey Norman® is one of the largest corporate sponsors of Australian women's sport with support that spans over a dozen sports, teams, clubs and individual athletes, from the juniors through to the elite levels. This sponsorship portfolio is complemented by an extensive investment in broadcast sponsorships aimed at expanding the audience and fan base of women's sports.

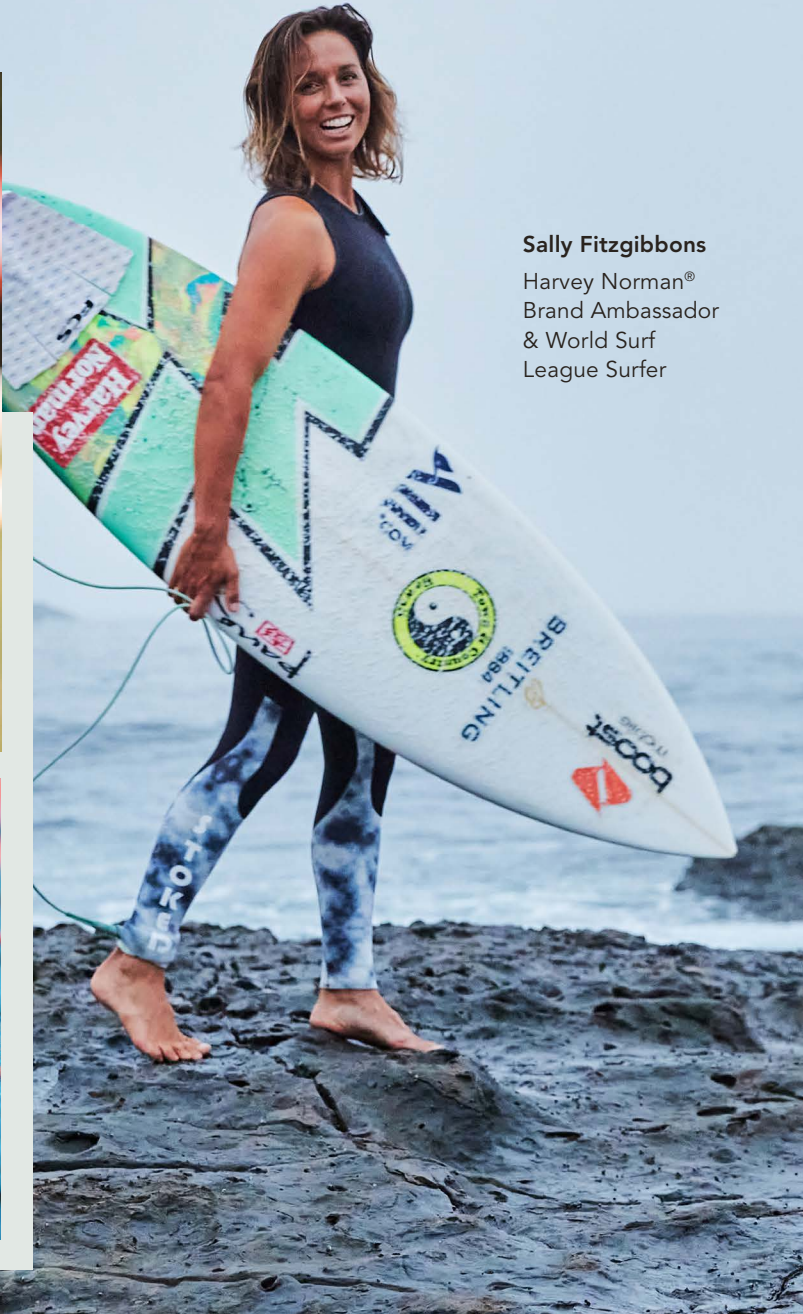
During FY24, the NRL Women's State of Origin increased to a three-game series and the NRLW announced 2 new teams will be added to the premiership from 2025, with a total of 12 teams. Harvey Norman® celebrated the 18th Women in League Round, highlighting how far the women's game has come and the pathways and opportunities now available to female players. Also, through our sponsorship of the Sydney Flames women's basketball team, the Future Flames program was launched bridging the gap between grassroots to professional in women's basketball.

Harvey Norman® continues to support our Australian teams and Ambassadors representing Australia at the Paris 2024 Games through our sponsorship of the Australian Olympic Committee and Paralympics Australia. Harvey Norman® continues to support Para sport programs in local communities, driving awareness through education modules and amplifying story-telling and content of our Australian athletes across various platforms.

Ariarne Titmus

Harvey Norman® Brand Ambassador & Olympic Gold Medalist






Harvey Norman®

TEAM PARTNER



Australian Olympic Committee (AOC) & Paralympics Australia

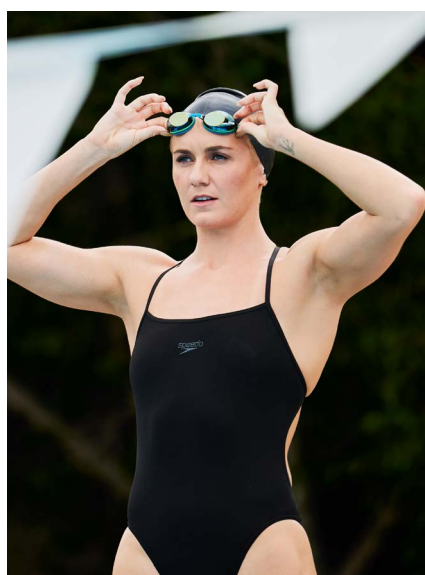
Paris 2024 marks the first year of Olympic competition since Harvey Norman® broadened its relationship to sponsor both the Australian Paralympic and Olympic Teams.

The ongoing connection with Paralympics Australia, which pre-dates the Rio 2016 Paralympics and expanded in 2019, offers support and encouragement to current and aspiring Paralympians as they train hard, striving for the ultimate honour to represent their country in Paris where we are sure they will achieve great success.

The significance of the sponsorship of Paralympics Australia extends far beyond the realm of sport. By championing women in sport and advocating for equity in sponsorship, Harvey Norman® sets a powerful example for corporate social responsibility.

Through the sponsorship of the AOC, Harvey Norman® continues to support and foster the development, growth, and success of both emerging and seasoned athletes, with that support having already extended across the Gangwon 2024 Winter Youth Olympics and Paris 2024 Olympic Games.

Team Australia returned home from Paris as the most successful Australian Olympic Team to date, having finished fourth in the world with 53 medals, including 18 gold. The team consisted of over 460 athletes, competing across 33 sports, including Harvey Norman ambassadors - Jeff Dunne, the first male to represent Australia in Breaking at only 16 years old, and Ariarne Titmus who dominated in the pool to claim two gold and two silver medals. Early 2024 also saw Australia select its largest ever Winter Youth Olympic Games Team with the 47-strong team achieving two silvers and a bronze medal in Gangwon.



Ariarne Titmus

Harvey Norman® is proud to continue to support Australian swim champion Ariarne Titmus from her journey to Tokyo 2020, her world record breaking performances at multiple National events to her Gold Medal Success in Paris.

Since her Olympic debut, Ariarne has achieved Gold Medalist status in multiple events with the success continuing, claiming gold in both the 400m and 800m at the 2023 World Championship Trials and the Australian Swimming Championships. Her 400m freestyle win was feted by media as the 'race of the century' with a new world record secured before going on to shatter another world record in the women's 200m freestyle at the Australian Swimming Trials 2024 at the Brisbane Aquatic Centre in June. Ariarne made no secret of her intentions to continue this success in Paris and her hard work paid off as she achieved gold in the women's 400m freestyle and women's 4 x 200m freestyle and silver in the women's 200m freestyle and women's 800m freestyle.

Outside of the pool, Ariarne has established herself as a skilled media performer and swimming commentator after co-presenting the 2022 World Swimming Short Course event for Channel 9. A keen foodie with a passion for the culinary arts, Ariarne is also a fan of other sports, especially AFL & tennis.

Sydney Kings and Sydney Flames Sponsorship – Future Flames Program

Harvey Norman® launched new sponsorships with the Sydney Kings and Sydney Flames for the 23/24 NBL and WNBL Seasons. Both teams broke attendance records as crowds rushed to support basketball in Greater Western Sydney and the quality of the game shone as players from the Kings and Flames were selected for national representative teams.

2023 also saw the first Sydney Flames Regional Tour, aiming to grow the game and promote Women's basketball around the Hunter Region. The tour included a stop at the Harvey Norman® Bennetts Green franchised complex in Newcastle for a fan signing session, fan activity, giveaways, and a chance for young fans to meet their idols. The Sydney Flames also held basketball clinics at local Newcastle schools including Charlestown South Public School and Wallsend South Public School.

Future Flames

Harvey Norman® launched the **Harvey Norman® Future Flames Program** with the objective of elevating women's basketball, fostering community engagement and expanding pathways through training, education, employment, and mentorship. Established to support promising female basketball players make the leap from grassroots to professional, by bridging the 'gap' between Basketball NSW programs and the Sydney Flames, the program focuses on identifying, nurturing and empowering promising female basketball players, specifically in the under 18 to under 20s age group.



GIANTS – AFL and AFLW Football programs

Harvey Norman® continues to be a proud partner of the GIANTS women's and men's football programs, fostering further engagement with the key demographic of Greater Western Sydney. With shared values, the sponsorship of the GIANTS enables Harvey Norman® to extend its reach on a more personal level through community and grassroots clubs to create meaningful relationships between Western Sydney and our brand.

This year, Harvey Norman® was the presenting partner of the GIANTS' AFL opening round, a new initiative created by the AFL to elevate the sport in NSW and QLD.

With our 'Train Like a GIANT' theme for the season, Harvey Norman® assists in the promotion of healthy habits and makes fitness fun for the wider community. To foster pathways for grassroots athletes into elite opportunities, Harvey Norman® provides opportunities for fans to train with the GIANTS, meet with the club dietitian and receive tips and tricks from GIANTS coaches.



NRL All Stars

Harvey Norman® has been the proud naming rights sponsor of the NRL All Stars since its inception in 2010. In 2024, The NRL Harvey Norman® All Stars match returned to Townsville, QLD. In the week leading up to the match the Harvey Norman® Townsville store hosted all 80 players from all four teams, the Men's and Women's All Stars, Indigenous and Maori sides. The afternoon began with an Indigenous and Māori Cultural performance which created a powerful atmosphere and a great start to the event. Over 500 fans from the local community were able to get up close and personal with their favourite players while having their team photos signed as well as the opportunity to have their photo taken with the official trophies.

The community engagement and sponsorship activities of the Company and relevant controlled entities are detailed in full on the website. www.harveynormanholdings.com.au



Places

The efficient operation, presentation and performance of the Company and each controlled entity across the globe is central to our integrated retail, franchise, property and digital system. Our customer-centric strategy requires the delivery and presentation of dynamic, immersive and engaging retail spaces across 196 franchised complexes throughout Australia and 117 company-operated stores in 7 countries overseas.

The Places in which the Harvey Norman® brand operates is paramount to our success and therefore the ongoing upkeep, maintenance and performance of those sites, inclusive of the ongoing premium refit program, is integral to meeting our sustainability objectives. The warehouses supporting each retail site also play an important role in minimising any adverse environmental impact. Initiatives including waste takeback and other recycling programs and the efficient planning of delivery schedules assist in minimising their environmental footprint.



With changing weather patterns and challenges in maintaining the resilience of these properties, the consolidated entity factors in an increasing number of risks and mitigations for each site. Each retail site has a responsibility to minimise the environmental impact of their operations, whether that is through energy efficient operations or managing waste streams generated at the site, through to engagement with suppliers regarding products that are available to be sold.

The staff at each franchised complex and overseas company-operated store also play an important role as they provide consumers with an increasing number of options in terms of managing their end-of-life products as well as maximising their own waste diversion from landfill.

To assist the consolidated entity to obtain advice and provide influence in areas relevant to the Places pillar, relevant controlled entities and/or franchisee businesses are members of the following organisations and associations to support the commitment to environmental and social responsibility:

- Energy Users Association of Australia
- National Retailers Association
- Australian Bedding Stewardship Council
- Consumer Electronics Association

Waste and Circular Economy

Globally, relevant members of the consolidated entity have continued to work with suppliers and recycling / product stewardship schemes to provide consumers with simple solutions to recycle their old products and to divert waste from landfill. Each region has reported the successful diversion of a portion of their waste streams from landfill and the operation of product stewardships schemes.

The initiatives and results for the 2024 financial year for each region are as follows:

New Zealand	New Zealand sites have achieved a 26% waste diversion from landfill, with recycling streams including cardboard, soft plastics, polystyrene, comingled recycling and organics. A method bin trial has been underway throughout the year at selected sites, with the aim of increasing the landfill diversion percentages.
Singapore	Singapore sites have achieved a 36% diversion of waste from landfill, with wood, plastics and paper/cardboard being the most prolific recycling streams. Participation in the E-waste Extended Producer Responsibility scheme has continued and has extended to retrieving end-of-life products from customers' homes when new appliances are delivered and sending them onto the recycling programs.
Malaysia	Malaysian sites have maintained a diversion from landfill rate of 45%, continuing to count cardboard, plastic and polystyrene as the most represented recycled products.
Ireland and Northern Ireland	Ireland sites have diverted 47% of its waste from landfill, with the most frequently recycled materials being cardboard packaging, polystyrene, paper, wood and soft plastics. The Irish business continued its participation in the Waste Electrical and Electronic Equipment (WEEE) scheme, collecting more than 1.6 Tonnes of electrical waste this year. Company-operated stores in Ireland have continued their participation in the Bounce Back Recycling of mattresses, with one in every three mattresses sold in Ireland recycled under than program.
Croatia	Sites in Croatia have diverted more than 80% of their waste from landfill. Company-operated stores in Croatia collect and recycle items such as paper, cardboard, wood, damaged goods and construction waste. Municipal waste collections in Croatia cater for other waste streams such as e-waste and plastics.
Slovenia	Company-operated stores in Slovenia have maintained their participation in the national program which includes recycling products such as electrical and electronic equipment, batteries and product packaging.
Australia	<p>In Australia, non-franchised retail operations divert, on average, approximately 16% of their waste from landfill. One such non-franchised retail operation has implemented a program to reverse its previous landfill diversion percentage of 36%, seeking to make it 64% of their waste stream by 2025. This includes working with suppliers to review their approach to packaging of products, to make packaging reusable, recyclable and made from recycled materials.</p> <p>From April 2024, another non-franchised retail operation has been working with Textile Recyclers Australia (TRA) to have pre & post-consumer apparel products recycled. All pre-consumer apparel stock that is not saleable will be sent to TRA for destruction and will be recycled. All post-consumer apparel stock collected from stores will be shipped to TRA for offshore processing and recycling into new fibres. This will mean 100% of apparel waste will be diverted from landfill and recycled. We estimate 2-3 pallets or approx. 500kg of waste will be recycled each year.</p>

In Australia, independent franchisee businesses have continued to provide their customers with a range of recycling options throughout FY24.

Franchisee participation in the Computer and Television Product Stewardship program has seen more than 400 tonnes of e-waste recycled through franchised complexes (to mid-May 2024), with nearly 46,000m3 of polystyrene also collected and recycled.

Franchisees have maintained a landfill diversion rate (by weight) of 42% in FY24, with cardboard making up the majority of that recycling.

Selected franchisee businesses offer their customers recycling for whitegoods, mattresses and some timber-based products. Reporting on these streams is limited as franchisees often use smaller businesses closer to their operational location. Where reporting is available, bedding franchisees again successfully diverted 165 tonnes of steel, 37 tonnes of foam and 27 tonnes of timber, recovered from mattresses that would otherwise have gone into landfill.

Over the coming years, franchisee businesses may be required to participate in more circular-economy schemes as governments at all levels seek to ban various goods from landfills. The Western Australian Government's Waste Avoidance and Resource Recovery (e-waste) Regulations 2024 is one example of those obligations. These regulations may require franchisees to monitor product movements and provide mandatory reporting to government agencies.

Climate Change Impact and Resilience

As owners of a large freehold property portfolio in Australia and in overseas regions, and as lessees of a significant global

leasehold property portfolio, relevant controlled entities continue to regularly undertake and update their risk assessments in respect of the operational and property risks that climate change may represent in certain locations. We regularly review our business continuity procedures to ensure we are prepared for any material business disruption that may arise at our retail sites.

The World Economic Forum has identified extreme weather events amongst their top 3 climate change risks in 2024 (www.weforum.org/agenda/2024/01/climate-risks-are-finally-front-and-centre-of-the-global-consciousness). Relevant controlled entities continue to enhance the preparedness of the freehold and leasehold property portfolios to respond to extreme weather events. Our response to recent weather events has shown that franchisee businesses and overseas company-operated stores have been able to return to trade quickly after enduring severe weather events.

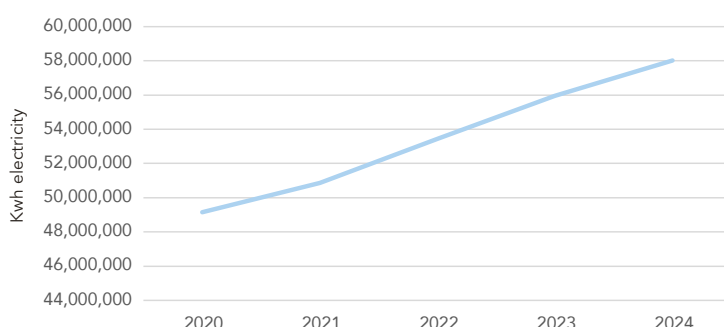
The Company and each relevant controlled entity are committed to the ongoing revisions to the retail site location selection process and the fit-out strategy to minimise business disruption from future extreme weather events. We continue to undertake scenario planning and analysis to identify and mitigate flooding, cyclone and bushfire climate change risk.

Our climate change risk assessments also consider the impact of product and supply-chain risks. The diverse and geographically dispersed nature of our integrated retail, franchise, property and digital system provides us some insulation from the material financial impacts of climate change. However, each relevant controlled entity continues to monitor the evolving nature of climate change and its impact on the global economy.

Risk Description and Impact	Category of Risk	Treatment/Mitigation Plan and Actions
Regulatory Change - Climate Change Risk Description: Regulatory changes resulting in increased reporting and emissions reduction requirements, posing a risk of non-compliance.	Compliance	Current Control Continuing to map current and emerging regulatory changes for each jurisdiction in which Harvey Norman® operates. Reviewing and enhancing the sustainability framework to ensure compliance with regulatory obligations. We have either formed or are forming Working Groups on a regional basis to ensure business readiness for reporting under the Australian and European mandatory reporting schemes within the next two years.
Shifting market sentiment - Climate Change Risk Description: In the transition to a low carbon economy, consumer and investor sentiment shifts towards more ethical and sustainable products, resulting in potential reputational risks for the brand should Harvey Norman® fail to respond to market signals.	Environment	Current Control Strengthening relationships with suppliers that have increased their focus on product lines with greater energy efficiency and use of recycled and recyclable materials in their construction. Considering climate change resilience as an active part of our long-term strategy, planning and supply-chain discussions. Enhance brand awareness and customer support by participating in recycling schemes and programs to efficiently and sustainably dispose of old goods and supporting suppliers with their Extended Producer Responsibilities. Creating disaster recovery and business continuity response and contingency plans.

Property risks - Climate Change Risk Description: Increased frequency and severity of acute climate impacts, such as storms, floods and bushfires, resulting in increased risk of damage to the consolidated entity's freehold and leasehold property portfolio and/or unavailability of insurance / rising cost of insurance premiums.	Environment	Current Control Continuing to perform and update risk assessments across the global freehold and leasehold property portfolio. Performing likelihood and consequence assessments of climate change hazards for future property investments. Conducting regional climate change risk modelling across our global property portfolio and implement appropriate climate change risk mitigation strategies. Continuing to develop environmental and social risk policies for the Property function. Continuing to monitor insurance availability.
Supply Chain risks - Climate Change Risk Description: In the transition to a low carbon economy, the costs of items and materials from suppliers may significantly increase, resulting in reduced availability of goods and increased costs passed through from suppliers.	Environment	Current Control Monitoring of unexpected or significant price increases from suppliers. Market trend analysis of sectors most exposed to transition and physical climate risks. Suppliers making their own arrangements to mitigate this risk.
Impacts to business operations - Climate Change Risk Description: Physical acute climate impacts such as storms, floods, bushfires, earthquakes and tsunamis may disrupt trade and logistics from suppliers to Harvey Norman® franchised complexes and company-operated stores.	Environment	Current Control Continuing to develop the asset management program, including the strategic positioning of suppliers to Harvey Norman® franchised complexes and company-operated stores. Awareness raising and climate capability exercises. Continuing to monitor insurance availability.
Carbon Management Risk Description: Risks relating to carbon reduction efforts across the value chain, including interruptions and/or increased costs within the supply chain, increased operational costs utilised for energy efficiency improvements, and carbon-related liability from imposed mandates or regulations.	Environment	Current Control Continuing to assess and utilise existing asset management processes to reduce carbon footprint (for example: installing solar technologies, energy efficiency improvements).

Consumption of Electricity - Company Owned Operations



Energy Usage and Emissions

The Company and each relevant controlled entity have tracked its Scope 1 and 2 emissions over the past five years. Relevant controlled entities are continuing to enhance their information capturing programs across their Scope 1 and Scope 2 emission sources to develop robust systems and processes to ensure the completeness of data sets and facilitate the effective review and audit of the data collected.

The graph to the left demonstrates energy usage trends for overseas company-operated stores over the past five years. During this timeframe, energy consumption has risen by 18%, which can be mainly attributed to new store openings.

Overseas, only the company-operated stores in Slovenia have had a comprehensive solar program in place. The Slovenian business has demonstrated a reduction in consumption of 12.5% from the installation of solar arrays on their sites. There has also been changes in the electrification of some display stands in stores, which has added electrical load to store consumption, to better demonstrate electrical and computer products.

Ambient Lighting

Ambient lighting accounts for approximately 30% of electricity consumption in a typical Harvey Norman® franchised complex or company-operated store.

As disclosed in FY23, a global review of the approach to lighting placement and technology commenced, with a view to standardising the grid for better lighting efficacy, light colour and life span, compliant with the Building Code of Australia (BCA) standard.

This global ambient lighting review was finalised during FY24 and the recommendations and implementation of the new designs, including new LED lighting fixtures, have commenced. The rollout of the recommendations and new designs will be completed in line with the planned store upgrade program, including the premium refit program of the consolidated entity. It is intended that these LED installations will have a positive impact on energy consumption by drawing less power than the fluorescent tubes they replace and by generating less heat, thereby placing less strain on the air conditioning system at the site (typically responsible for around half of all consumption at a complex or store).

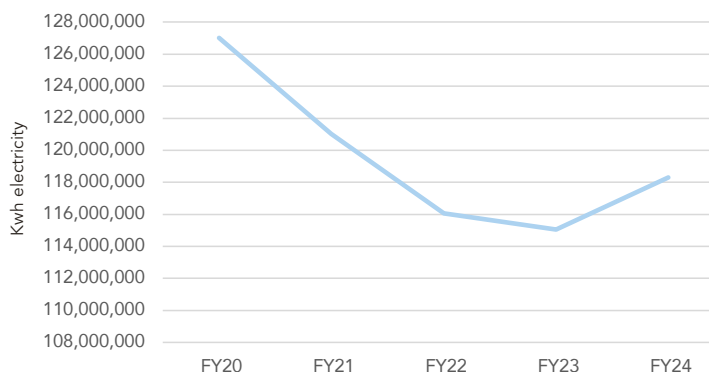
Energy usage – Australian Franchisee Businesses and Other External Tenancies

As a large-format retail property owner of nearly 100 franchised complexes throughout Australia, the consolidated entity has made

a range of investments in better energy efficiency at these owned sites, as has been reported over the past few years.

Over the past five years, energy usage at franchised complexes located at owned sites are as follows:

Energy Usage at Owned Retail Sites in Australia



The decline in usage is 7% from FY20 to FY24 across all owned retail sites in Australia.

Electric Vehicle Charging at the Global Headquarters located at Homebush West, Australia

With the popularity of electric vehicles rising in Australia, two electric vehicle chargers have been installed at the global headquarters of the Company located at Homebush West in Sydney's western suburbs.

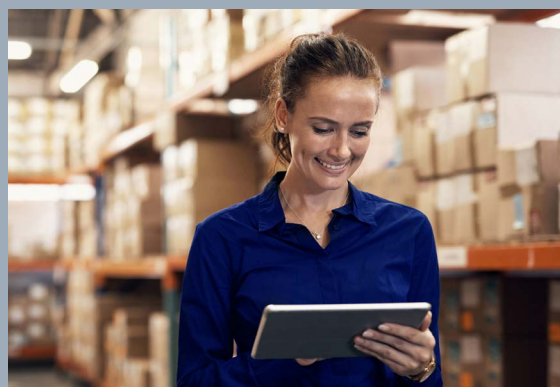
Drivers of electric vehicles can plug in and recharge their batteries while at work. The chargers have proven to be very popular, with the charging bays hosting an array of electric vehicles, from Teslas to BYD's and Volvos.



Products

High quality and safe products, sourced from ethical supply-chains, is fundamental to the success of the Harvey Norman® brands.

Consumer sentiment continues to drive product innovation by suppliers in relation to sustainability outcomes - in particular, packaging and supply-chain waste, safety, and human rights considerations.



Engagement with Suppliers on Product Sustainability / Safety

Throughout FY24, Harvey Norman® franchisee businesses and company-operated stores have been presented with a range of new products that actively called out their circular-economy credentials. In particular, electronics products from major international brands are being produced with a greater emphasis on circular economy strategies, including being made with recycled materials and being designed for recyclability. Some of the major suppliers to franchisees and overseas company-operated stores are members of the Circular Electronics Partnership (CEP). CEP provides the electronics industry and its stakeholders with 40 clear actions across six pathways that follow the product lifecycle, aiming to overcome barriers to the transition to circular economy outcomes in that industry.

Trade in programs instigated by major tech brands have risen in popularity, as these manufacturers pursue an extended producer responsibility initiative. Our company-operated stores in Singapore have participated in trade in programs with both Apple and Samsung for their mobile phone products and with Samsung, Sony and TPV for televisions. The New Zealand business has worked with Nespresso to collect and return coffee capsules to Nespresso for recycling.

Furniture and bedding products offered for sale by company-operated stores in New Zealand and Australian franchised complexes are subject to an external quality assurance program that includes an assessment of the compliance of the product with mandatory safety standards and sourcing of timbers against the Forestry Stewardship Council standards. Some suppliers continue to include recycled textiles as part of their product offering and these claims are also tested by the quality assurance process.

Packaging / Supply-Chain Waste

There has been a significant change over the past 12 months regarding the approach to packaging by major suppliers. Packaging regulations across the globe (for example, the European Union's Packaging Directive) and the responsibility placed on the producers of packaging, which eventually becomes waste, has driven changes in design and materials used. Recent trends have demonstrated the declining reliance on polystyrene

for product protection in favour of moulded cardboard packaging. Single use plastics are also disappearing from the packaging of products and packaging that can be repurposed is now more common across product lines.

Packaging from Samsung's Lifestyle TV's that can be repurposed into other usable products for consumers (source: <https://mothership.sg/2020/12/samsungs-cardboard-packaging/>)

Most Harvey Norman® franchised complexes and company-operated stores operate with recycling facilities for packaging associated with products. Suppliers continue to make changes to their own product packaging, targeting the removal of plastics and expanded polystyrene from product packaging.

Sourcing activities for packaging products are guided in the Pacific region by the Sustainable Packaging Guidelines published by the Australian Packaging Covenant. Under these guidelines, Australian franchised complexes and company-operated stores in New Zealand undertake annual reviews of the packaging offered to their consumers in-store or online. A relevant controlled entity reports publicly under the Australian Packaging Covenant and progress over time may be viewed in these reports.

Franchisees and company-operated stores will also continue to work closely with suppliers and manufacturers as product safety regulations continue to evolve.

Human Rights

Integral to the Statement of Values of the consolidated entity is our commitment to act with integrity and behave responsibly. A controlled entity operates a central program to comply with reporting requirements under the Modern Slavery laws in Australia. This program enables each controlled entity to undertake its own due diligence activities with their suppliers.

Franchisee businesses and relevant controlled entities acknowledge the threat of human rights issues in their supply chains, and continue to conduct due diligence activities and seek to have contractual obligations regarding the identification and remediation of modern slavery issues in extended supply chains. Suppliers are generally very cooperative with these requests and there have been no reported instances of modern slavery within the supply chains of suppliers during FY24.



Packaging from Samsung's Lifestyle TV's that can be repurposed into other usable products

Auditor Independence and Non-Audit Services

During the year, the auditors of Harvey Norman Holdings Limited, Ernst & Young, provided non-audit services to the consolidated entity. In accordance with the recommendation from the Audit & Risk Committee of the Company, the directors are satisfied that the provision of the non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Also, in accordance with the recommendation from the Audit & Risk Committee, the directors are satisfied that the nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Details of the amounts paid or payable to the auditor, Ernst & Young, for the provision of non-audit services during the year ended 30 June 2024 are outlined in Note 29. Remuneration of Auditors of this annual report.

The directors received the following declaration from the auditor of Harvey Norman Holdings Limited.



Ernst & Young
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Sydney NSW 2000 Australia
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Auditor's Independence Declaration to the Directors of Harvey Norman Holdings Limited

As lead auditor for the audit of the financial report of Harvey Norman Holdings Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Harvey Norman Holdings Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

[Signature]

James Karekinian
Partner
Sydney
30 August 2024

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Signed in accordance with a resolution of the directors.

[Signature]

G. HARVEY
Chairman
Sydney
30 August 2024

[Signature]

K.L. PAGE
Director and Chief Executive Officer
Sydney
30 August 2024

Independent auditor's report to the members of Harvey Norman Holdings Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Harvey Norman Holdings Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material significant accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Valuation of Freehold Investment Properties and Owner-Occupied Properties

Why significant	How our audit addressed the key audit matter
<p>Freehold investment properties and owner-occupied properties (collectively, "properties") are valued at \$3,650.6 million and \$581.0 million respectively, and represent 53% of the Group's total assets of \$7,927.9 million as at 30 June 2024.</p> <p>Investment properties are carried at fair value with changes in fair value recognised in the income statement. Note 14 to the financial report discloses the basis upon which fair value has been determined.</p> <p>Owner-occupied properties, represented as Land and Buildings are carried at fair value, with fair value increments / decrements above cost recognised in equity and increments / decrements lower than cost recognised in the profit and loss. Note 12 to the financial report discloses the basis upon which fair value has been determined.</p> <p>Fair value is assessed by the Directors with reference to external independent property valuations, internal valuations or management review and are based on market conditions existing at the reporting date.</p> <p>Valuation of investment properties and owner-occupied properties was considered a key audit matter given:</p> <ul style="list-style-type: none"> ▶ the value of the properties relative to total assets of the Group; ▶ the extent of judgement exercised by both independent valuation specialists and the Directors in determining fair value; and ▶ by their nature, the use of Directors' valuations. 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Assessed the Group's accounting policies with respect to investment properties and owner-occupied properties for compliance with the requirements of Australian Accounting Standards. ▶ Assessed the work of those responsible for the internal valuations and the work of the independent valuation specialists, upon which the Directors' valuations are based, by assessing their qualifications, competence and objectivity. ▶ For a sample of properties subject to external independent property valuations, internal valuations or management review we: <ul style="list-style-type: none"> ○ Assessed the reasonableness of key assumptions used in these valuations with reference to external market evidence; ○ Engaged our real estate valuation specialists to assist with the assessment of the valuation assumptions and methodologies used; ○ Tested the mathematical accuracy of both internal and external valuations; ○ Assessed the accuracy of tenancy schedules which are used as source data in the property valuations to signed lease documents. ▶ Evaluated the suitability of the valuation methodology across the portfolio based on the type of asset. ▶ Assessed the adequacy of disclosures included in Note 1, Note 12 and Note 14 to the financial report.

2. Recoverability of Receivables from Franchisees

Why significant	How our audit addressed the key audit matter
<p>At 30 June 2024 the value of receivables due from franchisees was \$812.3 million representing 10% of the Group's total assets.</p> <p>Note 7 to the financial report discloses the nature of the balances receivable from franchisees and outlines the accounting policy in relation to receivables from franchisees.</p> <p>The recoverability of receivables from franchisees was considered a key audit matter given the value of the balance and the judgements exercised by the Group in making their recoverability assessment.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Evaluated the Group's assessment of the recoverability of receivables from franchisees. ▶ Performed a range of scenario analysis based on assumptions applied by management in determining the recoverability of receivables from franchisees. ▶ For a sample of franchisee receivables, we obtained confirmation from the franchisees acknowledging the amounts owing to the Group at year end. ▶ Reviewed a sample of General Security Deeds between the franchisees and the Group which provides the Group with security over the assets of franchisees, consisting mainly of franchisee inventory. ▶ Evaluated the value of assets provided as security by the franchisees against the franchisee receivable balances. ▶ Enquired of management and assessed any evidence arising post year end of adverse performance of the franchisees, which could impact the recoverability of receivables from franchisees. ▶ Assessed the adequacy of the disclosures included in Note 7 to the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 Annual Report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and;
- b. The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 33 to 58 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Harvey Norman Holdings Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.



Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

The Ernst & Young logo is written in a cursive, handwritten style.

Ernst & Young

A handwritten signature in dark ink, appearing to read 'James Karekinian'.

James Karekinian
Partner
Sydney
30 August 2024

Directors' Declaration

In accordance with a resolution of the directors of Harvey Norman Holdings Limited, we state that:

In the opinion of the directors:

- a. the financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the Company and its subsidiaries (collectively the consolidated entity) are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards and the Corporations Regulations 2001; and
- b. the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
- c. there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable; and
- d. the Consolidated Entity Disclosure Statement required by section 295(3A) of the Corporations Act 2001 is true and correct.

This declaration has been made after receiving the declarations required to be made to the directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

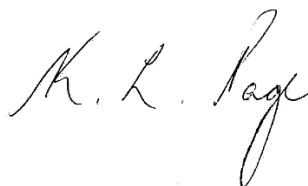
In the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 36. Deed of Cross Guarantee will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board.



G. HARVEY
Chairman

Sydney
30 August 2024



K.L. PAGE
Director and Chief Executive Officer

Sydney
30 August 2024

Annual Report

30 June 2024

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Statement of Financial Position As at 30 June 2024

	Note	CONSOLIDATED	
		June 2024 \$000	June 2023 \$000
Current assets			
– Cash and cash equivalents	26(a)	273,472	218,750
– Trade and other receivables	7	941,448	993,130
– Other financial assets	8	2,809	3,845
– Inventories	9	558,127	545,658
– Other assets	10	59,847	68,654
– Intangible assets	11	686	600
Total current assets		1,836,389	1,830,637
Non-current assets			
– Trade and other receivables	7	82,245	87,527
– Investments accounted for using the equity method	27	2,946	1,904
– Other financial assets	8	77,785	62,642
– Property, plant and equipment	12	946,355	892,005
– Property, plant and equipment: Right-of-use assets	13	511,928	546,019
– Investment properties: Freehold	14	3,650,611	3,483,593
– Investment properties: Leasehold Right-of-use assets	15	744,639	705,034
– Intangible assets	11	74,057	57,387
– Deferred tax assets	5	912	5,083
Total non-current assets		6,091,478	5,841,194
Total Assets		7,927,867	7,671,831
Current liabilities			
– Trade and other payables	16	378,709	352,716
– Interest-bearing loans and borrowings	17	84,334	67,103
– Lease liabilities	19	152,228	151,043
– Income tax payable		24,658	9,497
– Other liabilities	20	118,705	121,000
– Provisions	21	37,605	37,304
Total current liabilities		796,239	738,663
Non-current liabilities			
– Interest-bearing loans and borrowings	17	860,251	783,258
– Lease liabilities	19	1,182,822	1,177,765
– Provisions	21	10,680	9,173
– Deferred tax liabilities	5	539,341	495,458
– Other liabilities	20	1,604	1,025
Total non-current liabilities		2,594,698	2,466,679
Total Liabilities		3,390,937	3,205,342
Net Assets		4,536,930	4,466,489
Equity			
– Contributed equity	22	717,925	717,925
– Reserves	25	290,524	298,900
– Retained profits	23	3,492,755	3,414,424
Parent entity interests		4,501,204	4,431,249
– Non-controlling interests	24	35,726	35,240
Total Equity		4,536,930	4,466,489

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

	Note	CONSOLIDATED	
		June 2024 \$000	June 2023 \$000
Sales of products to customers	3	2,803,358	2,776,070
Cost of sales		(1,931,016)	(1,884,104)
Gross profit		872,342	891,966
– Revenues received from franchisees	3	1,079,515	1,171,143
– Revenues and other income items	3	227,121	327,988
– Distribution expenses		(63,942)	(58,367)
– Marketing expenses		(393,840)	(395,613)
– Occupancy expenses	4,13,15	(292,753)	(298,317)
– Administrative expenses	4	(676,012)	(671,687)
– Other expenses		(112,348)	(109,224)
– Finance costs	4,19	(110,982)	(91,656)
– Share of net profit of joint venture entities	27	12,587	9,849
Profit before income tax		541,688	776,082
– Income tax expense	5	(184,060)	(229,239)
Profit after tax		357,628	546,843
Attributable to:			
– Owners of the parent		352,453	539,520
– Non-controlling interests		5,175	7,323
		357,628	546,843
Earnings per share			
– Basic earnings per share (cents per share)	6	28.29 cents	43.30 cents
– Diluted earnings per share (cents per share)	6	28.23 cents	43.23 cents
Dividends per share (cents per share)	23	22.0 cents	25.0 cents

The above Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income For the year ended 30 June 2024

	Note	CONSOLIDATED	
		June 2024 \$000	June 2023 \$000
Profit for the year		357,628	546,843
Items that may be reclassified subsequently to profit or loss:			
– Foreign currency translation		(6,693)	30,831
– Net movement on cash flow hedges		(963)	3,684
– Income tax effect on net movement on cash flow hedges		289	(1,105)
Items that will not be reclassified subsequently to profit or loss:			
– Fair value revaluation of land and buildings		5,090	(23,933)
– Income tax effect on fair value revaluation of land and buildings		(2,407)	6,011
– Net fair value losses on financial assets at fair value through other comprehensive income		(1,153)	(5,740)
Other comprehensive income for the year (net of tax)		(5,837)	9,748
Total comprehensive income for the year (net of tax)		351,791	556,591
Total comprehensive income attributable to:			
– Owners of the parent		345,605	548,836
– Non-controlling interests		6,186	7,755
		351,791	556,591

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED \$000	Attributable to equity holders of the parent									Total
	Contributed equity	Retained profits	Asset revaluation reserve	Foreign currency reserve	FVOCI reserve	Cash flow hedge reserve	Employee equity benefits reserve	Acquisition reserve	Non - controlling interests	
At 1 July 2023	717,925	3,414,424	227,635	57,862	14,750	2,592	12,335	(16,274)	35,240	4,466,489
Revaluation of land and buildings	-	-	1,476	-	-	-	-	-	1,207	2,683
Currency translation differences	-	-	-	(6,497)	-	-	-	-	(196)	(6,693)
Reverse expired or realised cash flow hedge reserves	-	-	-	-	-	37	-	-	-	37
Fair value of forward foreign exchange contracts	-	-	-	-	-	(35)	-	-	-	(35)
Fair value of interest rate swap contract	-	-	-	-	-	(676)	-	-	-	(676)
Fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(1,153)	-	-	-	-	(1,153)
Other comprehensive income	-	-	1,476	(6,497)	(1,153)	(674)	-	-	1,011	(5,837)
Profit for the year	-	352,453	-	-	-	-	-	-	5,175	357,628
Total comprehensive income for the year	-	352,453	1,476	(6,497)	(1,153)	(674)	-	-	6,186	351,791
Cost of share based payments	-	-	-	-	-	-	698	-	-	698
Utilisation of employee equity benefits reserve	-	-	-	-	-	-	(2,226)	-	-	(2,226)
Dividends paid	-	(274,122)	-	-	-	-	-	-	(5,700)	(279,822)
At 30 June 2024	717,925	3,492,755	229,111	51,365	13,597	1,918	10,807	(16,274)	35,726	4,536,930

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Changes in Equity For the year ended 30 June 2024 (continued)

CONSOLIDATED \$000	Attributable to equity holders of the parent									
	Contributed equity	Retained profits	Asset revaluation reserve	Foreign currency reserve	FVOCI reserve	Cash flow hedge reserve	Employee equity benefits reserve	Acquisition reserve	Non - controlling interests	Total
At 1 July 2022	717,925	3,254,936	245,448	27,572	20,490	13	10,921	(16,274)	33,093	4,294,124
Revaluation of land and buildings	-	-	(17,813)	-	-	-	-	-	(109)	(17,922)
Currency translation differences	-	-	-	30,290	-	-	-	-	541	30,831
Reverse expired or realised cash flow hedge reserves	-	-	-	-	-	(13)	-	-	-	(13)
Fair value of forward foreign exchange contracts	-	-	-	-	-	(37)	-	-	-	(37)
Fair value of interest rate swap contract	-	-	-	-	-	2,629	-	-	-	2,629
Fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(5,740)	-	-	-	-	(5,740)
Other comprehensive income	-	-	(17,813)	30,290	(5,740)	2,579	-	-	432	9,748
Profit for the year	-	539,520	-	-	-	-	-	-	7,323	546,843
Total comprehensive income for the year	-	539,520	(17,813)	30,290	(5,740)	2,579	-	-	7,755	556,591
Cost of share based payments	-	-	-	-	-	-	3,701	-	-	3,701
Utilisation of employee equity benefits reserve	-	-	-	-	-	-	(2,287)	-	-	(2,287)
Dividends paid	-	(380,032)	-	-	-	-	-	-	(5,608)	(385,640)
At 30 June 2023	717,925	3,414,424	227,635	57,862	14,750	2,592	12,335	(16,274)	35,240	4,466,489

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

		CONSOLIDATED	
		June 2024 \$000	June 2023 \$000
	Note		
Operating activities	Cash flows from operating activities		
	Net receipts from franchisees	1,097,446	1,209,709
	Receipts from customers	3,007,658	2,969,812
	Payments to suppliers and employees	(3,158,607)	(3,127,122)
	Distributions received from joint ventures	12,148	9,782
	GST paid	(63,472)	(75,877)
	Interest received	18,786	15,626
	Interest and other costs of finance paid	(52,776)	(41,767)
	Interest paid on lease liabilities	(58,087)	(50,294)
	Income taxes paid	(119,501)	(232,705)
	Dividends received	2,936	3,093
Net cash flows from operating activities		686,531	680,257
		26(b)	
Investing activities	Cash Flows from investing activities		
	Payments for purchases of property, plant and equipment and intangible assets	(192,158)	(187,660)
	Payments for purchase and refurbishments of freehold investment properties	(131,199)	(137,798)
	Proceeds from sale of property, plant and equipment	3,556	10,112
	Payments for purchase of units in unit trusts and other investments	(200)	(5,147)
	Payments for purchase of equity accounted investments	(1,300)	(1,281)
	Payments for purchase of listed securities	(10,946)	(24)
	Proceeds from sale of listed securities	898	-
	Proceeds from sale of other investments	-	2,500
	Proceeds from insurance claims	2,568	8,456
	Loans repaid from / (granted to) joint venture entities, joint venture partners, related and unrelated entities	27,597	(22,642)
Net cash flows used in investing activities		(301,184)	(333,484)
Financing activities	Cash flows from financing activities		
	Lease payments (principal component)	(150,728)	(147,537)
	Proceeds from syndicated facility	85,000	150,000
	Dividends paid	(274,122)	(380,032)
	Proceeds from / (repayments of) other borrowings	5,603	(1,506)
	Net cash flows used in financing activities	(334,247)	(379,075)
	Net increase / (decrease) in cash and cash equivalents	51,100	(32,302)
Cash and cash equivalents at beginning of the year		202,056	234,358
Cash and cash equivalents at end of the year		253,156	202,056
		26(a)	

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

01 Statement of Material Accounting Policies

(a) Corporate Information

Harvey Norman Holdings Limited (the "Company") is a for profit company limited by shares incorporated in Australia and operating in Australia, New Zealand, Ireland, Northern Ireland, Singapore, Malaysia, Slovenia and Croatia whose shares are publicly traded on the Australian Securities Exchange ("ASX") trading under the ASX code HVN.

(b) Basis of Preparation

The financial report has been prepared on a historical cost basis, except for freehold investment properties, leasehold investment properties: right-of-use assets, land and buildings, derivative financial instruments and equity financial assets, which have been measured at fair value. Certain comparative amounts have been re-presented to align with the presentation in the current year. The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated under the option available to the Company under Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

The consolidated financial statements of the Company and its subsidiaries (the "consolidated entity") for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 30 August 2024.

(c) Statement of Compliance

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report complies with Australian Accounting Standards, as issued by the Australian Accounting Standards Board, and International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the consolidated entity for the annual reporting period ended 30 June 2024. For details on the impact of future accounting standards, refer to page 92.

(d) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Harvey Norman Holdings Limited and its controlled entities. Control is achieved when the consolidated entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the consolidated entity controls an investee if and only if the consolidated entity has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the consolidated entity has less than a majority of the voting or similar rights of an investee, the consolidated entity considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The consolidated entity's voting rights and potential voting rights

The consolidated entity assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the consolidated entity obtains control over the subsidiary and ceases when the consolidated entity loses control of the subsidiary.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered. Financial statements of foreign controlled entities presented in accordance with overseas accounting principles are, for consolidation purposes, adjusted to comply with the consolidated entity's policy and generally accepted accounting principles in Australia.

Non-controlling interests are allocated their share of net profit after tax in the income statement and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the Parent. Losses are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary (without a change in control) is to be accounted for as an equity transaction.

(e) Summary of Material Accounting Policies

i. Changes in accounting policy, disclosures, standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year ended 30 June 2023, except for the adoption of new standards mandatory for annual periods beginning on or after 1 July 2023. The consolidated entity has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

01 Statement of Material Accounting Policies (continued)

(e) Summary of Material Accounting Policies (continued)

ii. Significant accounting judgements and estimates

In applying the consolidated entity's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the consolidated entity. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements and estimates made by management in the preparation of these financial statements are outlined below:

- **Assessment of AASB 10 Consolidated Financial Statements in respect of Harvey Norman®, Domayne® and Joyce Mayne® Franchisees in Australia**

In determining whether the consolidated entity has control over an entity (investee) and should or should not consolidate the results of the investee, the consolidated entity assesses its exposure to / rights to variable returns from its involvement with the investee and whether it has the ability to affect those returns through its power over the investee.

The assessment of whether Harvey Norman Holdings Limited (HNHL), or any subsidiary of HNHL, as franchisor, should consolidate or not consolidate the results of a franchisee or business operations of that franchisee, is determined by whether the franchisor has control over the franchisee. The assessment of whether a franchisor controls a franchisee or the business operations of that franchisee, involves significant judgement in assessing whether the franchisor has sufficient power through its rights under arrangements with franchisees and through the practical application of those arrangements, to direct the relevant activities of the franchisee that most significantly affect the returns (profits or losses) of the franchisee.

At least on an annual basis, the directors of HNHL assess the requirements of control in accordance with AASB 10 Consolidated Financial Statements. During the 2024 financial year, after considering both the legal arrangements in place between the consolidated entity and Harvey Norman®, Domayne® and Joyce Mayne® franchisees and the practical application of those arrangements, the directors have continued to conclude that HNHL, or any subsidiary of HNHL, does not control the business operations of franchisees. In particular, HNHL, or any subsidiary of HNHL, does not have any existing rights that give the consolidated entity the current ability to direct the relevant activities that most significantly affect the returns of the franchisee. The ability to direct the relevant activities that most significantly affect the returns of the franchisee, rest with the franchisee.

HNHL, or any subsidiary of HNHL, does not have any voting rights or legal ownership or any equity interest in any franchisee business. Each franchise business is operated by a separate legal entity which is independent of HNHL, or any subsidiary of HNHL. The franchisee has the authority and decision-making responsibility over the day-to-day operation and administration of the franchisee business. The franchisee has the substantive right to control the decisions regarding sales and pricing, inventory purchasing and inventory management, staff management (hiring, termination, staff numbers, remuneration, appointment of management) and employment of personnel including key management.

The above assessment has resulted in the conclusion that the assets, liabilities and the results of franchisees in Australia are not consolidated by the consolidated entity because the consolidated entity does not control the business operations of Harvey Norman®, Domayne® and Joyce Mayne® franchisees.

- **Impairment of Non-Financial Assets**

The consolidated entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the consolidated entity estimates the asset's recoverable amount. The recoverable amount of an asset or cash generating unit (CGU) is the higher of that asset or CGU's fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the CGU to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An assessment is made at each reporting date to determine whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the consolidated entity estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

- **Recovery of Deferred Tax Assets** – refer to Note 5. Income Tax
- **Expected Credit Loss Assessment for Financial Assets** – refer to Note 7. Trade and Other Receivables
- **Valuation of Freehold Owner-Occupied Properties** – refer to note 12. Property, Plant and Equipment
- **Valuation of Freehold Investment Properties** – refer to Note 14. Investment Properties (Freehold)
- **Valuation of Investment Properties (Leasehold): Right-of-Use Assets** – refer to Note 15. Investment Properties (Leasehold): Right-of-Use Assets
- **Determining the Incremental Borrowing Rate and Lease Term** – refer to Note 19. Lease Liabilities
- **Provision for Lease Make Good** – refer to Note 21. Provisions
- **Measurement of the Cost of Equity – Settled Transactions** – refer to Note 25. Reserves

01 Statement of Material Accounting Policies (continued)

(e) Summary of Material Accounting Policies (continued)

iii. Taxes

Refer to Note 5. Income Tax for accounting policy on current income tax and deferred tax.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the GST incurred on a sale or purchase of assets and services is not payable or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or expense item or as part of the cost of acquisition of the asset as applicable; and
- when receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from operating, investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows.

iv. Foreign Currency Translation

The consolidated entity's financial statements are presented in Australian dollars. Transactions in foreign currencies are initially recorded in the functional currency at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing at balance date. Differences arising on settlement or translation of monetary items are recognised in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(f) Future Accounting Standards

Impacts on application of amendments to AASB 112 Income Taxes International Reform – Pillar Two model rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy. The Australian Federal Government announced as part of the 2023 Federal Budget that it would adopt the Pillar Two rules, including a 15% global minimum tax and a 15% domestic minimum tax to apply for years commencing on or after 1 January 2024.

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions the consolidated entity operates. The legislation will be effective for the consolidated entity from 1 July 2024. The consolidated entity is in scope of the enacted or substantively enacted legislation and has performed an assessment to determine the estimated impact of applying Pillar Two Income Taxes in FY25. Based on this assessment, the consolidated entity does not expect a material impact from the application of Pillar Two income taxes.

In the current year, the consolidated entity has applied the AASB amendment to AASB 112 *Income Taxes* which provides a mandatory temporary exception from recognising or disclosing deferred taxes related to Pillar Two.

AASB 18 Presentation and Disclosures in Financial Statements

In June 2024, the AASB issued a new standard AASB 18 Presentation and Disclosure in Financial Statements, which will be effective for the consolidated entity from 1 July 2027 and is required to be applied retrospectively. AASB 18 will replace AASB 101 Presentation of Financial Statements. The standard aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. The consolidated entity continues to assess the impact of adopting AASB 18.

Other Future Australian Accounting Standards

The table below lists the Australian Accounting Standards which have recently been issued or amended but not yet effective and have not been adopted by the consolidated entity for the year ended 30 June 2024. The consolidated entity does not expect a material impact on the application of the below standards.

Reference	New Standard	Effective Date	Application Date
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 January 2024	1 July 2024
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025	1 July 2025

02 Operating Segments

2024 Segment Revenue	CONSOLIDATED (\$'000)		
Operating segment 30 June 2024	Sales of products to customers	Revenues received from franchisees and other income items	Total revenue by segment
Franchising operations		971,232	971,232
– New Zealand (retail)	952,685	29,270	981,955
– Singapore & Malaysia (retail)	707,724	20,247	727,971
– Slovenia & Croatia (retail)	215,443	4,487	219,930
– Ireland & Northern Ireland (retail)	693,418	8,464	701,882
– Other non-franchised retail	242,385	5,097	247,482
Total retail	2,811,655	67,565	2,879,220
– Retail property	-	327,532	327,532
– Retail property under construction	-	-	-
Total property	-	327,532	327,532
Equity investments	-	9,023	9,023
Other	1,533	19,223	20,756
Intercompany eliminations	(9,830)	(87,939)	(97,769)
Total segment revenue	2,803,358	1,306,636	4,109,994

2023 Segment Revenue	CONSOLIDATED (\$'000)		
Operating segment 30 June 2023	Sales of products to customers	Revenues received from franchisees and other income items	Total revenue by segment
Franchising operations	-	1,065,673	1,065,673
– New Zealand (retail)	1,005,109	31,364	1,036,473
– Singapore & Malaysia (retail)	682,415	17,578	699,993
– Slovenia & Croatia (retail)	201,518	3,681	205,199
– Ireland & Northern Ireland (retail)	650,967	8,011	658,978
– Other non-franchised retail	246,877	2,228	249,105
Total retail	2,786,886	62,862	2,849,748
– Retail property	-	423,076	423,076
– Retail property under construction	-	49	49
Total property	-	423,125	423,125
Equity investments	-	6,761	6,761
Other	3,119	18,936	22,055
Intercompany eliminations	(13,935)	(78,226)	(92,161)
Total segment revenue	2,776,070	1,499,131	4,275,201

02 Operating Segments (continued)

2024 Result	CONSOLIDATED (\$'000)					
Operating segment 30 June 2024	Segment result before interest, tax, depreciation & amortisation	Interest expense	Depreciation expense (excl ROU Assets)	Depreciation & fair value remeasurement of ROU Assets	Impairment & amortisation expense	Segment result before Tax
Franchising operations	440,978	(44,811)	(28,136)	(79,871)	(14,600)	273,560
– New Zealand (retail)	97,719	(4,726)	(12,434)	(12,201)	(376)	67,982
– Singapore & Malaysia (retail)	87,995	(7,110)	(9,638)	(35,523)	(61)	35,663
– Slovenia & Croatia (retail)	12,769	(2,823)	(3,426)	(3,495)	(207)	2,818
– Ireland & Northern Ireland (retail)	47,976	(10,680)	(8,528)	(16,188)	(501)	12,079
– Non-franchised retail	(7,744)	(3,344)	(2,307)	(1,748)	(3,080)	(18,223)
Total retail	238,715	(28,683)	(36,333)	(69,155)	(4,225)	100,319
– Retail property	205,630	(32,943)	(7,691)	-	-	164,996
– Retail property under construction	(2,489)	(1,733)	-	-	-	(4,222)
– Property development for resale	(94)	(117)	-	-	-	(211)
Total property	203,047	(34,793)	(7,691)	-	-	160,563
Equity investments	8,869	(481)	-	-	-	8,388
Other	6,863	(2,428)	(5,577)	-	-	(1,142)
Intercompany eliminations	(214)	214	-	-	-	-
Total segment result before tax	898,258	(110,982)	(77,737)	(149,026)	(18,825)	541,688

2023 Result	CONSOLIDATED (\$'000)					
Operating segment 30 June 2023	Segment result before interest, tax, depreciation & amortisation	Interest expense	Depreciation expense (excl ROU Assets)	Depreciation & fair value remeasurement of ROU assets	Impairment & amortisation expense	Segment result before Tax
Franchising operations	561,355	(37,555)	(27,332)	(105,122)	(17,986)	373,360
– New Zealand (retail)	105,718	(4,401)	(8,801)	(11,575)	(247)	80,694
– Singapore & Malaysia (retail)	88,858	(6,274)	(7,999)	(34,473)	(47)	40,065
– Slovenia & Croatia (retail)	14,987	(1,473)	(2,776)	(2,976)	(130)	7,632
– Ireland & Northern Ireland (retail)	44,589	(9,937)	(7,870)	(15,800)	(318)	10,664
– Non-franchised retail	(2,454)	(3,085)	(2,298)	(1,718)	(556)	(10,111)
Total retail	251,698	(25,170)	(29,744)	(66,542)	(1,298)	128,944
– Retail property	309,382	(25,577)	(10,128)	-	-	273,677
– Retail property under construction	(888)	(944)	-	-	-	(1,832)
– Property development for resale	(92)	(91)	-	-	-	(183)
Total property	308,402	(26,612)	(10,128)	-	-	271,662
Equity investments	6,649	(258)	-	-	-	6,391
Other	2,799	(2,255)	(4,819)	-	-	(4,275)
Intercompany eliminations	(194)	194	-	-	-	-
Total segment result before tax	1,130,709	(91,656)	(72,023)	(171,664)	(19,284)	776,082

02 Operating Segments (continued)

2024 Assets & Liabilities	CONSOLIDATED (\$'000)					
Operating segment 30 June 2024	Segment assets	Intercompany eliminations	Segment assets after eliminations	Segment liabilities	Intercompany eliminations	Segment liabilities after eliminations
Franchising operations	4,601,356	(2,566,171)	2,035,185	1,168,585	(24,674)	1,143,911
– New Zealand (retail)	375,492	-	375,492	225,050	(38)	225,012
– Singapore & Malaysia (retail)	519,037	-	519,037	336,916	(48,959)	287,957
– Slovenia & Croatia (retail)	108,554	-	108,554	106,037	(3,524)	102,513
– Ireland & Northern Ireland (retail)	297,400	-	297,400	284,249	(642)	283,607
– Non-franchised retail	208,394	(42,637)	165,757	333,388	(214,606)	118,782
Total retail	1,508,877	(42,637)	1,466,240	1,285,640	(267,769)	1,017,871
– Retail property	4,032,990	(21,746)	4,011,244	2,620,331	(2,022,049)	598,282
– Retail property under construction	210,817	-	210,817	244,049	(231,944)	12,105
– Property development for resale	12,500	-	12,500	4,296	(2,194)	2,102
Total property	4,256,307	(21,746)	4,234,561	2,868,676	(2,256,187)	612,489
Equity investments	69,256	-	69,256	8,519	-	8,519
Other	176,620	(54,907)	121,713	180,979	(136,831)	44,148
Total	10,612,416	(2,685,461)	7,926,955*	5,512,399	(2,685,461)	2,826,938*

2023 Assets & Liabilities	CONSOLIDATED (\$'000)					
Operating segment 30 June 2023	Segment assets	Intercompany eliminations	Segment assets after eliminations	Segment liabilities	Intercompany eliminations	Segment liabilities after eliminations
Franchising operations	4,527,445	(2,563,703)	1,963,742	1,140,622	(55,703)	1,084,919
– New Zealand (retail)	354,949	-	354,949	223,638	(4,878)	218,760
– Singapore & Malaysia (retail)	525,595	-	525,595	336,205	(38,433)	297,772
– Slovenia & Croatia (retail)	103,922	(2,256)	101,666	88,405	(2,491)	85,914
– Ireland & Northern Ireland (retail)	311,667	-	311,667	317,529	(3,579)	313,950
– Non-franchised retail	197,134	(45,430)	151,704	302,673	(203,082)	99,591
Total retail	1,493,267	(47,686)	1,445,581	1,268,450	(252,463)	1,015,987
– Retail property	3,972,622	(15,620)	3,957,002	2,541,367	(2,010,223)	531,144
– Retail property under construction	86,833	-	86,833	146,916	(134,765)	12,151
– Property development for resale	12,500	-	12,500	4,139	(2,190)	1,949
Total property	4,071,955	(15,620)	4,056,335	2,692,422	(2,147,178)	545,244
Equity investments	54,312	-	54,312	5,377	-	5,377
Other	204,980	(58,202)	146,778	278,727	(229,867)	48,860
Total	10,351,959	(2,685,211)	7,666,748*	5,385,598	(2,685,211)	2,700,387*

* Segment assets for FY24 and FY23 are exclusive of deferred tax assets. Segment liabilities for FY24 and FY23 are exclusive of income tax payable and deferred tax liabilities.

02 Operating Segments (continued)

The consolidated entity operates predominantly in eleven (11) operating segments:

Operating segment	Description of segment
Franchising operations	Consists of the franchisor operations of the consolidated entity, but does not include the results, assets, liabilities or operations of any Harvey Norman®, Domayne® and Joyce Mayne® franchisees. This segment includes any Brand Licence Fees charged by a subsidiary of Harvey Norman Holdings Limited for access to, and use of, the Harvey Norman®, Domayne® and Joyce Mayne® brand names.
New Zealand (retail)	Consists of the wholly-owned operations of the consolidated entity in the retail trading operations in New Zealand under the Harvey Norman® brand name.
Singapore & Malaysia (retail)	Consists of the controlling interest of the consolidated entity in the retail trading operations in Singapore and Malaysia under the Harvey Norman® and Space Furniture® brand names.
Slovenia & Croatia (retail)	Consists of the wholly-owned operations of the consolidated entity in the retail trading operations in Slovenia and Croatia under the Harvey Norman® brand name.
Ireland & Northern Ireland (retail)	Consists of the wholly-owned operations of the consolidated entity in the retail trading operations in Ireland and Northern Ireland under the Harvey Norman® brand name.
Other non-franchised retail	Consists of the retail and wholesale trading operations in Australia which are wholly-owned or controlled by the consolidated entity, and does not include the operations of any Harvey Norman®, Domayne® and Joyce Mayne® franchisees.
Retail property	Consists of freehold land and buildings that are owned by the consolidated entity for each site that are fully operational or are ready for operations. The revenue and results of this segment consists of rental income, outgoings recovered and the net property revaluation increments and/or decrements recognised in the Income Statement. This segment includes the mining camp accommodation joint ventures.
Retail property under construction	Consists of freehold sites that are currently undergoing construction at balance date intended for retail leasing. It also includes vacant land that has been purchased for the purposes of generating future investment income.
Property developments for resale	Consists of freehold land and buildings acquired by the consolidated entity, to be developed, or currently under development, for the sole purpose of resale at a profit.
Equity investments	This segment refers to the investment in, and trading of, equity investments.
Other	This segment primarily relates to credit facilities provided to related and unrelated parties and other unallocated income and expense items.



MATERIAL ACCOUNTING POLICIES

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers—being the executive management team. The consolidated entity aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services;
- Nature of the production processes;
- Type or class of customer for the products and services;
- Methods used to distribute the products or provide the services; and, if applicable
- Nature of the regulatory environment

Operating segments that meet the quantitative criteria as prescribed by AASB 8 *Operating Segments* are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category as "other segments".

03 Revenues

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Revenue from contracts with customers and franchisees:		
– Sales of products to customers (a)	2,803,358	2,776,070
– Services to customers (c)	38,986	36,471
– Franchise fees in accordance with franchise agreements (b)	755,693	860,695
Total revenue from contracts with customers and franchisees	3,598,037	3,673,236
Other revenue from franchisees:		
– Rent and outgoings received from franchisees	295,399	283,581
– Interest to implement and administer the financial accommodation facilities	28,423	26,867
Total other revenue received from franchisees (b)	323,822	310,448
Gross revenue from other unrelated parties:		
– Rent and outgoings received from external tenants	126,634	117,378
– Interest received from financial institutions and other parties	18,786	15,626
– Dividends received	2,895	3,095
Total other revenue received from unrelated parties (c)	148,315	136,099
Other income items:		
– Net property revaluation increment on Australian freehold investment properties	7,091	120,197
– Property revaluation decrement for overseas controlled entities	(4,841)	(1,447)
– Net revaluation increment of equity investments to fair value	6,129	3,666
– Other income	31,441	33,002
Total other income items (c)	39,820	155,418
Disclosed in the income statement as follows:		
(a) Sale of products to customers	2,803,358	2,776,070
(b) Revenue received from franchisees	1,079,515	1,171,143
(c) Revenue and other income items	227,121	327,988



MATERIAL ACCOUNTING POLICIES

Revenue from Franchisees

The application of AASB 15 *Revenue from Contracts with Customers* to franchise agreements with franchisees requires the consolidated entity to recognise revenue from franchisees based on the amount it expects to receive in exchange for the provision of franchising operations' activities to franchisees, pursuant to a franchise agreement.

Sale of goods

The customer obtains control over the product upon delivery and revenue is therefore recognised at the point in time the product is delivered or handed over to the customer. Revenue is measured based on the consideration expected to be received, net of trade rebates and discounts paid.

Revenue from services

The consolidated entity provides repair services, installation services and delivery services to customers. These services are sold either in their own contracts with the customers or bundled together with the sale of products. The consolidated entity recognises revenue when the service is rendered. For bundled packages, the consolidated entity accounts for individual products and services separately, if they are distinct.

03 Revenues (continued)

Operating segment 30 June 2024	TYPES OF CONTRACTS \$000			
	Sale of products to customers	Services to customers	Franchisee fees from franchisees	Total revenue from contracts with customers & franchisees
Franchising operations	-	-	755,693	755,693
– New Zealand (retail)	952,685	16,210	-	968,895
– Singapore & Malaysia (retail)	707,724	9,105	-	716,829
– Slovenia & Croatia (retail)	215,443	3,752	-	219,195
– Ireland & Northern Ireland (retail)	693,418	9,331	-	702,749
– Other non-franchised retail	242,385	588	-	242,973
Total retail	2,811,655	38,986	-	2,850,641
– Retail property	-	-	-	-
Total property	-	-	-	-
Equity investments	-	-	-	-
Other	1,533	-	-	1,533
Intercompany eliminations	(9,830)	-	-	(9,830)
Total	2,803,358	38,986	755,693	3,598,037

Operating segment 30 June 2023	TYPES OF CONTRACTS \$000			
	Sale of products to customers	Services to customers	Franchisee fees from franchisees	Total revenue from contracts with customers & franchisees
Franchising operations	-	-	860,695	860,695
– New Zealand (retail)	1,005,109	15,821	-	1,020,930
– Singapore & Malaysia (retail)	682,415	8,083	-	690,498
– Slovenia & Croatia (retail)	201,518	3,229	-	204,747
– Ireland & Northern Ireland (retail)	650,967	8,896	-	659,863
– Other non-franchised retail	246,877	442	-	247,319
Total retail	2,786,886	36,471	-	2,823,357
– Retail property	-	-	-	-
Total property	-	-	-	-
Equity investments	-	-	-	-
Other	3,119	-	-	3,119
Intercompany eliminations	(13,935)	-	-	(13,935)
Total	2,776,070	36,471	860,695	3,673,236

03 Revenues (continued)

	PRIMARY GEOGRAPHICAL MARKETS \$000				
Operating segment 30 June 2024	Australia	New Zealand	Asia	Europe	Total revenue from contracts with customers & franchisees
Franchising operations	755,693	-	-	-	755,693
– New Zealand (retail)	-	968,895	-	-	968,895
– Singapore & Malaysia (retail)	-	-	716,829	-	716,829
– Slovenia & Croatia (retail)	-	-	-	219,195	219,195
– Ireland & Northern Ireland (retail)	-	-	-	702,749	702,749
– Other non-franchised retail	232,353	10,620	-	-	242,973
Total retail	232,353	979,515	716,829	921,944	2,850,641
– Retail property	-	-	-	-	-
Total property	-	-	-	-	-
Equity investments	-	-	-	-	-
Other	1,533	-	-	-	1,533
Intercompany eliminations	(126)	(9,018)	(686)	-	(9,830)
Total	989,453	970,497	716,143	921,944	3,598,037

	PRIMARY GEOGRAPHICAL MARKETS \$000				
Operating segment 30 June 2023	Australia	New Zealand	Asia	Europe	Total revenue from contracts with customers & franchisees
Franchising operations	860,695	-	-	-	860,695
– New Zealand (retail)	-	1,020,930	-	-	1,020,930
– Singapore & Malaysia (retail)	-	-	690,498	-	690,498
– Slovenia & Croatia (retail)	-	-	-	204,747	204,747
– Ireland & Northern Ireland (retail)	-	-	-	659,863	659,863
– Other non-franchised retail	236,748	10,571	-	-	247,319
Total retail	236,748	1,031,501	690,498	864,610	2,823,357
– Retail property	-	-	-	-	-
Total property	-	-	-	-	-
Equity investments	-	-	-	-	-
Other	3,119	-	-	-	3,119
Intercompany eliminations	(3,554)	(9,242)	(1,139)	-	(13,935)
Total	1,097,008	1,022,259	689,359	864,610	3,673,236

04 Expenses and Losses

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Employee benefits expense:		
– Wages and salaries	406,054	380,651
– Workers compensation	3,000	2,865
– Superannuation contributions	21,632	19,472
– Payroll tax	16,980	15,798
– Share-based payments	648	3,611
– Other employee benefits	14,682	12,556
Total employee benefits expense	462,996	434,953
Finance costs:		
– Interest on lease liabilities	58,087	50,294
– Bank interest paid to financial institutions	51,436	38,053
– Other	1,459	3,309
Total finance costs	110,982	91,656
Occupancy expenses:		
– Variable lease payments (including short-term and low-value leases)	39,272	36,707
– Property, plant and equipment: Right-of-use assets - Depreciation expense	72,813	69,551
– Property, plant and equipment: Right-of-use assets - Impairment expense	2,914	-
– Investment properties (leasehold): Right-of-use assets - Fair value re-measurement	76,213	102,113
– Other occupancy expenses	101,541	89,946
Total occupancy expenses	292,753	298,317
Depreciation, amortisation and impairment:		
Depreciation of (excluding AASB16 depreciation in occupancy expenses above):		
– Buildings	10,915	9,558
– Plant and equipment	66,822	62,465
Amortisation of:		
– Computer software	15,004	17,867
– Net licence property and other intangible assets	907	1,017
– Other	-	400
Total depreciation, amortisation and impairment	93,648	91,307

05 Income Tax

Impacts on application of amendments to AASB 112 Income Taxes International Reform – Pillar Two model rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy. The Australian Federal Government announced as part of the 2023 Federal Budget that it would adopt the Pillar Two rules, including a 15% global minimum tax and a 15% domestic minimum tax to apply for years commencing on or after 1 January 2024.

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions the consolidated entity operates. The legislation will be effective for the consolidated entity from 1 July 2024. The consolidated entity is in scope of the enacted or substantively enacted legislation and has performed an assessment to determine the estimated impact of applying Pillar Two Income Taxes in FY25. Based on this assessment, the consolidated entity does not expect a material impact from the application of Pillar Two income taxes.

In the current year, the consolidated entity has applied the AASB amendment to AASB 112 *Income Taxes* which provides a mandatory temporary exception from recognising or disclosing deferred taxes related to Pillar Two.

05 Income Tax (continued)

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
(a) Income tax recognised in the Income Statement:		
Current income tax:		
– Current income tax charge	144,817	177,632
– Adjustments in respect of current income tax of previous years	2,421	(461)
Deferred income tax:		
– Relating to the origination and reversal of temporary differences	36,822	52,068
Total income tax expense reported in the income statement	184,060	229,239

(b) Income tax recognised in the Statement of Changes in Equity :

Deferred income tax:		
– Net (loss) / gain on revaluation of cash flow hedges	(289)	1,105
– Net gain / (loss) on revaluation of land and buildings	2,407	(6,011)
Total income tax expense reported in other comprehensive income	2,118	(4,906)

(c) Reconciliation between income tax expense and prima facie income tax:

Accounting profit before tax	541,688	776,082
At the Australian statutory income tax rate of 30% (2023: 30%)	162,506	232,825
Adjustments to arrive at total income tax expense recognised for the year:		
– Non-allowable building depreciation due to a legislative change in New Zealand	21,704	-
– Adjustments in respect of current income tax of previous year	2,421	(461)
– Share-based payment expenses	(474)	397
– Expenditure not allowable for income tax purposes	2,671	1,826
– Income not assessable for income tax purposes	(638)	(150)
– Unrecognised tax losses	2,501	1,280
– Derecognition of unrecoverable deferred tax balances	1,527	1,355
– Difference between tax capital gain and accounting profit on revaluation of pre-CGT properties	(410)	(97)
– Non-allowable building and motor vehicle depreciation	732	1,186
– Receipt of fully franked dividends	(938)	(884)
– Sundry items	271	(108)
– Effect of different rates of tax on overseas income and exchange rate differences	(7,813)	(7,930)
Total adjustments	21,554	(3,586)
Total income tax reported in the Income Statement	184,060	229,239
Effective income tax rate (%)	33.98%	29.54%



MATERIAL ACCOUNTING POLICIES

Tax consolidation

Harvey Norman Holdings Limited (HNHL) and its 100% owned Australian resident subsidiaries are members of a tax consolidated group. HNHL is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing agreement which provides for the allocation of income tax liabilities between the entities, should the head entity default on its tax payment obligations. At the balance date, the possibility of a default is remote.

Wholly-owned companies of the tax consolidated group have entered into a tax funding agreement. The funding agreement provides for the allocation of current and deferred taxes on a modified standalone basis in accordance with the principles as outlined in UIG Interpretation 1052 *Tax Consolidation Accounting*. The allocation of taxes under the tax funding agreement is recognised as an increase or a decrease in the inter-company accounts of the subsidiaries with the tax consolidated head entity.

05 Income Tax (continued)

(d) Deferred income tax assets and liabilities:

Deferred income tax at 30 June relates to the following:

	STATEMENT OF FINANCIAL POSITION		DEFERRED TAX EXPENSES IN THE INCOME STATEMENT	
	June 2024 \$000	June 2023 \$000	June 2024 \$000	June 2023 \$000
Deferred tax liabilities:				
– Revaluations of freehold investment properties to fair value	(333,512)	(332,596)	955	35,800
– Revaluations of owner-occupied land and buildings to fair value	(40,875)	(40,829)	(709)	-
– Non-allowable building depreciation due to a legislative change in New Zealand	(21,734)	-	21,704	-
– Reversal of building depreciation expense for freehold investment properties	(176,653)	(160,219)	16,446	15,377
– Research and development	(1,695)	(1,660)	(656)	(1,313)
– Other items	(20,757)	(17,707)	(6,726)	4,572
Total Deferred tax liabilities	(595,226)	(553,011)		
Deferred tax assets:				
– Employee provisions	10,811	10,522	(287)	832
– Unused tax losses and tax credits	132	5,188	5,083	2,846
– Right-of-use assets and lease liabilities	31,165	31,503	470	(7,052)
– Capital losses	7,003	6,944	300	300
– Other provisions	6,211	6,310	101	868
– Provisions for lease makegood	642	590	(54)	(79)
– Provision for executive remuneration	833	1,029	195	(83)
– Revaluations of owner-occupied land and buildings to fair value	-	550	-	-
Total deferred tax assets*	56,797	62,636		
Total deferred tax	(538,429)	(490,375)	36,822	52,068

* Of the total deferred tax assets of \$56.80 million (2023: \$62.64 million), \$55.88 million (2023: \$57.55 million) was offset with the deferred tax liabilities in accordance with the deferred income tax accounting policy outlined below.

The consolidated entity has not recognised deferred tax assets relating to tax losses of \$114.25 million (2023: \$108.66 million) which are available for offset against taxable profits of the companies in which the losses arose. At 30 June 2024, no deferred tax liability has been recognised (2023: nil) in respect of the unremitted earnings of certain subsidiaries, associates or joint ventures.



MATERIAL ACCOUNTING POLICIES

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the consolidated entity operates and generates taxable income. Current income tax relating to items recognised directly in equity are recognised in equity, and not in the income statement.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and the carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority. Deferred tax items recognised outside the income statement are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part of, the deferred tax asset to be utilised.

Deferred tax assets and liabilities are not recognised if temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and at the time of transaction, does not give rise to equal taxable and deductible temporary differences. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

05 Income Tax (continued)



SIGNIFICANT ACCOUNTING JUDGEMENTS & ESTIMATES

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as the consolidated entity considers that it is probable that future taxable profit will be available to utilise those temporary differences. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

06 Earnings Per Share

	CONSOLIDATED	
	June 2024	June 2023
Basic earnings per share (cents per share)	28.29c	43.30c
Diluted earnings per share (cents per share)	28.23c	43.23c
	June 2024 \$000	June 2023 \$000
The following reflects the income and number of HVN shares used in the calculation of basic and diluted earnings per share:		
- Profit after tax	357,628	546,843
- Less: Profit after tax attributable to non-controlling interests	(5,175)	(7,323)
Profit after tax attributable to owners of the parent	352,453	539,520
	NUMBER OF SHARES	
	June 2024 Number	June 2023 Number
Weighted average number of ordinary shares used in calculating basic earnings per share (a)	1,246,006,654	1,246,006,654
Effect of dilutive securities (b)	2,575,091	2,103,341
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	1,248,581,745	1,248,109,995

(a) Weighted average number of ordinary shares

No new shares issued during the current year, the weighted average number of ordinary shares used in calculating basic earnings per share for the 2024 financial year was the number of shares on issue as at 30 June 2024.

(b) Effect of dilutive securities

Performance rights pursuant to Tranche FY22, Tranche FY23 and Tranche FY24 of the 2016 LTI Plan that have been granted to Executive Directors have been included in the calculation of diluted earnings per share. Refer to Table 4. Performance Rights of Key Management Personnel for the Year Ended 30 June 2024 on page 54 of this report for further information.

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date.



MATERIAL ACCOUNTING POLICIES

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- Costs of servicing equity (other than dividends);
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

07 Trade and Other Receivables

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Current		
Receivables from franchisees	812,337	840,996
– Trade receivables (a)	104,908	107,211
– Consumer finance loans (b)	2,802	2,567
– Allowance for expected credit loss (a) (b)	(3,551)	(4,206)
Trade receivables, net	104,159	105,572
Amounts receivable in respect of finance leases (c)	3,268	3,125
Non-trade debts receivable from (d):		
– Related parties (including joint ventures and joint venture partners)	500	368
– Unrelated parties	21,184	43,195
– Allowance for expected credit loss (d)	-	(126)
Non-trade debts receivable, net	21,684	43,437
Total trade and other receivables (current)	941,448	993,130
Non-current		
– Trade receivables (a)	6,934	7,080
– Consumer finance loans (b)	599	549
– Allowance for expected credit loss (a) (b)	(6)	(5)
Trade receivables, net	7,527	7,624
Amounts receivable in respect of finance leases (c)	829	762
Non-trade debts receivable from (d):		
– Related parties (including joint ventures and joint venture partners)	35,925	42,426
– Unrelated parties	55,042	53,793
– Allowance for expected credit loss (d)	(17,078)	(17,078)
Non-trade debts receivable, net	73,889	79,141
Total trade and other receivables (non-current)	82,245	87,527



MATERIAL ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables are classified, at initial recognition, and subsequently measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cashflows, and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subjected to an expected credit loss assessment. Gains or losses are recognised in the income statement when the asset is derecognised, modified or impaired. The financial assets at amortised cost of the consolidated entity includes receivables from franchisees, trade receivables, consumer finance loans, non-trade debts receivable from related entities and unrelated entities and finance lease receivables.

07 Trade and Other Receivables (continued)



SIGNIFICANT ACCOUNTING JUDGEMENTS & ESTIMATES

Allowance for expected credit losses

The consolidated entity recognises an allowance for expected credit losses (ECLs) for financial assets measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the consolidated entity expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For receivables from franchisees, consumer finance loans and non-trade debts receivable from related entities and unrelated entities, the consolidated entity applies the general approach, as prescribed in AASB 9 *Financial Instruments*, in calculating ECLs. For trade receivables and finance leases, the consolidated entity applies the simplified approach, as prescribed in AASB 9, in calculating ECLs. The consolidated entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Receivables from franchisees

Derni Pty Limited (Derni), a wholly-owned subsidiary of Harvey Norman Holdings Limited (HNHL), may, at the request of a franchisee, provide financial accommodation in the form of a revolving line of credit, to that franchisee. The repayment of the indebtedness of that franchisee to Derni is secured by a security interest over all present and after-acquired property of that franchisee, pursuant to a General Security Deed (GSD).

The receivables from franchisees balance of \$812.34 million as at 30 June 2024 (2023: \$841.00 million) comprises the aggregate of the balances due from each franchisee to Derni, and is net of any uncollectible amounts. The indebtedness of each franchisee to Derni is reduced on a daily basis by an electronic funds transfer process. Each franchisee directs the financial institution of that franchisee to transfer the net cash receipts in the bank account of the franchisee to Derni, in reduction of outstanding indebtedness.

Receivables from franchisees have been measured at amortised cost. The consolidated entity has performed an assessment of the franchisee receivables and has calculated the expected credit loss by applying the general approach for provisioning for expected credit losses prescribed by AASB 9. The expected credit loss assessment was conducted on the carrying value of franchisee receivables as at 30 June 2024 totalling \$812.34 million (2023: \$841.00 million). Based on the assessment, receivables from franchisees are current and neither past due nor impaired as at 30 June 2024.

(a) Trade receivables and allowance for expected credit loss

Trade receivables are non-interest bearing and are generally on 30-day terms. An allowance has been made for estimated unrecoverable trade receivable amounts arising from the past sale of goods and rendering of services when there is objective evidence that an individual trade receivable is impaired. An impairment reversal of \$0.17 million (2023: an impairment loss of \$1.02 million) has been recognised by the consolidated entity in the current year for trade receivables. This amount has been included in the other expenses line item in the Income Statement.

The ageing analysis of current and non-current trade receivables is as follows:

- \$77.16 million of the trade receivables balance as at 30 June 2024 (2023: \$83.55 million) are neither past due nor impaired. It is expected that these balances will be collected by the consolidated entity on, or prior to, the due date.
- \$31.16 million of the trade receivables balance as at 30 June 2024 (2023: \$26.56 million) are past due but not impaired as there has not been a significant change in credit quality and the consolidated entity believes that the amounts are still considered recoverable. The consolidated entity does not hold any collateral over these balances as at 30 June 2024 (2023: nil).
- \$3.53 million of the trade receivables balance as at 30 June 2024 (2023: \$4.18 million) are past due and impaired, and have been provided for in full as at balance date.

Ageing Analysis	Neither past due or impaired	PAST DUE BUT NOT IMPAIRED			PAST DUE AND IMPAIRED			Total
		31-60 Days	61-90 Days	+90 Days	31-60 Days	61-90 Days	+90 Days	
2024 (\$'000)	77,158	15,625	5,242	10,292	5	5	3,515	111,842
2023 (\$'000)	83,549	13,251	5,274	8,035	85	146	3,951	114,291

07 Trade and Other Receivables (continued)

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Reconciled to:		
– Trade receivables (current)	104,908	107,211
– Trade receivables (non-current)	6,934	7,080
Total trade receivables	111,842	114,291
Movement in the allowance for expected credit loss for trade receivables were as follows:		
– At 1 July	4,182	3,469
– (Reversal) / Charge for the year	(174)	1,023
– Foreign exchange translation	2	48
– Amounts written off	(485)	(358)
At 30 June	3,525	4,182

(b) Consumer finance loans and allowance for expected credit loss

The consumer finance loans are non-interest bearing and are generally on 6 to 48 months interest-free terms. The ageing analysis of current and non-current consumer finance loans is as follows:

- \$1.31 million of the consumer finance loans at 30 June 2024 (2023: \$1.16 million) are neither past due nor impaired. It is expected that these balances will be collected by the consolidated entity on, or prior to, the due date.
- If a customer has missed a repayment in a consumer finance loan, the remaining balance of the consumer finance loan is treated as past due. \$2.06 million of the consumer finance loans balance as at 30 June 2024 (2023: \$1.93 million) are past due but not impaired. The consolidated entity does not hold any collateral over these balances and believes that these amounts will be recovered.
- \$0.03 million of the consumer finance loans at 30 June 2024 (2023: \$0.03 million) are past due and impaired, and have been provided for in full as at balance date.

Ageing Analysis	Neither past due or impaired	PAST DUE BUT NOT IMPAIRED			PAST DUE AND IMPAIRED			Total
		31-60 Days	61-90 Days	+90 Days	31-60 Days	61-90 Days	+90 Days	
2024 (\$000)	1,305	601	632	831	-	-	32	3,401
2023 (\$000)	1,155	605	501	826	-	-	29	3,116

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Reconciled to:		
– Consumer finance loans (current)	2,802	2,567
– Consumer finance loans (non-current)	599	549
Total consumer finance loans	3,401	3,116
Movement in the allowance for expected credit loss for consumer finance loans were as follows:		
– At 1 July	29	29
– Charge for the year	3	-
– Amounts written off	-	-
At 30 June	32	29

07 Trade and Other Receivables (continued)

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
(c) Finance lease receivables and allowance for expected credit loss		
Finance lease receivables are reconciled as follows:		
Aggregate of minimum lease payments and guaranteed residual values:		
– Not later than one year	3,388	3,245
– Later than one year but not later than five years	912	843
Future finance revenue:		
– Not later than one year	(120)	(120)
– Later than one year but not later than five years	(83)	(81)
	4,097	3,887
Reconciled to:		
– Amounts receivable in respect of finance leases (current)	3,268	3,125
– Amounts receivable in respect of finance leases (non-current)	829	762
Total finance lease receivables	4,097	3,887

The consolidated entity offers finance lease arrangements as part of the consumer finance business. Finance leases are offered in respect of motor vehicles and livestock with lease terms not exceeding 4 years. All finance leases are at fixed rates for the term of the lease. An expected credit loss allowance is made for estimated unrecoverable finance lease receivable amounts. No expected credit loss was recognised in the 2024 financial year (2023: nil). The ageing analysis of current and non-current finance lease receivables is as follows:

- \$1.38 million of the finance lease receivable balance as at 30 June 2024 (2023: \$1.17 million) are neither past due nor impaired.
- \$2.72 million of the finance lease receivable balance as at 30 June 2024 (2023: \$2.72 million) are past due but not impaired. These receivables are subject to regular monitoring to ensure that they are recoverable. As at balance date, there were no events that required the consolidated entity to sell or re-pledge the secured leased assets.
- There was no finance lease receivable balance as at 30 June 2024 that was past due and impaired (2023: nil).

(d) Non-trade debts receivable and allowance for expected credit loss

Non-trade debts receivable are generally interest-bearing and are normally payable at call. The aggregate balance of current and non-current non-trade debts receivable as at 30 June 2024 was \$112.65 million (2023: \$139.78 million) as follows:

- \$84.76 million of the non-trade debts receivable balance as at 30 June 2024 (2023: \$104.80 million) are neither past due nor impaired. It is expected that these balances will be collected by the consolidated entity on, or prior to, the due date.
- \$10.81 million of the non-trade debts receivable balance as at 30 June 2024 (2023: \$17.77 million) are past due but not impaired. These receivables are subject to regular monitoring and periodic impairment testing to ensure that they are recoverable.
- \$17.08 million of the non-trade debts receivable balance as at 30 June 2024 (2023: \$17.20 million) are past due and impaired, and have been provided for in full as at balance date.

Ageing Analysis	Neither past due or impaired	PAST DUE BUT NOT IMPAIRED			PAST DUE AND IMPAIRED			Total
		31-60 Days	61-90 Days	+90 Days	31-60 Days	61-90 Days	+90 Days	
2024 (\$000)	84,763	-	-	10,810	-	-	17,078	112,651
2023 (\$000)	104,804	-	-	17,774	-	-	17,204	139,782

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Reconciled to:		
– Non-trade receivables (current)	21,684	43,563
– Non-trade receivables (non-current)	90,967	96,219
Total non-trade receivables	112,651	139,782
Movement in the allowance for expected credit loss for non-trade receivables were as follows:		
– At 1 July	17,204	20,794
– Reversal during the year (i)	-	(3,227)
– Utilisation of allowance for expected credit loss	(126)	(363)
At 30 June	17,078	17,204

07 Trade and Other Receivables (continued)

i. Non-trade debts receivable from mining camp joint venture:

The consolidated entity has non-trade debts receivable from the mining camp joint ventures totalling \$10.47 million (2023: \$17.43 million) in aggregate as at 30 June 2024. No impairment reversal or loss was recognised in the current year (2023: expected credit loss allowance reversal of \$3.23 million).

08 Other Financial Assets

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Current		
Derivatives receivable	2,809	3,845
Total other financial assets (current)	2,809	3,845
Non-current		
Equity investments at fair value through profit or loss	50,662	34,485
Equity investments at fair value through other comprehensive income	18,594	19,827
Units in unit trusts	414	414
Other non-current financial assets	8,115	7,916
Total other financial assets (non-current)	77,785	62,642



MATERIAL ACCOUNTING POLICIES

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include listed shares held for trading and derivative receivables. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

Financial assets at fair value through other comprehensive income (OCI) (equity instruments)

Upon initial recognition, the consolidated entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are not recycled to the income statement. Dividends are recognised as other income in the income statement when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to an impairment assessment.

09 Inventories

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Current		
Finished goods at cost	568,277	557,254
Provision for obsolescence	(10,150)	(11,596)
Total inventories (current)	558,127	545,658



MATERIAL ACCOUNTING POLICIES

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and all costs to be incurred in marketing, selling and distribution.

10 Other Assets

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Current		
Prepayments	47,165	61,812
Other current assets	12,682	6,842
Total other assets (current)	59,847	68,654

11 Intangible Assets

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Current		
Net licence property (current)	686	600
Non-current		
Net licence property	925	1,237
Other intangible assets	55	69
Computer software:		
– At cost	260,764	226,485
– Accumulated amortisation and impairment	(187,687)	(170,404)
Net computer software	73,077	56,081
Total net intangible assets (non-current)	74,057	57,387
Reconciliation of non-current computer software is as follows:		
– Opening balance	56,081	56,537
– Additions	26,096	17,462
– Disposals	(216)	(90)
– Transfer from other asset categories	6,130	-
– Amortisation	(15,004)	(17,867)
– Net foreign currency differences arising from foreign operations	(10)	39
Net computer software (non-current)	73,077	56,081

11 Intangible Assets (continued)



MATERIAL ACCOUNTING POLICIES

Intangible assets

Intangible assets, consisting of capitalised computer software assets, capitalised development expenditure and licence property are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets are amortised on a straight line basis over their estimated useful lives, but not greater than a period of eight and a half (8.5) years.

SaaS arrangements are service contracts providing the consolidated entity with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis.

Intangible assets are tested for impairment where there are any indicators of impairment, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis. The amortisation expense on intangible assets with finite lives are recognised in the income statement in the expense category consistent with the function of the intangible asset.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset, and is recognised in the income statement when the intangible asset is derecognised.

12 Property, Plant and Equipment

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Land at fair value	243,905	264,814
Buildings at fair value	337,101	304,633
Land and buildings at fair value (a)	581,006	569,447
Plant and equipment:		
– At cost	983,157	918,494
– Accumulated depreciation	(617,808)	(595,936)
Net plant and equipment	365,349	322,558
Total property, plant and equipment:		
– Land and buildings at fair value	581,006	569,447
– Plant and equipment at cost	983,157	918,494
Total property, plant and equipment	1,564,163	1,487,941
Accumulated depreciation	(617,808)	(595,936)
Total written down amount of property, plant and equipment	946,355	892,005

12 Property, Plant and Equipment (continued)

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Reconciliation of the carrying amounts of property, plant & equipment were as follows:		
Land at fair value:		
– Opening balance	264,814	219,802
– Additions	664	37,651
– Increase / (decrease) resulting from revaluation	963	(5,340)
– Transfers (to) / from other asset categories	(20,698)	5,898
– Net foreign currency differences arising from foreign operations	(1,838)	6,803
Closing balance	243,905	264,814
Building at fair value:		
– Opening balance	304,633	274,319
– Additions	53,914	46,659
– Disposals	(48)	(3,176)
– Increase / (decrease) resulting from revaluation	1,160	(18,594)
– Transfers (to) / from other asset categories	(10,226)	5,202
– Depreciation for the year	(10,862)	(8,976)
– Net foreign currency differences arising from foreign operations	(1,470)	9,199
Closing balance	337,101	304,633
Net land and buildings at fair value (a)	581,006	569,447
(a) The net book value of land and buildings (other than land and buildings classified as freehold investment properties) would have been \$287.08 million (2023: \$278.84 million) if measured on a historical cost basis.		
Plant and equipment at cost:		
– Opening balance	918,494	836,313
– Additions	125,212	97,170
– Disposals	(51,059)	(33,163)
– Transfers (to) / from other asset categories	(6,130)	3,139
– Net foreign currency differences arising from foreign operations	(3,360)	15,035
Closing balance	983,157	918,494
Plant and equipment accumulated depreciation:		
– Opening balance	595,936	551,217
– Disposals	(42,356)	(29,257)
– Transfers from other asset categories	-	1,330
– Depreciation for the year	66,822	62,465
– Net foreign currency differences arising from foreign operations	(2,594)	10,181
Closing balance	617,808	595,936
Net book value plant and equipment	365,349	322,558
Total written down amount of property, plant and equipment	946,355	892,005

12 Property, Plant and Equipment (continued)



MATERIAL ACCOUNTING POLICIES

Freehold owner-occupied properties

Following initial recognition at cost, owner-occupied land and buildings are carried at fair value less any subsequent accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Land – not depreciated
- Buildings – 20 to 50 years

Any revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, the increase is recognised in the income statement. Any revaluation deficit is recognised in the income statement, except to the extent that it offsets a previous surplus of the same asset in the asset revaluation reserve. Any accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the fair value of the asset. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the asset at the balance date.

Plant and equipment assets

Plant and equipment assets are recognised at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the plant and equipment assets (3 to 20 years). The residual values, useful lives and amortisation methods of plant and equipment assets are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement when the asset is derecognised.



SIGNIFICANT ACCOUNTING JUDGEMENTS & ESTIMATES

Valuation of freehold owner-occupied properties

The consolidated entity values land and buildings at fair value. Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction as at the valuation date.

The Board of Directors make an assessment of the fair value of each freehold owner-occupied property as at balance date. This assessment is informed by:

- the information and advice contained in the last independent external valuation report for that property prepared by an external professionally qualified valuer who holds a recognised relevant professional qualification and has specialised expertise in the property being valued (**Independent Valuer**);
- the information and advice in the last internal valuation report for that property;
- the last management review for that property; and
- other information and professional or expert advice given or prepared by reliable and competent persons in relation to that property.

Independent External Valuations

The freehold owner-occupied property portfolio is valued by an Independent Valuer at least once every two (2) years on a rotational basis.

Internal Valuation and Reviews

Freehold owner-occupied properties not independently externally valued as at balance date are subject to an internal valuation or a management review, performed by persons qualified by relevant education, training or experience. The key assumptions used to determine the fair value of freehold owner-occupied properties, and the relevant sensitivity analysis, are disclosed in Note 12(b) and Note 12(c).

12 Property, Plant and Equipment (continued)

(a) Reconciliation of owner occupied properties—land and building at fair value

	New Zealand		Slovenia		Singapore		Ireland	Australia	Total	
	Retail \$000	Warehouse \$000	Retail \$000	Warehouse \$000	Office \$000	Warehouse \$000	Retail \$000	Retail \$000	2024 \$000	2023 \$000
Opening balance	401,789	16,426	82,086	3,161	14,140	12,241	26,222	13,382	569,447	494,121
Additions	35,511	-	341	18,717	-	-	-	9	54,578	84,310
Transfer	(30,924)	-	-	-	-	-	-	-	(30,924)	11,100
Disposals	(48)	-	-	-	-	-	-	-	(48)	(3,176)
Fair value adjustments	(10,475)	585	7,122	-	6,156	1,200	(464)	(2,001)	2,123	(23,934)
Depreciation for the year	(6,652)	(137)	(2,366)	-	(51)	(995)	(521)	(140)	(10,862)	(8,976)
Net foreign currency differences	(1,547)	(65)	(1,234)	(49)	(16)	3	(400)	-	(3,308)	16,002
Closing balance	387,654	16,809	85,949	21,829	20,229	12,449	24,837	11,250	581,006	569,447

(b) Fair value measurement, valuation techniques and inputs

Class of property	Fair value hierarchy*	Fair value \$000 30 June 2024	Valuation Technique	Key unobservable inputs	2024 Range of unobservable inputs	2023 Range of unobservable inputs
Retail	Level 3	509,690 (Jun-23: 523,479)	Discounted cash flow	Terminal Yield	4.1% - 9.3%	3.1% - 8.3%
				Discount Rate	6.0% - 9.5%	5.5% - 8.8%
			Income capitalisation	Net market rent per sqm p.a Capitalisation Rate	\$130 - \$460 5.3% - 8.6%	\$23 - \$550 4.8% - 9.3%
			Direct sale comparison	Price per sqm of lettable area	\$8,758	\$10,235
Warehouse	Level 3	51,087 (Jun-23: 31,828)	Discounted cash flow	Terminal Yield	6.0% - 8.0%	5.3% - 8.0%
				Discount Rate	6.9% - 8.5%	6.5% - 7.5%
			Income Capitalisation	Net market rent per sqm p.a Capitalisation Rate	\$121 - \$122 5.7% - 7.5%	\$98 - \$101 5.0% - 7.3%
			Direct sale comparison	Price per sqm of lettable area	\$890	\$816
Office	Level 3	20,229 (Jun-23: 14,140)	Discounted cash flow	Terminal Yield	N/A	N/A
				Discount Rate	N/A	N/A
			Income capitalisation	Net market rent per sqm p.a Capitalisation Rate	N/A N/A	N/A N/A
			Direct sale comparison	Price per sqm of lettable area	\$20,061 - \$20,599	\$12,624 - \$16,723
Total		581,006 (Jun-23: 569,447)				

* Level 3 - fair value is estimated using inputs that are not based on observable market data.

12 Property, Plant and Equipment (continued)

(b) Fair value measurement, valuation techniques and inputs (continued)

The income capitalisation method of valuation was used for the valuation of retail and warehouse properties in New Zealand. A discounted cash flow method was undertaken in respect of the same properties as a secondary method. There were no material differences between the income capitalisation method result and the discounted cash flow method result. The income capitalisation method of valuation was used for the valuation of one (1) retail owner-occupied property in Australia. A discounted cash flow method was used for the same property as a secondary method. There were no material differences between the income capitalisation method result and the direct sale comparison method result. The average result of income capitalisation method, discounted cash flow method and direct sale comparison method of valuation was used for the valuation of one (1) warehouse property in Singapore and the direct sale comparison method was used for the valuation of the office properties in Singapore. The income capitalisation method of valuation was used for the valuation of retail properties in Slovenia and one (1) retail property in Ireland.

The table on the previous page includes the following descriptions and definitions relating to valuation techniques and key unobservable inputs used in determining the fair value:

Income capitalisation method

Under the income capitalisation method, a property's fair value is estimated using the current market rental value generated by the property, which is divided by the appropriate market capitalisation rate.

Discounted cash flow ("DCF") method

Under the DCF method, a property's fair value is estimated using explicit assumptions about the benefits and liabilities of ownership over the asset's life, including terminal value. This involves the projection of a series of cash flows and the application of an appropriate market-derived discount rate to establish the present value of the income stream.

Direct sale comparison method

Under the direct sale comparison method, a property's fair value is estimated based on comparable transactions. The unit of comparison applied by the consolidated entity is the price per square metre.

Net market rent

Net market rent is the estimated amount for which a property or space within a property could lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion. In addition, an allowance for recoveries of lease outgoings from tenants is made on a pro-rata basis (where applicable).

Capitalisation rate

The rate at which net market income is capitalised to determine the value of a property. The rate is determined by reference to market evidence and independent external valuations received.

Terminal yield

The terminal yield used to convert income into an indication of the anticipated value of the property at the end of a given period when carrying out a discounted cash flow calculation. The yield is determined by reference to market evidence and independent external valuations received.

Discount rate

Rate used to discount the net cash flows generated from rental activities during the period of analysis. The rate is determined by reference to market evidence and independent external valuations received.

Price per square metre

Price per square metre is obtained based on recent transactions of similar properties around the vicinity. Appropriate adjustments are made between the comparable and the property to reflect the differences in size, tenure, location, condition and prevailing market conditions and all other relevant factors affecting its value.

(c) Sensitivity information

Key unobservable inputs	Impact on fair value for significant increase in input	Impact on fair value for significant decrease in input
Net market rent	Increase	Decrease
Capitalisation rate	Decrease	Increase
Terminal yield	Decrease	Increase
Discount rate	Decrease	Increase
Price per square metre	Increase	Decrease

The net market rent of a property and the capitalisation rate are key inputs of the income capitalisation valuation method. The income capitalisation valuation method incorporates a direct interrelationship between the net market rent of a property and its capitalisation rate. This methodology involves assessing the total net market income generated by the property and capitalising this in perpetuity to derive a capital value. Significant increases (or decreases) in rental returns and rent growth per annum in isolation would result in a significantly higher (or lower) fair value of the properties. There is an inverse relationship between the capitalisation rate and the fair value of properties. Significant increases (or decreases) in the capitalisation rate in isolation would result in a significantly lower (or higher) fair value of the properties. The discount rate and terminal yield are key inputs of the discounted cash flow method. The discounted cash flow method incorporates a direct interrelationship between the discount rate and the terminal yield as the discount rate applied will determine the rate in which the terminal value is discounted to present value. Significant increases (or decreases) in the discount rate in isolation would result in a significantly lower (or higher) fair value. Similarly, significant increases (or decreases) in the terminal yield in isolation would result in a significantly lower (or higher) fair value. In general, an increase in the discount rate and a decrease in the terminal yield could potentially offset the impact on the fair value of the properties.

(d) Highest and best use

For all freehold owner-occupied properties that are measured at fair value, the current use of the property is considered its highest and best use.

13 Property, Plant and Equipment: Right-Of-Use Assets (ROUA)

	CONSOLIDATED		
	Leasehold properties: (a) ROUA \$000	Plant & equipment: ROUA \$000	Total: ROUA \$000
As at 1 July 2022	468,217	4,293	472,510
New, modified leases	128,700	2,033	130,733
Leases exited	(7,689)	(7)	(7,696)
Depreciation	(67,512)	(2,039)	(69,551)
Net foreign currency differences	19,862	161	20,023
As at 30 June 2023	541,578	4,441	546,019

	CONSOLIDATED		
	Leasehold properties: (a) ROUA \$000	Plant & equipment: ROUA \$000	Total: ROUA \$000
As at 1 July 2023	541,578	4,441	546,019
New, modified leases	41,779	980	42,759
Leases exited	(102)	-	(102)
Depreciation	(70,876)	(1,937)	(72,813)
Other adjustments	(1,861)	-	(1,861)
Net foreign currency differences	(2,059)	(15)	(2,074)
As at 30 June 2024	508,459	3,469	511,928

(a) The leasehold properties relate to leases of owner-occupied properties.

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Australia	43,324	39,974
New Zealand	111,493	104,677
Singapore & Malaysia	237,101	255,915
Slovenia & Croatia	23,630	27,399
Ireland & Northern Ireland	96,380	118,054
Total property, plant and equipment: right-of-use assets	511,928	546,019



MATERIAL ACCOUNTING POLICIES

Property, Plant and Equipment: Right-of-Use Assets

The consolidated entity recognises right-of-use assets in respect of leases of property, plant and equipment at the commencement date of the lease (i.e. the date the underlying asset is available for use). The initial measurement of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to an impairment assessment under AASB 136 *Impairment of Assets* at each reporting date.

14 Investment Properties: Freehold

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Opening balance at beginning of the year, at fair value	3,483,593	3,230,213
Net additions, disposals and transfers	161,723	134,630
Net increase from fair value adjustments	5,295	118,750
Closing balance at end of the year, at fair value	3,650,611	3,483,593

Below is a list of the top 20 freehold investment properties ranked in order of fair value as at 30 June 2024:

Property	Last independent valuation date	Independent valuation at last valuation date \$000	Fair value 30 June 2024 \$000	Cap rate 30 June 2024 %
Penrith Homemaker Centre - Harvey Norman®, Domayne®	31 Dec 2023	232,000	232,983	6.00%
Springvale Homemaker Centre - Harvey Norman®, Domayne®	30 Jun 2024	167,000	167,000	6.25%
Maroochydore Homemaker Centre - Harvey Norman®, Domayne®, Joyce Mayne®	30 Jun 2023	106,000	108,184	6.25%
Silverwater Warehouse Complex	31 Dec 2022	99,000	103,500	6.00%
Watergardens Homeplace - Harvey Norman®	30 Jun 2023	102,000	102,421	5.25%
Macgregor Homemaker Centre - Harvey Norman®	30 Jun 2024	96,000	96,000	5.75%
The Cambridge Park Centre - Harvey Norman®	31 Dec 2022	87,250	88,014	7.75%
Alexandria Complex - Harvey Norman®, Domayne®	30 Jun 2024	80,500	80,500	5.75%
Toowoomba Centre Complex - Harvey Norman®	31 Dec 2023	72,000	72,020	7.25%
Alexandria Harvey Norman Warehouse Complex	31 Dec 2023	66,500	66,545	5.25%
Taren Point Harvey Norman Commercial NSW Showrooms	30 Jun 2024	62,000	62,000	5.50%
Albury Homemaker Centre - Harvey Norman®	30 Jun 2023	59,500	59,873	7.00%
Perth City West Complex - Harvey Norman®, Domayne® (a)	30 Jun 2024	59,625	59,625	6.00%
Auburn Flagship Store Complex - Harvey Norman®	30 Jun 2023	55,500	55,844	5.75%
Rutherford (Maitland) Complex - Harvey Norman®, Domayne®	31 Dec 2022	54,500	54,897	7.00%
Maribyrnong Complex - Harvey Norman®	31 Dec 2022	54,000	54,417	6.00%
Browns Plains Homemaker Centre - Harvey Norman®	31 Dec 2022	53,000	53,597	6.75%
Auburn Complex - Harvey Norman®, Domayne®	30 Jun 2024	52,500	52,500	5.50%
Devonport Homemaker Centre - Harvey Norman®	31 Dec 2023	50,000	50,044	6.75%
Bendigo Rocklea Homemakers Centre	30 Jun 2023	46,500	46,704	6.25%
Total top 20 freehold investment properties			1,666,668*	

The fair value of the top 20 freehold investment properties amounted to \$1.67 billion as at 30 June 2024, representing 45.65% of the total fair value of freehold investment properties of \$3.65 billion. The fair value of the remaining 127 freehold investment properties as at 30 June 2024 totalled \$1.98 billion, representing 54.35% of the portfolio as at balance date.

(a) Balances represent the consolidated entity's 50% ownership interest in the investment property.

* The difference between the fair value of the freehold investment property as at 30 June 2024 and the independent valuation as at the last valuation date mainly relates to Internal Valuations and Reviews and capital additions in respect of the freehold investment property between the periods.

14 Investment Properties: Freehold (continued)



MATERIAL ACCOUNTING POLICIES

Valuation of Freehold Investment Properties

Each freehold investment property, which is property held to earn rentals and/or for capital appreciation is initially measured at cost, including transaction costs, and subsequently valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains and losses arising from changes in fair value of freehold investment properties are recognised in the income statement in the period in which they arise. An investment property is derecognised when the property has been disposed of. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

Each freehold investment property is the subject of a lease or licence in favour of independent third parties, including Harvey Norman®, Domayne® and Joyce Mayne® franchisees.



SIGNIFICANT ACCOUNTING JUDGEMENTS & ESTIMATES

Valuation Approach

The Board of Directors make an assessment of the fair value of each freehold investment property as at balance date. This assessment is informed by:

- the information and advice contained in the last independent external valuation report for that property prepared by an external, professionally qualified valuer who holds a recognised relevant professional qualification and has specialised expertise in the property being valued (**Independent Valuer**);
- the information and advice contained in the last internal valuation report for that property (which was informed by the immediately preceding independent external valuation report for that property);
- the last management review for that property; and
- other information and professional or expert advice given or prepared by reliable and competent persons in relation to that property.

Independent External Valuations

The freehold investment property portfolio in Australia is valued by an Independent Valuer at least once every two (2) years on a rotational basis.

For the 2024 financial year, sixty-nine (69) valuations of freehold investment properties were performed by an Independent Valuer: thirty-three (33) at 31 December 2023 and thirty-six (36) at 30 June 2024. This represents a total of 48.9% of the number of freehold investment properties independently externally valued this year, and 52.2% in terms of the fair value of the freehold investment property portfolio in Australia subject to independent external valuation.

Internal Valuations and Reviews

Freehold investment properties not independently externally valued as at balance date are subject to an internal valuation or a management review, performed by persons qualified by relevant education, training or experience. Each internal valuation and management review is informed by the last independent external valuation and reliable market evidence. For the current year, seven (7) freehold investment properties had been affected by the same factors as the properties which had been independently externally valued. As a consequence, internal valuations for these seven (7) properties were undertaken to determine the effect of these factors.

Valuation Methodologies

The fair value in respect of each freehold investment property has been calculated primarily using the income capitalisation method of valuation, using the current market rental value, and having regard to, in respect of each property:

- the highest and best use of the property
- the quality of construction
- the age and condition of improvements
- recent market sales data in respect of comparable properties
- current market rental value, being the amount that could be exchanged between knowledgeable, willing parties in an arm's length transaction
- the tenure of franchisees and external tenants
- adaptive reuse of buildings
- non-reliance on turnover rent
- other specific circumstances of the property

As a secondary method, a discounted cash flow valuation or a direct sale comparison valuation is undertaken as a check method.

The fair value of a freehold investment property under construction is determined using the income capitalisation method by estimating the fair value of the property as at the relevant completion date less the remaining costs to complete and allowances for associated risk. As a secondary method, a discounted cash flow valuation is undertaken. An internal valuation or management review is performed for any property less than 75% complete where there is an indication of a substantial change in the risks or benefits to warrant an earlier assessment. Normally, the direct sale comparison method of valuation is used for properties held for future development.

14 Investment Properties: Freehold (continued)

(a) Reconciliation of investment properties: freehold

	New Zealand		Ireland	Australia			Total	
	Retail \$000	Warehouse \$000	Retail \$000	Retail \$000	Warehouse \$000	Office \$000	2024 \$000	2023 \$000
Opening balance	5,818	3,771	30,999	3,038,117	361,522	43,366	3,483,593	3,230,213
Additions	-	-	-	117,300	15,745	610	133,655	144,104
Disposals	-	-	-	(2,280)	-	-	(2,280)	(11,390)
Transfers	30,924	-	-	(11,249)	11,249	-	30,924	-
Fair value adjustments*	-	-	(1,796)	(29,200)	37,181	(890)	5,295	118,750
Depreciation for the year	(27)	(26)	-	-	-	-	(53)	(581)
Net foreign currency differences	(24)	(15)	(484)	-	-	-	(523)	2,497
Closing balance	36,691	3,730	28,719	3,112,688	425,697	43,086	3,650,611	3,483,593

* Fair value adjustments totalling \$5.30 million for the year ended 30 June 2024 are included in other income (2023: \$118.75 million).

(b) Fair value measurement, valuation techniques and inputs

Class of property	Fair value hierarchy*	Fair value \$000 30 June 2024	Valuation Technique	Key unobservable inputs	2024 Range of unobservable inputs	2023 Range of unobservable inputs
Retail	Level 3	Metropolitan = 1,963,629 (Jun-23: 1,870,594) Regional = 1,214,469 (Jun-23: 1,204,340) Total = 3,178,098 (Jun-23: 3,074,934)	Income capitalisation	Net market rent per sqm p.a	\$74 - \$324	\$74 - \$323
				Capitalisation Rate - Metropolitan - Regional	4.8% - 8.8% 6.0% - 9.0%	4.3% - 9.3% 5.8% - 8.8%
			Discounted cash flow	Terminal Yield	5.3% - 9.0%	4.5% - 8.8%
				Discount Rate	6.3% - 9.5%	5.0% - 9.0%
Warehouse	Level 3	429,427 (Jun-23: 365,293)	Income capitalisation	Net market rent per sqm p.a	\$65 - \$255	\$65 - \$255
				Capitalisation Rate	4.8% - 9.0%	4.8% - 9.0%
			Discounted cash flow	Terminal Yield	4.8% - 7.3%	4.8% - 7.0%
				Discount Rate	6.5% - 8.0%	5.5% - 7.3%
Office	Level 3	43,086 (Jun-23: 43,366)	Income capitalisation	Net market rent per sqm p.a	\$152 - \$442	\$144 - \$233
				Capitalisation Rate	7.8% - 8.8%	6.5% - 8.0%
			Discounted cash flow	Terminal Yield	8.0%	6.5%
				Discount Rate	7.5%	7.0%
Total		3,650,611 (Jun-23: 3,483,593)	Direct sale comparison	Price per sqm of lettable area	\$1,600 - \$4,863	\$1,695 - \$3,545

*Level 3 - fair value is estimated using inputs that are not based on observable market data.

The income capitalisation method of valuation was primarily used for the valuation of all Retail, Warehouse and Office investment properties in Australia, the Retail and Warehouse investment properties in New Zealand and the Retail investment property in Ireland. A discounted cash flow valuation or a direct sale comparison valuation was undertaken as a secondary method. There were no material differences between the income capitalisation method result, the discounted cash flow method result and the direct sale comparison method result. The descriptions and definitions relating to valuation techniques and key unobservable inputs used in determining the fair value of investment properties are the same as those for freehold owner-occupied properties detailed in Note 12(b).

14 Investment Properties: Freehold (continued)

(c) Sensitivity information

Key unobservable inputs	Impact on fair value for significant increase in input	Impact on fair value for significant decrease in input
Net market rent	Increase	Decrease
Capitalisation rate	Decrease	Increase
Terminal yield	Decrease	Increase
Discount rate	Decrease	Increase
Price per square metre	Increase	Decrease

(d) Rent and outgoings received and operating expenses of investment properties

Included in rent and outgoings received from franchisees and rent and outgoings received from other tenants as disclosed in Note 3. Revenues is rent and outgoings received from investment properties of \$271.14 million for the year ended 30 June 2024 (2023: \$252.89 million). Operating expenses, including rates and taxes and repairs and maintenance, recognised in the income statement in relation to investment properties amounted to \$65.31 million for the year ended 30 June 2024 (2023: \$61.70 million).

15 Investment Properties (Leasehold): Right-Of-Use Assets

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Opening balance at beginning of the year, at fair value	705,034	675,600
New and modified leases	124,122	133,086
Leases exited	(8,304)	(1,539)
Net decrease from fair value re-measurements	(76,213)	(102,113)
Closing balance at end of the year, at fair value	744,639	705,034

(a) Fair value measurement, valuation techniques and inputs

Class of property	Fair value hierarchy*	Fair value \$000 30 June 2024	Valuation Technique	Key unobservable inputs	2024 Range of unobservable inputs	2023 Range of unobservable inputs
Retail	Level 3	500,472 (Jun-23: 452,207)	Discounted cash flow	Discount rate Market rental ranges: — Gross — Net	6.39% - 7.11% \$60 - \$650 per sqm \$25 - \$775 per sqm	5.99% - 6.64% \$60 - \$575 per sqm \$25 - \$350 per sqm
Warehouse	Level 3	244,167 (Jun-23: 252,827)	Discounted cash flow	Discount rate Market rental ranges: — Gross — Net	6.39% - 7.11% \$30 - \$350 per sqm \$45 - \$230 per sqm	5.99% - 6.64% \$30 - \$800 per sqm \$45 - \$230 per sqm
Total		744,639 (Jun-23: 705,034)				

* Level 3 - fair value is estimated using inputs that are not based on observable market data.

(b) Sensitivity information

Key unobservable inputs	Impact on fair value for significant increase in input	Impact on fair value for significant decrease in input
Discount rate	Decrease	Increase
Market rent ranges	Increase	Decrease

(c) Rent and outgoings received and operating expenses of leasehold investment properties

Included in rent and outgoings received from franchisees as disclosed in Note 3. Revenues is rent and outgoings received from leasehold investment properties of \$141.66 million for the year ended 30 June 2024 (2023: \$135.54 million). Operating expenses, excluding interest on lease liabilities and fair value re-measurements on leasehold investment properties: ROU Assets, recognised in the income statement in relation to leasehold investment properties amounted to \$24.54 million for the year ended 30 June 2024 (2023: \$21.22 million).

15 Investment Properties (Leasehold): Right-Of-Use Assets (continued)



MATERIAL ACCOUNTING POLICIES

Investment Properties (Leasehold): Right-Of-Use Assets

Subsidiaries of Harvey Norman Holdings Limited (HNHL) enter into leases of properties in Australia (each a **Leasehold Investment Property**) with third party landlords. After entry into a lease with an external landlord, the relevant subsidiary of HNHL grants a sub-lease or licence to a Harvey Norman®, Domayne® and Joyce Mayne® franchisee, to occupy an area of that Leasehold Investment Property.

The consolidated entity recognises a right-of-use asset in respect of each subsidiary's right to use each Leasehold Investment Property for the respective lease term (each an **IP Leasehold ROU Asset**) in accordance with the requirements of AASB 16 *Leases*. As each IP Leasehold ROU Asset meets the definition of investment property under AASB 140 *Investment Property*, the consolidated entity is required to measure each IP Leasehold ROU Asset at fair value. The consolidated entity has adopted the fair value model in AASB 140 and each IP Leasehold ROU Asset is measured at fair value.

In respect of each lease of a Leasehold Investment Property, the present value of the lease payments is determined and carried as a lease liability and the fair value of the lessee's right to use the Leasehold Investment Property over the lease term is recorded as an IP Leasehold ROU Asset. Gains or losses arising from re-measurement of the fair value of an IP Leasehold ROU Asset are included in the Income Statement of the consolidated entity as a fair value increment or decrement in the period in which they arise.



SIGNIFICANT ACCOUNTING JUDGEMENTS & ESTIMATES

Valuation of Investment Properties (Leasehold): Right-Of-Use Assets

The directors make an assessment of the fair value of each IP Leasehold ROU Asset as at balance date. Each IP Leasehold ROU Asset is reviewed at least every 6 months. This review is undertaken by persons qualified by relevant education, training or experience, with the assistance of qualified management. As part of the review, an independent, professionally qualified valuer who holds a recognised relevant professional qualification and has relevant specialised expertise (**Leasehold Independent Valuer**) is engaged to provide independent verification of key observable inputs.

The re-measurement of an IP Leasehold ROU Asset to fair value comprises the following:

1. A reduction in the IP Leasehold ROU Asset to reflect the decrease in its future value due to the usage of the asset during the period, reflecting the passage of time and a reduction in remaining lease tenure. This is recognised as a fair value decrement in the Income Statement.
2. Re-measurement of the IP Leasehold ROU Asset at the prevailing discount rate as at the reporting date. If the discount rate at the end of the period is higher than the discount rate at the beginning of the period, there will be a decrease in the value of the IP Leasehold ROU Asset and a corresponding fair value decrement is recognised in the Income Statement. If the discount rate at the end of the period is lower than the discount rate at the beginning of the period, there will be an increase in the value of the IP Leasehold ROU Asset and a corresponding fair value increment is recognised in the Income Statement. The discount rate used is determined using market data, information on margins available to the consolidated entity, and other adjustments appropriate as at the reporting date.
3. The Leasehold Independent Valuer provides independent verification of key observable inputs including the current market rent ranges, being the amount that could be exchanged between knowledgeable, willing parties in an arm's length transaction, at each reporting date. If the current market rent range increases, there may be an increase in the value of the IP Leasehold ROU Asset and a corresponding fair value increment may be recognised in the Income Statement. If the current market rent range decreases, there may be a decrease in the value of the IP Leasehold ROU Asset and a corresponding fair value decrement may be recognised in the Income Statement.

The results and recommendations of the review and the information and professional advice provided by the Independent Valuer are used to inform the assessment of the fair value of each IP Leasehold ROU Asset at balance date.

Discount rate

Investment properties (leasehold): right-of-use assets are re-measured to fair value by using the prevailing discount rate as at the reporting date which is determined by taking into account the following:

- External market based rates for a range of maturities as at the reporting date;
- The lending margins available to the consolidated entity; and
- Other adjustments that may be made by market participants over the lease term.

As at 30 June 2024, the discount rates used in re-measuring investment properties (leasehold): right-of-use assets range from 6.39% to 7.11% (2023: 5.99% to 6.64%).

Market rent ranges

As at each balance date, the Leasehold Independent Valuer provides market rent ranges for each leasehold investment property, being the amount that could be exchanged between knowledgeable, willing parties in an arm's length transaction at each reporting date. The market rent ranges are used to assess whether future lease payments are representative of what market participants would pay for a particular asset over a similar term.

16 Trade and Other Payables

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Trade and other creditors	290,973	262,503
Accruals	87,736	90,213
Total trade and other payables (current)	378,709	352,716

17 Interest-Bearing Loans and Borrowings

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Current secured:		
Bank overdraft (a)	20,316	16,694
Commercial bills payable (b)	1,400	5,400
Other short-term borrowings (d)	58,149	40,538
Current unsecured:		
Derivatives payable	63	62
Non-trade amounts owing to:		
– Related parties	4,238	4,238
– Unrelated parties	168	171
Total interest-bearing loans and borrowings (current)	84,334	67,103
Non-current:		
Syndicated facility agreement (c)	845,000	760,000
Other borrowings (d)	15,251	23,258
Total interest-bearing loans and borrowings (non-current)	860,251	783,258

(a) Bank Overdraft

The total bank overdraft of \$20.32 million as at 30 June 2024 (2023: \$16.69 million) relates to a bank overdraft due by Harvey Norman Trading (Ireland) Limited to Bank of Ireland ("BOI") (the "BOI Overdraft Facility"). Harvey Norman Holdings Limited has provided a Guarantee and Indemnity in favour of BOI in support of the BOI Overdraft Facility at the request of Ireland. The BOI Overdraft Facility is secured by this Guarantee.

(b) Commercial bills payable

The commercial bills payable form part of facilities granted by ANZ. The payment of each commercial bill is secured by the securities given pursuant to the Syndicated Facility Agreement (as defined in Note 17(c)), and subject to annual review by ANZ. Each commercial bill has a tenure not exceeding 180 days but is repayable on demand by ANZ, upon the occurrence of any event of default or Relevant Event (as defined in Note 17(c)) under the Syndicated Facility Agreement, or after any annual review date.

(c) Syndicated Facility Agreement

On 2 December 2009, the Company, a subsidiary of the Company (**Borrower**) and certain other subsidiaries of the Company (**Guarantors**) entered into a Syndicated Facility Agreement (the **Facility** or **SFA**) with certain banks (**Financiers** and each a **Financier**). This facility has been amended from time to time. As at 30 June 2024, the SFA comprised of five (5) Tranches totalling \$1,010 million. The Amending Deed (No. 8) to the Facility, dated 30 November 2021, was executed with the effect of extending the repayment date of Tranche A1 of the Facility totalling \$170 million to 4 December 2026 and Tranche B of the Facility totalling \$240 million to 4 December 2025. On 30 November 2022, the Amending Deed (No. 9) to the Facility was executed with the effect of extending the repayment date of Tranche A2 of the Facility totalling \$200 million to 30 November 2026 and the establishment of Tranche C of the Facility totalling \$200 million with a repayment date of 30 November 2025. On 10 November 2023, the Amending Deed (No 10) to the Facility was executed with the effect of the establishment of Tranche D of the Facility totalling \$200 million with a repayment date of 10 November 2027. The utilised amount of the Facility as at 30 June 2024 was \$845 million, repayable as set out below, and was classified as non-current interest-bearing loans and borrowings.

17 Interest-Bearing Loans and Borrowings (continued)

(c) Syndicated Facility Agreement (continued)

This Facility is secured by:

- a fixed and floating charge granted by the Company and each of the Guarantors in favour of a security trustee for the Financiers; and
- real estate mortgages granted by certain Guarantors in favour of the security trustee for the Financiers over various real properties owned by those Guarantors.

Under the terms of the Syndicated Facility Agreement, the Facility is repayable:

- in respect of Tranche A1 totalling \$170 million, on 4 December 2026 (\$170 million utilised at 30 June 2024)
- in respect of Tranche A2 totalling \$200 million, on 30 November 2026 (\$200 million utilised at 30 June 2024)
- in respect of Tranche B totalling \$240 million, on 4 December 2025 (\$240 million utilised at 30 June 2024)
- in respect of Tranche C totalling \$200 million, on 30 November 2025 (\$200 million utilised at 30 June 2024)
- in respect of Tranche D totalling \$200 million, on 10 November 2027 (\$35 million utilised at 30 June 2024)
- otherwise on demand by or on behalf of the Financiers upon the occurrence of any one of a number of events (each a "Relevant Event"), including events which are not within the control of the Company, the Borrower or the Guarantors. Each of the following is a Relevant Event:
 - i. an event occurs which has or is reasonably likely to have a material adverse effect on the business, operation, property, condition (financial or otherwise) or prospects of the Borrower or the Company and the subsidiaries of the Company;
 - ii. if any change in law or other event makes it illegal or impractical for a Financier to perform its obligations under the Syndicated Facility Agreement or fund or maintain the amount committed by that Financier to the provision of the Facility, the Financier may by notice to the Borrower, require the Borrower to repay the secured moneys in respect of the commitment of that Financier, in full on the date which is forty (40) business days after the date of that notice.

(d) Other Short-Term Borrowings

The consolidated entity has the following short-term borrowings as at 30 June 2024:

- a short-term facility of \$18.30 million in New Zealand secured by the securities pursuant to the SFA – unutilised as at 30 June 2024.
- a short-term facility with a limit of \$11.12 million in Singapore secured by a corporate guarantee – unutilised as at 30 June 2024.
- a short term facility with a limit of \$0.96 million in Malaysia secured by a corporate guarantee. \$0.80 million was utilised as at 30 June 2024 (2023: nil).
- a total facility with a limit of \$22.89 million in Ireland secured by fixed and floating charges over property. This facility was fully utilised as at 30 June 2024, with \$7.64 million classified as current borrowings (2023: \$7.56 million) and \$15.25 million classified as non-current borrowings (2023: \$23.26 million).
- a total facility with a limit of \$62.94 million in Slovenia and Croatia, with a maturity date of 4 December 2024, is secured by the securities pursuant to the SFA. \$45.04 million was utilised as at 30 June 2024 (2023: \$28.87 million).
- a total facility with a limit of \$5.56 million relates to a revolving credit facility with ANZ in Singapore. \$4.67 million was utilised as at 30 June 2024 (2023: \$4.12 million).

(e) Defaults and Breaches

The Company has not received notice of the occurrence of any Relevant Event from any Financier. During the 2024 and 2023 financial years, there were no defaults or breaches on any of the interest-bearing loans and borrowings referred to in this note.



MATERIAL ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortised cost. Gains and losses are recognised in the income statement when the liabilities are derecognised. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

The consolidated entity's financial liabilities include trade and other payables, derivative payable and loans and borrowings including bank overdrafts, commercial bills payable, Syndicated Facility Agreement, short-term borrowings, non-trade amounts owing to related parties and unrelated parties.

18 Financing Facilities Available

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
At balance date, the following financing facilities had been negotiated and were available.		
Total facilities available at reporting date:		
– Bank overdraft	49,101	49,471
– Other borrowings	121,773	320,957
– Commercial bank bills	1,400	5,400
– Syndicated Facility	1,010,000	810,000
Total Available Facilities	1,182,274	1,185,828
Facilities used at reporting date:		
– Bank overdraft	20,316	16,694
– Other borrowings (current)	58,149	40,538
– Other borrowings (non-current)	15,251	23,258
– Commercial bank bills (current)	1,400	5,400
– Syndicated Facility (non-current)	845,000	760,000
Total Used Facilities	940,116	845,890
Facilities unused at reporting date:		
– Bank overdraft	28,785	32,777
– Other borrowing	48,373	257,161
– Syndicated Facility	165,000	50,000
Total Unused Facilities	242,158	339,938

Refer to Note 17. Interest-Bearing Loans and Borrowings for details regarding the security provided by the consolidated entity over each of the financing facilities disclosed above.

19 Lease Liabilities

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Lease liabilities at beginning of the year	1,328,808	1,204,628
New, modified and exited leases	159,801	252,935
Interest on lease liabilities	58,087	50,294
Lease payments	(208,816)	(197,831)
Net foreign currency differences	(2,830)	18,782
Lease liabilities at the end of the year	1,335,050	1,328,808
Disclosed as:		
– Lease liabilities (current)	152,228	151,043
– Lease liabilities (non-current)	1,182,822	1,177,765
Total lease liabilities	1,335,050	1,328,808

(a) The geographical split of lease liabilities is as follows:

Leases of owner-occupied properties and plant and equipment assets:		
– Australia	59,222	54,158
– New Zealand	127,987	121,219
– Singapore & Malaysia	183,609	202,286
– Slovenia & Croatia	26,031	29,519
– Ireland & Northern Ireland	128,845	150,187
Total lease liabilities of leases of owner occupied properties and plant and equipment assets	525,694	557,369
Leases of properties sub-leased to external parties:		
– Australia	809,356	771,439
Total lease liabilities of leases of properties sub-leased to external parties	809,356	771,439
Total lease liabilities	1,335,050	1,328,808

(b) The maturity profile of undiscounted lease liabilities is as follows:

Less than 1 year	209,383	200,902
1 to 2 years	200,913	190,124
2 to 5 years	528,157	506,470
Over 5 years	747,153	744,156
Total undiscounted lease liabilities	1,685,606	1,641,652

(c) Commitments for leases not yet commenced

The consolidated entity had committed to leases which had not yet commenced as at 30 June 2024. These leases are not included in the calculation of the consolidated entity's lease liabilities. The estimated undiscounted lease liabilities for these leases are \$27.46 million (2023: \$8.30 million).

19 Lease Liabilities (continued)

MATERIAL ACCOUNTING POLICIES

Short-term leases and lease of low-value assets

The consolidated entity applies a recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies a recognition exemption to leases that are considered of low value.

Lease liabilities

At the commencement of a lease, the consolidated entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. In determining the lease term, the consolidated entity considers all facts and circumstances that create an economic incentive to exercise a renewal option, or not to exercise a termination option. Renewal options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Outgoings and other variable lease payments that do not depend on an index or a rate are recognised as incurred.

In calculating the present value of lease payments, the consolidated entity uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

SIGNIFICANT ACCOUNTING JUDGEMENTS & ESTIMATES

Incremental borrowing rate

The incremental borrowing rate is derived by reference to the rate at which a lessee would borrow to acquire the underlying asset, repaying over a similar term to the lease term. If the interest rate in the lease is not readily determinable, the consolidated entity determines the incremental borrowing rate for each lease by taking into account the following:

- external market based rate for a similar term to the lease term at the lease commencement date;
- the lending margins available to the consolidated entity for the respective jurisdiction at the lease commencement date; and
- other adjustments that may be made by market participants over the lease term.

As at 30 June 2024, the incremental borrowing rates applied by the consolidated entity were as follows:

Location	Weighted average incremental borrowing rate %
Australia	4.84%
New Zealand	3.87%
Singapore & Malaysia	3.70%
Slovenia & Croatia	3.98%
Ireland & Northern Ireland	4.16%

Lease term

The lease term is determined at lease commencement or at the effective date of lease modification, and is reviewed if a significant change in circumstances occurs. In determining the lease term, the consolidated entity considers all facts and circumstances that create an economic incentive to exercise a renewal option, or not to exercise a termination option. Renewal options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

As at 30 June 2024, the lease terms adopted by the consolidated entity were as follows:

Location	Weighted average lease term (years)
Australia	10.52
New Zealand	11.25
Singapore & Malaysia	6.13
Slovenia & Croatia	7.43
Ireland & Northern Ireland	8.91

As at 30 June 2024, the consolidated entity have assessed that a number of options do not meet the criteria of 'reasonably certain' and therefore the lease payments relating to these options have not been included in the lease liability. The undiscounted lease payments for these excluded options would amount to \$235.71 million (2023: \$109.00 million).

20 Other Liabilities

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Total unearned revenue (current)	118,705	121,000
Total unearned revenue (non-current)	1,604	1,025

21 Provisions

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Employee entitlements	36,942	35,722
Lease makegood	663	1,582
Total provisions (current)	37,605	37,304
Employee entitlements	2,758	2,700
Lease makegood	7,922	6,473
Total provisions (non-current)	10,680	9,173



MATERIAL ACCOUNTING POLICIES

Provision for employee entitlements

Provisions are made for benefits accruing to employees in respect of annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions that are expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.



SIGNIFICANT ACCOUNTING JUDGEMENTS & ESTIMATES

Provision for lease make good

Provisions are recognised for the anticipated costs of future restoration of leased premises. The provision includes future cost estimates associated with dismantling and removing the assets and restoring the leased premises according to contractual arrangements. These future cost estimates are discounted to their present value.

22 Contributed Equity

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Ordinary shares	717,925	717,925
Total contributed equity	717,925	717,925

	June 2024 Number of shares	June 2024 \$000
Movements in ordinary shares on issue:		
– Balance at 1 July 2023	1,246,006,654	717,925
– Issue of shares	-	-
Balance at end of the year	1,246,006,654	717,925

Number of ordinary shares issued and fully paid as at 30 June 2024 was 1,246,006,654 (2023: 1,246,006,654)

Ordinary shares – terms and conditions

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in any surplus on winding up in proportion to the number of and amounts paid up on shares held. Each ordinary share entitles the holder to one vote, either in person or by proxy, at a meeting of the Company.

22 Contributed Equity (continued)



MATERIAL ACCOUNTING POLICIES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a reduction, net of tax, from the proceeds.

23 Retained Profits and Dividends

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Movements in retained profits were as follows:		
– Balance at beginning of the year	3,414,424	3,254,936
– Profit for the year	352,453	539,520
– Dividends paid	(274,122)	(380,032)
Balance at end of the year	3,492,755	3,414,424
Dividends declared and paid on ordinary shares:		
– Final fully-franked dividend for 2023: 12.0 cents (2022: 17.5 cents)	149,521	218,051
– Interim fully-franked dividend for 2024: 10.0 cents (2023: 13.0 cents)	124,601	161,981
Total dividends paid	274,122	380,032

The final dividend of \$149.52 million, fully franked, for the year ended 30 June 2023 was paid on 13 November 2023. The interim dividend of 10.0 cents per share, totalling \$124.60 million fully-franked, for the year ended 30 June 2024 was paid on 1 May 2024. The final dividend of 12.0 cents per share totalling \$149.52 million, fully franked, for the year ended 30 June 2024 will be paid on 13 November 2024 to shareholders registered at the close of business on 16 October 2024. No provision has been made in the Statement of Financial Position for the payment of this final dividend.

Franking account balance:		
The amount of franking credits available for subsequent financial years are:		
– Franking account balance as at the end of the financial year at 30%	551,485	579,814
– Franking credits that will arise from the payment of income tax payable as at the end of the financial year	17,377	2,440
– Franking credits that will be utilised in the payment of the proposed final dividend	(64,080)	(64,080)
Amount of franking credits available for future reporting years	504,782	518,174

24 Non-Controlling Interests

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Interest in:		
– Ordinary shares	1,091	1,091
– Reserves	15,921	14,910
– Retained earnings	18,714	19,239
Total non-controlling interests	35,726	35,240

25 Reserves

CONSOLIDATED (\$'000)	Asset revaluation reserve	Foreign currency translation reserve	FVOCI reserve	Cash flow hedge reserve	Employee equity benefits reserve	Acquisition reserve	Total
At 1 July 2023	227,635	57,862	14,750	2,592	12,335	(16,274)	298,900
Revaluation of land & buildings	3,883	-	-	-	-	-	3,883
Tax effect of revaluation of land and buildings	(2,407)	-	-	-	-	-	(2,407)
Currency translation differences	-	(6,497)	-	-	-	-	(6,497)
Unrealised loss on financial assets at fair value through other comprehensive income	-	-	(1,153)	-	-	-	(1,153)
Reverse expired or realised cash flow hedge reserves	-	-	-	37	-	-	37
Net loss on forward foreign exchange contracts	-	-	-	(50)	-	-	(50)
Tax effect of net loss on forward foreign exchange contracts	-	-	-	15	-	-	15
Reclassified to income statement	-	-	-	(1,140)	-	-	(1,140)
Gain on interest rate swap contracts	-	-	-	174	-	-	174
Tax effect of net loss on interest rate swap contracts	-	-	-	290	-	-	290
Cost of share based payments	-	-	-	-	698	-	698
Utilisation of employee equity benefits reserve	-	-	-	-	(2,226)	-	(2,226)
At 30 June 2024	229,111	51,365	13,597	1,918	10,807	(16,274)	290,524

CONSOLIDATED (\$'000)	Asset revaluation reserve	Foreign currency translation reserve	FVOCI reserve	Cash flow hedge reserve	Employee equity benefits reserve	Acquisition reserve	Total
At 1 July 2022	245,448	27,572	20,490	13	10,921	(16,274)	288,170
Revaluation of land & buildings	(23,824)	-	-	-	-	-	(23,824)
Tax effect of revaluation of land and buildings	6,011	-	-	-	-	-	6,011
Currency translation differences	-	30,290	-	-	-	-	30,290
Unrealised loss on financial assets at fair value through other comprehensive income	-	-	(5,740)	-	-	-	(5,740)
Reverse expired or realised cash flow hedge reserves	-	-	-	(13)	-	-	(13)
Net loss on forward foreign exchange contracts	-	-	-	(53)	-	-	(53)
Tax effect of net loss on forward foreign exchange contracts	-	-	-	16	-	-	16
Net gain on interest rate swap contracts	-	-	-	3,755	-	-	3,755
Tax effect of net gain on interest rate swap contracts	-	-	-	(1,126)	-	-	(1,126)
Cost of share based payments	-	-	-	-	3,701	-	3,701
Utilisation of employee equity benefits reserve	-	-	-	-	(2,287)	-	(2,287)
At 30 June 2023	227,635	57,862	14,750	2,592	12,335	(16,274)	298,900

25 Reserves (continued)



MATERIAL ACCOUNTING POLICIES

Asset revaluation reserve

Any revaluation increment arising from revaluation of freehold owner-occupied properties is recorded in other comprehensive income (OCI) and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation decrement of the same asset previously recognised in the income statement, the increase is recognised in the income statement. Any revaluation decrement is recognised in the income statement, except to the extent that it offsets a previous increment of the same asset in the asset revaluation reserve.

Foreign currency translation reserve

The functional currency of overseas subsidiaries is the currency commonly used in their respective countries. As at the reporting date, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of the consolidated entity at the rate of exchange prevailing at the balance date and the income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on retranslation for consolidation are recognised in OCI in the foreign currency translation reserve.

Fair Value through Other Comprehensive Income (FVOCI) Reserve

The consolidated entity elected to classify some non-current equity investments as equity instruments designated at fair value through other comprehensive income. The fair value changes on the non-current equity investments are recorded in OCI in the FVOCI reserve.

Cash Flow Hedge Reserve

The consolidated entity uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised as other expense in the income statement. The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve.

The consolidated entity uses interest rate swap contracts as hedges of its exposure to interest rate risk. The ineffective portion relating to interest rate swap contracts is recognised in the income statement. The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve.

Employee equity benefits reserve

The consolidated entity provides benefits to certain employees (including Executive Directors) of the consolidated entity in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in other comprehensive income (employee equity benefits reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the consolidated entity's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. Further disclosure relating to equity-settled transactions is also provided in the Remuneration Report, Note 4. Expenses and Losses and Note 28. Employee Benefits.

Acquisition Reserve

Changes in the consolidated entity's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognised in the acquisition reserve.



SIGNIFICANT ACCOUNTING JUDGEMENTS & ESTIMATES

Equity-settled transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date when they are granted by using an appropriate valuation model.

26 Cash and Cash Equivalents

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
(a) Reconciliation to the Statement of Cash Flows		
Cash and cash equivalents comprise the following:		
– Cash at bank and on hand	182,246	125,195
– Short-term money market deposits	91,226	93,555
	273,472	218,750
– Bank overdraft (refer to Note 17)	(20,316)	(16,694)
Cash and cash equivalents	253,156	202,056

(b) Reconciliation of profit after income tax to net operating cash flows

Profit after tax	357,628	546,843
Adjustments for non-cash items:		
Net foreign exchange gain	(46)	(147)
Allowance for expected credit loss	(171)	(2,205)
Share of net profit from joint venture entities	(12,587)	(9,849)
Depreciation of property, plant and equipment	77,737	72,023
Depreciation of right-of-use assets	72,813	69,551
Fair value re-measurement of investment properties (leasehold): right-of-use assets	76,213	102,113
Amortisation	15,911	19,284
Impairment of ROU assets	2,914	-
Gain on disposal of leasehold ROU assets and lease liabilities	(1,099)	(1,568)
Revaluation of freehold properties	(2,250)	(118,750)
Executive remuneration expenses	2,835	7,592
Profit on disposal and sale of property, plant and equipment and the revaluation of listed securities	(4,221)	(3,216)
Changes in assets and liabilities:		
(Increase) / decrease in assets:		
– Receivables	33,041	60,638
– Inventories	(11,023)	(22,868)
– Other assets	11,123	(7,787)
Increase / (decrease) in liabilities:		
– Payables and other current liabilities	53,328	27,305
– Income tax payable	15,161	(58,330)
– Provisions	(776)	(372)
Net cash flows from operating activities	686,531	680,257



MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities in the statement of financial position.

27 Investments Accounted for Using the Equity Method

		CONSOLIDATED			
		June 2024 \$000		June 2023 \$000	
Total investments accounted for using the equity method		2,946		1,904	
		Ownership Interest		Contribution to Profit/Loss before tax	
		June 2024 %	June 2023 %	June 2024 \$000	June 2023 \$000
Noarlunga	Shopping complex	50%	50%	1,862	1,776
Perth City West	Shopping complex	50%	50%	2,482	2,395
Warrawong King St	Shopping complex (a)	62.5%	62.5%	1,125	1,230
Dubbo	Shopping complex	50%	50%	502	486
Gepps Cross	Shopping complex	50%	50%	3,656	3,415
Bundaberg	Land held for investment	50%	50%	-	6
QCV	Miners residential complex (b)	50%	50%	160	-
Westgate	Shopping complex in New Zealand	50%	50%	2,800	541
				12,587	9,849

- (a) This joint venture has not been consolidated as the consolidated entity does not have control over operating and financing decisions and all joint venture parties participate equally in decision making.
- (b) A number of wholly-owned subsidiaries of Harvey Norman Holdings Limited (HNHL) have entered into joint ventures with an unrelated party to provide mining camp accommodation. The respective joint ventures have been granted finance facilities as follows:
- A finance facility from ANZ for the amount of \$5.15 million plus interest and costs, with a maturity date of 31 January 2024. On 22 January 2024, the maturity date of this finance facility from ANZ was extended to 31 January 2025.
 - Finance facilities from Network Consumer Finance Pty Limited ("NCF"), a wholly-owned subsidiary of HNHL, for the amount of \$11.78 million (2023: \$18.75 million) plus interest and costs, subject to bi-annual review.



MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity over which the consolidated entity has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not control or have joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The investments in associates and joint ventures of the consolidated entity are accounted for using the equity method. Under the equity method, the investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the consolidated entity's share of net assets of the associate or joint venture since the acquisition date. After application of the equity method, the consolidated entity determines whether it is necessary to recognise any impairment loss with respect to its net investment in the associates and joint ventures. At each reporting date, the consolidated entity determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the consolidated entity calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value.

28 Employee Benefits

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
The aggregate employee benefit liability was comprised of:		
– Accrued wages, salaries and on-costs	19,194	23,862
– Provisions (Current–Note 21)	36,942	35,722
– Provisions (Non-current–Note 21)	2,758	2,700
Total employee benefit provisions	58,894	62,284

The consolidated entity makes contributions to complying superannuation funds for the purpose of provision of superannuation benefits for eligible employees of the consolidated entity. The amount of contribution in respect of each eligible employee is not less than the prescribed minimum level of superannuation support in respect of that eligible employee. The complying superannuation funds are independent and not administered by the consolidated entity.

Performance rights

At balance date, the performance rights in the table below were outstanding and vested (or able to be exercised) by, or for the benefit of, directors of Harvey Norman Holdings Limited. Refer to Table 4. Performance Rights of Key Management Personnel for the year ended 30 June 2024 on page 54 of this report for further information.

Grant date	Last Exercise Date	NUMBER OF PERFORMANCE RIGHTS OUTSTANDING		NUMBER OF PERFORMANCE RIGHTS VESTED	
		2024	2023	2024	2023
02/12/2019	30/06/2025	-	-	-	549,500
04/12/2020	30/06/2026	-	549,500	549,500	-
30/11/2021	31/10/2026	914,000	914,000	-	-
01/12/2022	31/10/2037	1,049,857	1,106,800	-	-
01/12/2023	31/10/2038	1,052,400	-	-	-
		3,016,257	2,570,300	549,500	549,500

29 Remuneration of Auditors

	CONSOLIDATED	
	June 2024 \$	June 2023 \$
Fees to Ernst & Young Australia:		
– Audit or review of financial reports	1,726,000	1,560,046
– Other assurance services and agreed-upon procedures	344,000	-
– Tax services	173,682	242,400
– Consulting services	85,000	187,880
Total payable to Ernst & Young Australia	2,328,682	1,990,326
Fees to overseas member firms of Ernst & Young Australia:		
– Audit or review of financial reports	1,315,259	945,856
– Other assurance services and agreed-upon procedures	34,159	-
– Tax services	777,913	475,959
– Consulting services	8,452	12,269
Total payable to overseas member firms of Ernst & Young Australia	2,135,783	1,434,084
Total remuneration payable to Ernst & Young	4,464,465	3,424,410

30 Key Management Personnel

(a) Details of Key Management Personnel

Directors	Title	Senior Executives	Title
Gerald Harvey	Executive Chairman	Thomas James Scott	General Manager – Property
Kay Lesley Page	Executive Director & Chief Executive Officer	Gordon Ian Dingwall	Chief Information Officer
John Evyn Slack-Smith	Executive Director & Chief Operating Officer	Emmanuel Hohlastos	General Manager – Home Appliances (Resigned 29 September 2023)
David Matthew Ackery*	Executive Director	Haydon Ian Myers	General Manager – Electrical (Appointed 1 March 2024)
Chris Mentis	Executive Director & Chief Financial Officer & Company Secretary	Darren Salakas	General Manager – Technology & Entertainment (KMP from 10 October 2022)
Christopher Herbert Brown OAM	Non-Executive Director	Glen Gregory	General Manager – Technology & Entertainment (Resigned 17 October 2022)
Michael John Harvey	Non-Executive Director	Richard Beaini	General Manager – Audio Visual (Ceased to be a KMP from 1 July 2023)
Kenneth William Gunderson-Briggs	Non-Executive Director (Independent)	Carene Myers	General Manager – Small Appliances
Maurice John Craven	Non-Executive Director (Independent)	Christopher Coen	General Manager – Home Appliances (Appointed 1 August 2023)
Luisa Catanzaro	Non-Executive Director (Independent)	Benjamin Kelada	General Manager – Audio Visual (Appointed 1 August 2023)

* David Matthew Ackery was appointed to the Board in 2005 as an Executive Director of the Company and was an employee. David Matthew Ackery retired as an Executive Director of the Company and as an employee with effect from 30 April 2024.

(b) Compensation of Key Management Personnel

	CONSOLIDATED	
	June 2024 \$	June 2023 \$
The total remuneration paid or payable to Key Management Personnel of the consolidated entity was as follows:		
– Short-term	12,222,476	13,138,905
– Post-employment	390,016	353,935
– Long-term (share-based payments)	627,219	2,005,498
– Other—long service leave accrual	82,634	102,423
– Other—termination benefit	199,360	126,357
Total compensation to Key Management Personnel	13,521,705	15,727,118

Refer to Tables 1 and 2 on pages 52 and 53 of this report for further information.

31 Related Party Transactions

(a) Ultimate Controlling Entity

The ultimate controlling entity of the consolidated entity is Harvey Norman Holdings Limited, a company incorporated in Australia.

(b) Transactions with Other Related Parties

- i. Several controlled entities of Harvey Norman Holdings Limited operate loan accounts with other related parties, mainly consisting of joint ventures and the other joint venture partner of the joint ventures. The amount of receivables from related parties at 30 June 2024 were \$36,424,465 (30 June 2023: \$42,791,186).
- ii. The consolidated entity has a payable to other related parties (excluding transactions with KMPs and their related parties) at arm's length terms and conditions. The amount owing to other related parties at 30 June 2024 was \$4,237,364 (30 June 2023: \$4,237,364).

Refer to information provided in Section 16. Other Transactions and Balances with Key Management Personnel and their Related Parties in this report on page 58 for further information.

32 Commitments

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
(a) Leases (the consolidated entity as a lessor):		
Future minimum amounts receivable under non-cancellable operating leases are as follows:		
– Not later than one year	133,240	127,777
– Between 1 and 2 years	86,088	87,705
– Between 2 and 3 years	65,369	66,820
– Between 3 and 4 years	41,833	44,227
– Between 4 and 5 years	25,488	27,849
– Later than five years	28,145	36,208
Minimum lease receivables	380,163	390,586



MATERIAL ACCOUNTING POLICIES

The consolidated entity as lessor

Leases in which the consolidated entity does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The consolidated entity has entered into commercial leases in respect of its freehold property portfolio and motor vehicles. All leases in the consolidated entity's freehold property portfolio include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
(b) Capital expenditure contracted but not provided is payable as follows:		
Not later than one year	41,342	100,002
Later than 1 year but not later than 5 years	9,785	12,048
Total capital expenditure commitments	51,127	112,050

The consolidated entity had contractual obligations to purchase, construct and refurbish property, plant and equipment and investment properties of \$51.13 million (2023: \$112.05 million). The contractual obligations relating to joint venture entities for the year ended 30 June 2024 was \$6.83 million (2023: \$10.46 million).

33 Contingent Liabilities

i. Guarantees

As at 30 June 2024, Harvey Norman Holdings Limited (the Company) and its wholly-owned subsidiaries have entered into the following guarantees, however the probability of having to make a payment under these guarantees is considered remote:

- a. Guarantees in the normal course of business relating to lease make-good obligations under certain operating lease contracts (with the exclusion of those lease make-good payments that are considered to be probable and recognised as a provision in Note 21. Provisions); and
- b. Indemnities to financial institutions to support bank guarantees in respect of the performance of contracts.

ii. Australian Securities and Investment Commission (ASIC) Proceedings

ASIC commenced proceedings against Latitude Finance Australia (as first defendant) and Harvey Norman Holdings Limited (HNHL) (as second defendant) in 2022 in respect of the promotion of interest free payment methods for customers of franchisees to purchase goods from franchisees. The liability part of the matter was heard in the Federal Court in April and May 2024. HNHL defended the matter. The Judge reserved his decision. No judgement has been given at the date of this report.

No provision has been made in the financial statements in respect of these contingent liabilities.



MATERIAL ACCOUNTING POLICIES

Contingent liabilities

The consolidated entity does not recognise liabilities that do not meet the recognition criteria as prescribed in AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. Contingent liabilities are not recognised as liabilities if there is only a possible obligation arising from a past event, where the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the consolidated entity. At each reporting date, the consolidated entity assesses whether an outflow of future economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs.

34 Financial Risk Management

(a) Financial Risk Management Objectives and Policies

The treasury function of the consolidated entity is responsible for the management of the following risks:

- market risk;
- credit risk; and
- liquidity risk.

The consolidated entity's principal financial liabilities, other than derivatives, comprise of trade and other payables and interest-bearing loans and borrowings. The consolidated entity's principal financial assets, other than derivatives, include cash and cash equivalents, trade and other receivables and equity investments at fair value. The consolidated entity manages its exposure to key financial risks, such as interest rate and currency risk in accordance with the consolidated entity's treasury policy which is approved by the Board of Directors. The objective of the treasury policy is to support the delivery of the consolidated entity's financial targets whilst protecting future financial security. The consolidated entity enters into derivative transactions, principally forward currency contracts, to manage the currency risks arising from the consolidated entity's operations and its source of finance.

The consolidated entity uses different methods to measure and manage different types of risks to which it is exposed.

These include:

- monitoring levels of exposure to interest rate and foreign exchange risk;
- monitoring assessments of market forecasts for interest rate and foreign exchange;
- ageing analyses and monitoring of specific credit allowances to manage credit risk; and
- monitoring liquidity risk through the future rolling cash flow forecasts.

(b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Components of market risk to which the consolidated entity are exposed are discussed below.

i. Foreign Currency Risk Management

Foreign currency risk refers to the risk that the value of financial instruments, recognised asset or liability will fluctuate due to changes in foreign exchange rates. The consolidated entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The consolidated entity's foreign currency exchange risk arises primarily from:

- receivables or payables denominated in foreign currencies; and
- firm commitments or highly probable forecast transactions for payments settled in foreign currencies.

34 Financial Risk Management (continued)

(b) Market Risk (continued)

i. Foreign Currency Risk Management (continued)

The consolidated entity is exposed to foreign exchange risk from various currency exposures, primarily with respect to, USD, EUR and GBP. The consolidated entity minimises its exposure to foreign currency risk by initially seeking contracts effectively denominated in the entity's functional currency where possible and economically favourable to do so. Foreign exchange risk that arises from firm commitments or highly probable transactions is managed principally through the use of forward currency contracts. The consolidated entity hedges a proportion of these transactions in each currency in accordance with the treasury policy.

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Financial Assets:		
– Cash and cash equivalents	-	22,887
– Trade and other receivables	-	1,258
– Derivatives receivable	20	89
	20	24,234
Financial Liabilities:		
– Trade and other payables	11,100	13,715
– Derivatives payable	63	62
	11,163	13,777
Net exposure	(11,143)	10,457

ii. Interest Rate Risk Management

Interest rate risk is the risk that the fair value on future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The consolidated entity's exposure to market interest rates relates primarily to cash and cash equivalents, non-trade debts receivables from related entities and unrelated entities, finance lease receivables, bank overdraft, non-trade amounts owing to related parties, Syndicated Facility, commercial bills and other borrowings.

The consolidated entity manages the interest rate exposure by adjusting the ratio of fixed interest debt to variable interest debt to a desired level based on current market conditions. Where the actual interest rate profile on the physical debt profile differs substantially from the desired target, the consolidated entity uses interest rate swap contracts to adjust towards the target net debt profile.

30 June 2024	Principal subject to floating interest rate \$000	FIXED INTEREST RATE MATURING IN				Total \$000	AVERAGE INTEREST RATE	
		1 year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000	Non-interest bearing \$000		Floating	Fixed
Cash	129,640	91,070	-	-	52,762	273,472	0.00% - 5.60%	2.40% - 4.10%
Consumer finance loans	-	271	-	-	3,130	3,401	-	4.25%
Finance lease receivables	-	546	829	-	2,722	4,097	-	11.00%
Receivables from franchisees	-	-	-	-	812,337	812,337	-	-
Trade receivables	-	-	-	-	111,842	111,842	-	-
Other financial assets	-	-	-	-	80,594	80,594	-	-
Non-trade debts receivables & loans	81,370	9,468	18,653	209	2,951	112,651	6.35% - 11.37%	5.00% - 9.50%
Total	211,010	101,355	19,482	209	1,066,338	1,398,394		
Syndicated Facility & other borrowings	718,400	-	200,000	-	-	918,400	1.71% - 6.47%	3.72%*
Trade creditors	-	-	-	-	378,709	378,709	-	-
Other loans	4,238	-	-	-	231	4,469	1.20% - 5.29%	-
Bank overdraft	20,316	-	-	-	-	20,316	6.50% - 6.75%	-
Bills payable	1,400	-	-	-	-	1,400	4.15% - 4.35%	-
Total	744,354	-	200,000	-	378,940	1,323,294		

* Refer to Note 35 Derivative Financial Instruments (c) interest rate swap contracts—cash flow hedges for further details.

34 Financial Risk Management (continued)

(b) Market Risk (continued)

ii. Interest Rate Risk Management (continued)

30 June 2023	Principal subject to floating interest rate \$000	FIXED INTEREST RATE MATURING IN				Total \$000	AVERAGE INTEREST RATE	
		1 year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000	Non-interest bearing \$000		Floating	Fixed
Cash	80,863	93,405	-	-	44,482	218,750	0.00% - 5.60%	1.50% - 4.39%
Consumer finance loans	-	221	-	-	2,895	3,116	-	5.50%
Finance lease receivables	-	403	762	-	2,722	3,887	-	11.00%
Receivables from franchisees	-	-	-	-	840,996	840,996	-	-
Trade receivables	-	-	-	-	114,291	114,291	-	-
Other financial assets	-	-	-	-	66,487	66,487	-	-
Non-trade debts receivables & loans	76,839	32,480	28,152	1,030	1,281	139,782	2.30% - 5.19%	5.00% - 10.0%
Total	157,702	126,509	28,914	1,030	1,073,154	1,387,309		
Syndicated Facility & other short-term borrowings	623,796	-	200,000	-	-	823,796	1.66% - 6.10%	3.72%*
Trade creditors	-	-	-	-	352,716	352,716	-	-
Other loans	4,238	-	-	-	233	4,471	1.20% - 5.29%	-
Bank overdraft	16,694	-	-	-	-	16,694	2.00% - 6.50%	-
Bills payable	5,400	-	-	-	-	5,400	1.19% - 3.88%	-
Total	650,128	-	200,000	-	352,949	1,203,077		

* Refer to Note 35 Derivative Financial Instruments (c) interest rate swap contracts—cash flow hedges for further details.

iii. Equity Price Risk Management

The consolidated entity is exposed to equity price risk arising from equity investments. Equity investments are held for strategic rather than trading purposes. The exposure to the risk of a general decline in equity market values is not hedged as the consolidated entity believes such a strategy is not cost effective. The fair value of the equity investments publicly traded on the ASX was \$39.04 million as at 30 June 2024 (2023: \$34.49 million). The fair value of the equity investments publicly traded on the NASDAQ was \$11.62 million as at 30 June 2024 (2023: nil). The fair value of the equity investments publicly traded on the NZX was \$18.59 million as at 30 June 2024 (2023: \$19.83 million).

iv. Sensitivity analysis

At the reporting date, the consolidated entity's exposure to interest rate risk (after taking into consideration the hedge of variable interest loans), foreign currency risk (after taking into consideration the hedge of foreign currency payables) and equity price risk are not considered material.

34 Financial Risk Management (continued)

(c) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from the financial assets of the consolidated entity, which comprise receivables from franchisees, trade and non-trade debts receivables, consumer finance loans and finance lease receivables, with a maximum exposure equal to the carrying amount of these financial assets.

The consolidated entity manages the credit risk exposure by taking the following measures:

- The Franchisor constantly monitors and evaluates the financial position of each franchisee;
- Conducting appropriate due diligence on counterparties before entering into an arrangement with them. It is the consolidated entity's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the Board. These risk limits are regularly monitored;
- Minimising concentrations of credit risk by undertaking transactions with a large number of debtors in various countries and industries. Trade receivable balances are monitored on an ongoing basis;
- Non-trade debts receivable are subject to regular monitoring and/or periodic impairment testing to ensure that they are recoverable; and
- Finance lease receivables are secured by assets with a value equal to, or in excess of, the counterparties' obligation to the consolidated entity.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The table below represents the financial assets of the consolidated entity by geographic location displaying the concentration of credit risk for each location as at balance date:

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Location of credit risk:		
– Australia	973,289	1,026,451
– New Zealand	26,522	31,520
– Singapore & Malaysia	15,821	16,365
– Slovenia & Croatia	3,663	2,083
– Ireland & Northern Ireland	4,398	4,238
Total	1,023,693	1,080,657

As at 30 June 2024, other than the loss allowance recognised in relation to trade and non-trade debts receivables and consumer finance loans as disclosed in Note 7, no financial assets were impaired.

34 Financial Risk Management (continued)

(d) Liquidity Risk

Liquidity risk includes the risk that, as a result of the consolidated entity's operational liquidity requirements:

- the consolidated entity will not have sufficient funds to settle a transaction on the due date;
- the consolidated entity will be forced to sell financial assets at a value which is less than what they are worth; or
- the consolidated entity may be unable to settle or recover a financial asset at all.

To help reduce these risks, the consolidated entity:

- has readily accessible standby facilities and other funding arrangements in place; and
- maintains instruments that are tradeable in highly liquid markets.

The Board reviews this exposure on a monthly basis from a projected 12-month cash flow forecast, listing of banking facilities, explanations of variances from the prior month reports and current funding positions of the overseas controlled entities provided by finance personnel. The following table details the consolidated entity's remaining contractual maturity for its financial assets and financial liabilities. The financial assets have been disclosed based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The financial liabilities have been disclosed based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the consolidated entity can be required to pay.

30 June 2024	Less than 1 year \$000	1 to 2 years \$000	2 to 5 years \$000	Over 5 years \$000	Total \$000
Non derivative financial assets:					
– Cash and cash equivalents	273,472	-	-	-	273,472
– Receivables from franchisees	812,337	-	-	-	812,337
– Trade and other receivables	129,273	12,038	68,525	1,774	211,610
– Other financial assets	-	-	-	77,785	77,785
Derivative financial assets:					
– Interest rate swap contracts	2,789	-	-	-	2,789
– Forward currency contracts	20	-	-	-	20
Total financial assets	1,217,891	12,038	68,525	79,559	1,378,013
Non derivative financial liabilities:					
– Trade and other payables	378,709	-	-	-	378,709
– Interest-bearing loans and borrowings	137,470	43,337	864,771	-	1,045,578
Derivative financial liabilities:					
– Forward currency contracts	63	-	-	-	63
Total financial liabilities	516,242	43,337	864,771	-	1,424,350
Net maturity	701,649	(31,299)	(796,246)	79,559	(46,337)

30 June 2023

Non derivative financial assets:					
– Cash and cash equivalents	218,750	-	-	-	218,750
– Receivables from franchisees	840,996	-	-	-	840,996
– Trade and other receivables	163,130	10,770	59,424	17,422	250,746
– Other financial assets	-	-	-	62,642	62,642
Derivative financial assets:					
– Interest rate swap contracts	3,755	-	-	-	3,755
– Forward currency contracts	90	-	-	-	90
Total financial assets	1,226,721	10,770	59,424	80,064	1,376,979
Non derivative financial liabilities:					
– Trade and other payables	352,716	-	-	-	352,716
– Interest-bearing loans and borrowings	115,769	54,035	813,761	-	983,565
Derivative financial liabilities:					
– Forward currency contracts	62	-	-	-	62
Total financial liabilities	468,547	54,035	813,761	-	1,336,343
Net maturity	758,174	(43,265)	(754,337)	80,064	40,636

34 Financial Risk Management (continued)

(e) Fair value of Financial Assets and Financial Liabilities

The fair value of financial assets and financial liabilities are determined as follows:

- The carrying amounts of cash and cash equivalents, receivables from franchisees, trade and other receivables, other financial assets, trade and other payables and interest-bearing loans and borrowings are reasonable approximations of fair value.
- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.
- The consolidated entity enters into derivative financial instruments with various counterparties, particularly financial institutions with investment grade credit ratings. Forward currency contracts are valued using valuation techniques which employs the use of market observable inputs.

The consolidated entity uses various methods in estimating the fair value of financial instruments. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

30 June 2024	Quoted market price (Level 1) \$'000	Market observable inputs (Level 2) \$'000	Total \$'000
Financial Assets:			
– Listed investments	69,256	-	69,256
– Interest rate swap contracts	-	2,789	2,789
– Forward currency contracts	-	20	20
Total financial assets	69,256	2,809	72,065
Financial Liabilities:			
– Forward currency contracts	-	63	63
Total financial liabilities	-	2,746	72,002
30 June 2023			
Financial Assets:			
– Listed investments	54,312	-	54,312
– Interest rate swap contracts	-	3,755	3,755
– Forward currency contracts	-	90	90
Total financial assets	54,312	3,845	58,157
Financial Liabilities:			
– Forward currency contracts	-	62	62
Total financial liabilities	-	62	62

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments are based on quoted market prices and are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Forward currency contracts are measured using quoted forward exchange rates. Interest rate swap contracts are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. These instruments are included in level 2.

34 Financial Risk Management (continued)

(f) Capital Risk Management Policy

The consolidated entity's capital management policy objectives are to: create long-term sustainable value for shareholders; maintain optimal returns to shareholders and benefits to other stakeholders; source the lowest cost available capital; and prevent the adverse outcomes that can result from short-term decision making.

The consolidated entity is constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, the consolidated entity may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The capital structure of the consolidated entity consists of debt, which includes the interest-bearing loans and borrowings disclosed in Note 17, cash and cash equivalents disclosed in Note 26(a) and equity attributable to equity holders of the parent, comprising ordinary shares, retained profits and reserves as disclosed in Notes 22, 23 and 25 respectively. None of the subsidiaries within the consolidated entity are subject to externally imposed capital requirements.

Capital management is monitored through the net debt to equity ratio. The Capital Management Policy stipulates a net debt to equity target for the consolidated entity of less than 50%. As at 30 June 2024, the consolidated entity had unused, available financing facilities of \$242.16 million out of total approved financing facilities of \$1,182.27 million. The net debt to equity ratio as at 30 June 2024 was 14.49% (30 June 2023: 13.85%).

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Borrowings (refer to Note 17: Interest-Bearing Loans and Borrowings)	944,585	850,361
Less: Cash and Cash equivalents	(273,472)	(218,750)
Net Debt	671,113	631,611
Total equity (a)	4,631,687	4,560,517
Net debt to equity ratio	14.49%	13.85%

- (a) For the purpose of calculating the net debt to equity ratio, total equity excludes the negative acquisition reserve of \$16.27 million (2023: \$16.27 million), the right-of-use assets in respect of property, plant and equipment leases of \$511.93 million (2023: \$546.02 million) and investment properties (leasehold): right-of-use assets of \$744.64 million (2023: \$705.03 million) and the lease liabilities recognised under AASB 16 *Leases* of \$1,335.05 million (2023: \$1,328.81 million).

35 Derivative Financial Instruments

Hedging instruments

The following table details the derivative hedging instruments as at balance date. The fair value of a hedging derivative is classified as a non-current asset or liability if the future cash flows of the hedging derivative are only due beyond 12 months and as a current asset or liability if the future cash flows of the hedging derivative are due in less than 12 months.

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Current assets		
Foreign currency contracts—held for trading*	20	90
Interest rate swap contracts—cash flow hedges	2,789	3,755
Current liabilities		
Foreign currency contracts—held for trading*	13	9
Foreign currency contracts—cash flow hedges	50	53

* The consolidated entity has entered into forward currency contracts which are economic hedges but do not satisfy the requirements of hedge accounting.

35 Derivative Financial Instruments (continued)

(a) Forward currency contracts-held for trading

Currency	CONSOLIDATED					
	Average Exchange Rate		2024		2023	
	2024	2023	Buy \$000	Sell \$000	Buy \$000	Sell \$000
Euro (0-12 months)	61.11	62.02	1,585	-	3,898	-
US Dollar (0-12 months)	66.70	66.54	4,446	-	4,402	-
Total			6,031	-	8,300	-

These contracts are fair valued by comparing the contracted rate to the market rates at balance date. All movements in fair value are recognised in the income statement in the period they occur. The net fair value gain on forward currency contracts during the year ended 30 June 2024 was \$0.007 million for the consolidated entity (2023: net fair value gain of \$0.08 million).

(b) Forward currency contracts-cash flow hedges

The consolidated entity purchases inventories from various overseas countries. As such, the consolidated entity is exposed to foreign exchange risk from various currency exposures, primarily with respect to Euro.

In order to protect against exchange rate movements and to manage the inventory costing process, the consolidated entity has entered into forward currency contracts to purchase Euro. These contracts are hedging highly probable forecasted purchases and they are timed to mature when payments are scheduled to be made. The following table details the forward currency contracts outstanding as at reporting date:

Currency	CONSOLIDATED					
	Average Exchange Rate		2024		2023	
	2024	2023	Buy \$000	Sell \$000	Buy \$000	Sell \$000
Euro (0-12 months)	61.36	60.06	5,126	-	3,447	-

The forward currency contracts are considered to be highly effective hedges as they are matched against forecast inventory purchases and firm committed invoice payments for inventory purchases. During the year ended 30 June 2024, the hedges were 100% effective (2023: 100% effective), therefore the gain or loss on the contracts attributable to the hedged risk is taken directly to other comprehensive income. When the inventory is delivered the amount recognised in other comprehensive income is adjusted to the inventory account in the statement of financial position.

Movement in the forward currency contract cash flow hedge reserve:

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
	Increase / (Decrease)	
Opening balance	(37)	13
Reverse expired or realised cash flow hedge reserves	37	(13)
Loss recognised in other comprehensive income	(35)	(37)
Closing balance	(35)	(37)

35 Derivative Financial Instruments (continued)

(c) Interest rate swap contracts-cash flow hedges

Under a interest rate swap contract, the consolidated entity agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contract enables the consolidated entity to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable rate debt held.

At 30 June 2024, the consolidated entity had an interest rate swap contract in place with a notional amount of AUD \$200 million (2023: \$200 million) whereby the consolidated entity receives a variable rate of interest at a rate equal to the Australian 3 month BBSY on the notional amount and pays a fixed rate of interest rate of 3.72%. The swap is being used to hedge exposure to changes in the interest rate of its variable rate secured loan with an interest rate equal to the Australian 3 month BBSY plus a margin. The consolidated entity has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component as the terms of the interest rate swap match the terms of the underlying variable rate loan (i.e. notional amount, maturity, payment and reset dates) and is considered to be highly effective. The interest rate swap is settled on a net basis every quarter. During the year the hedge was 100% effective, therefore any gain or loss on the contract attributable to the hedged risk was taken directly to other comprehensive income and reclassified to profit and loss when interest expense is recognised.

Movement in the interest rate swap contract cash flow hedge reserve:

	CONSOLIDATED	
	June 2024	June 2023
	\$000	\$000
	Increase / (Decrease)	
Opening balance	2,629	-
Reclassified to income statement	(1,140)	-
Gain recognised in other comprehensive income	464	2,629
Closing balance	1,953	2,629

36 Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, relief has been granted to certain controlled entities of Harvey Norman Holdings Limited from the Corporations Act 2001 requirements for the preparation, audit and lodgement of their financial reports. These controlled entities have entered into a Deed of Cross Guarantee with Harvey Norman Holdings Limited ("Closed Group"). The effect of this Deed of Cross Guarantee is that Harvey Norman Holdings Limited has guaranteed to pay any deficiency in the event of winding up a controlled entity within the Closed Group or if the controlled entity does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities within the Closed Group have also given a similar guarantee in the event that Harvey Norman Holdings Limited is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The parties to the Deed of Cross Guarantee include Harvey Norman Holdings Limited and the following controlled entities:

- Arisit Pty Limited
- Contemporary Design Group Pty Limited
- Derni Pty Limited
- Generic Publications Pty Limited
- Harvey Norman Big Buys Pty Limited
- Harvey Norman Stores (N.Z.) Pty Limited
- Network Consumer Finance Pty Limited
- Sarsha Pty Limited
- Yoogalu Pty Limited

The Statement of Financial Position and Income Statement for the Harvey Norman Holdings Limited Closed Group are as follows:

	CONSOLIDATED	
	June 2024	June 2023
	\$000	\$000
Current assets		
– Cash and cash equivalents	66,599	73,284
– Trade and other receivables	935,245	967,869
– Other financial assets	2,790	3,845
– Inventories	250,998	256,249
– Intangible assets	686	600
– Other assets	23,700	23,074
Total current assets	1,280,018	1,324,921
Non-Current assets		
– Trade and other receivables	2,563,624	2,220,177
– Other financial assets	302,767	302,743
– Property, Plant & Equipment	111,104	94,590
– Property, Plant & Equipment: Right-of-use assets	184,379	169,388
– Intangible assets	71,889	56,492
Total non-current assets	3,233,763	2,843,390
Total assets	4,513,781	4,168,311
Current liabilities		
– Trade and other payables	127,798	113,661
– Interest-bearing loans and borrowings	1,622	5,673
– Lease liabilities	24,847	26,361
– Income tax payable	11,630	7,001
– Provisions	31,401	30,814
– Other liabilities	78,118	86,710
Total current liabilities	275,416	270,220
Non-Current liabilities		
– Interest-bearing loans and borrowings	845,000	760,000
– Lease liabilities	187,876	168,335
– Provisions	2,758	2,404
– Deferred income tax liabilities	157,957	135,761
Total non-current liabilities	1,193,591	1,066,500
Total liabilities	1,469,007	1,336,720
Net Assets	3,044,774	2,831,591

36 Deed of Cross Guarantee (continued)

	CONSOLIDATED	
	June 2024 \$000	June 2023 \$000
Equity		
– Contributed equity	717,925	717,925
– Reserves	13,778	16,724
– Retained profits	2,313,798	2,097,500
– Non-controlling interests	(727)	(558)
Total equity	3,044,774	2,831,591
Income Statement		
– Profit before income tax	563,402	589,994
– Income tax	(72,982)	(90,321)
Profit after tax	490,420	499,673
Retained Earnings		
– Retained earnings at the beginning of the year	2,097,500	1,977,859
– Profit after tax	490,420	499,673
– Dividends provided for or paid	(274,122)	(380,032)
Retained earnings at the end of the year	2,313,798	2,097,500

37 Parent Entity Financial Information

	PARENT ENTITY	
	June 2024 \$000	June 2023 \$000
Current assets	4	18
Non-current assets	3,274,875	3,030,987
Total assets	3,274,879	3,031,005
Current liabilities	19,811	4,870
Non-current liabilities	174,676	151,699
Total liabilities	194,487	156,569
Contributed equity	717,925	717,925
Retained profits	2,362,467	2,156,511
Total Equity	3,080,392	2,874,436
Profit for the year	480,077	495,288
Total Comprehensive Income	480,077	495,288

Guarantees

The Parent Company is party to a Deed of Cross Guarantee ("Deed") with the following controlled entities:

- Arisit Pty Limited
- Contemporary Design Group Pty Limited
- Derni Pty Limited
- Generic Publications Pty Limited
- Harvey Norman Big Buys Pty Limited
- Harvey Norman Stores (N.Z.) Pty Limited
- Network Consumer Finance Pty Limited
- Sarsha Pty Limited
- Yoogalu Pty Limited

The effect of this Deed is that the Parent Company has guaranteed to pay any deficiency in the event of winding up one of the above controlled entities or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The above controlled entities have also given a similar guarantee in the event that the Parent Company is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

37 Parent Entity Financial Information (continued)

Contingent Liabilities

Refer to information provided in Note 33: Contingent Liabilities for disclosures relating to the Parent Entity.

38 Controlled Entities and Unit Trusts

The listing of controlled entities and unit trusts detailed on this page is not a complete and exhaustive list of all controlled entities and unit trusts held by Harvey Norman Holdings Limited. The financial year of all controlled entities and unit trusts are the same as that of the Parent Company.

A listing of material subsidiaries and unit trusts of Harvey Norman Holdings Limited are detailed below:

Arisit Pty Limited ^{1,2}	Harvey Norman Discounts No. 1 Trust	Harvey Norman Trading (Ireland) Limited ^{12,13}
Cascade Consolidated Sdn. Bhd. ^{9,10}	Harvey Norman No. 1 Trust	Harvey Norman Trading d.o.o. ^{14,15}
Contemporary Design Group Pty Limited ^{1,2}	Harvey Norman Europe d.o.o. ¹⁴	Network Consumer Finance Pty Limited ^{1,2}
Derni Pty Limited ^{1,2}	Harvey Norman Holdings (Ireland) Limited ¹²	Pertama Holdings Pte Limited ^{6,7,8}
Elitetrax Marketing Sdn. Bhd. ^{10,11}	Harvey Norman Limited ⁴	Pertama Merchandising Pte Ltd ^{6,9}
Generic Publications Pty Limited ^{1,2}	Harvey Norman Ossia (Asia) Pte Limited ^{6,7,8}	Sarsha Pty Limited ^{1,2}
Harvey Norman Big Buys Pty Limited ^{1,2,3}	Harvey Norman Singapore Pte Limited ^{6,7}	Yoogalu Pty Limited ^{1,2}
Harvey Norman Croatia d.o.o. ^{15,16}	Harvey Norman Stores (N.Z.) Pty Limited ^{4,5}	

Notes:

1. Company incorporated in Australia.
2. Company is a member of the "Closed Group" relieved under the Class Order described in Note 36.
3. Harvey Norman Big Buys Pty Limited holds 99.02% of the shares in the KEH Partnership.
4. Company incorporated in New Zealand.
5. Shares held by Harvey Norman Limited.
6. Company incorporated in Singapore.
7. Harvey Norman Singapore Pte Limited owns 100% of the shares in Bencoolen Properties Pte Limited, 60% of the shares in Harvey Norman Ossia (Asia) Pte Limited, 100% of the shares in Space Furniture Pte Limited and 50.62% of the shares in Pertama Holdings Pte Limited.
8. Harvey Norman Ossia (Asia) Pte Limited holds 49.38% of the shares in Pertama Holdings Pte Limited.
9. Shares held by Pertama Holdings Pte Limited.
10. Company incorporated in Malaysia.
11. Shares held by Cascade Consolidated Sdn. Bhd.
12. Company incorporated in Ireland.
13. Shares held by Harvey Norman Holdings (Ireland) Limited.
14. Company incorporated in Slovenia.
15. Harvey Norman Europe d.o.o. owns 100% of the shares in Harvey Norman Trading d.o.o. and 100% of the shares in Harvey Norman Croatia d.o.o.
16. Company incorporated in Croatia.

39 Significant Events After Balance Date

There have been no circumstances arising since balance date which have significantly affected or may significantly affect:

- the operations;
- the results of those operations; or
- the state of affairs of the entity or consolidated entity in future financial years.

Consolidated Entity Disclosure Statement

Set out below is a list of entities that are consolidated in this set of Consolidated financial statements at the end of the financial year.

(a) Each of the below entities is a body corporate, incorporated in **Australia**, with 100% share capital held by Harvey Norman Holdings Limited, and is an Australian resident within the meaning of the *Income Tax Assessment Act 1997*.

A.C.N. 098 004 570 Pty Limited ¹	Calardu Cannington Pty Limited ¹	Calardu Mandurah Pty Limited ¹
Aloku Pty Ltd	Calardu Cannonvale Pty Limited ¹	Calardu Maribyrnong Pty Ltd
Anwarah Pty. Ltd. ¹	Calardu Capalaba Pty Limited ¹	Calardu Marion Pty Ltd
Arisit Pty Limited ³	Calardu Caringbah (Taren Point) Pty Limited ¹	Calardu Maroochydore Pty Limited ¹
Arlenu Pty Ltd ¹	Calardu Caringbah Pty Ltd ¹	Calardu Maroochydore Warehouse Pty Limited ¹
Arpayo Pty Ltd ¹	Calardu Chatswood Pty Ltd	Calardu Marsden Park Pty Limited ¹
Balwondu Pty Ltd	Calardu Crows Nest Pty Limited ¹	Calardu Maryborough Pty Ltd
Barrayork Pty. Limited ¹	Calardu Cubitt Pty Limited	Calardu Melton Pty Limited ¹
Becto Pty Limited	Calardu Darwin Pty Limited ¹	Calardu Melville Pty Ltd ¹
Bellevue Hill Pty Limited	Calardu Devonport Pty Limited ¹	Calardu Mentone Pty Limited ¹
Bestest Pty Ltd	Calardu Dubbo Pty Limited ¹	Calardu Merrifield Pty Ltd ¹
Bowermans Pty Limited	Calardu Emerald Pty Limited ¹	Calardu Midland Pty Limited ¹
Bradiz Pty Ltd	Calardu Frankston Pty Limited ¹	Calardu Milton Pty Limited
Braxpine Pty Ltd	Calardu Frankston WH Pty Limited ¹	Calardu Morayfield Pty Limited ¹
Caesar Mosaics Pty Limited	Calardu Fyshwick DM Pty Limited ¹	Calardu Morwell Pty Limited ¹
Calardu Albany Pty Limited ¹	Calardu Gepps Cross Pty Limited ¹	Calardu Moss Vale Pty Limited ¹
Calardu Albury Pty Limited ¹	Calardu Geraldton Pty Limited ¹	Calardu Mount Isa Pty Limited
Calardu Alexandria DM Pty Limited ¹	Calardu Gladstone Pty Limited ¹	Calardu Mt Gambier Pty Limited ¹
Calardu Alexandria WH Pty Limited ¹	Calardu Gordon Pty Ltd	Calardu Mudgee Pty Limited ¹
Calardu Alice Springs Pty Limited ¹	Calardu Guildford Pty Limited	Calardu Munno Para Pty Limited ¹
Calardu Armadale WA Pty Limited ¹	Calardu Gympie Pty Limited ¹	Calardu Noarlunga Pty Limited ¹
Calardu Armidale Pty Limited ¹	Calardu Hervey Bay Pty Ltd ¹	Calardu Noble Park WH Pty Limited ¹
Calardu Auburn Pty Ltd ¹	Calardu Hobart Pty Ltd ¹	Calardu Noosa Pty Ltd ¹
Calardu Ballarat Pty Ltd ¹	Calardu Hoppers Crossing Pty Limited ¹	Calardu North Ryde No. 1 Pty Limited ¹
Calardu Ballina No.1 Pty Limited ¹	Calardu Horsham Pty Limited ¹	Calardu North Ryde Pty Ltd ¹
Calardu Ballina Pty Limited ¹	Calardu Innisfail Pty Limited	Calardu Northbridge Pty Limited
Calardu Bathurst No. 1 Pty Limited ¹	Calardu Ipswich Pty Limited ¹	Calardu Nowra Pty Limited ¹
Calardu Bathurst Pty Limited ¹	Calardu Jandakot Pty Limited	Calardu Nunawading Pty Limited ¹
Calardu Belrose DM Pty Limited ¹	Calardu Joondalup Pty Ltd ¹	Calardu Penrith Pty Limited ¹
Calardu Bendigo Pty Limited ¹	Calardu Kalgoorlie Oswald St Pty Ltd ¹	Calardu Perth City West Pty Limited ¹
Calardu Berri (SA) Pty Limited	Calardu Kalgoorlie Pty Limited ¹	Calardu Pimpama Pty Limited ¹
Calardu Berrimah Pty Limited ¹	Calardu Karana Downs Pty Limited	Calardu Port Macquarie Pty Ltd ¹
Calardu Berrimah WH Pty Limited ¹	Calardu Karratha Pty Limited ¹	Calardu Preston Pty Ltd ¹
Calardu Brighton Pty Limited ¹	Calardu Kemblawarra Pty Limited	Calardu Pty Ltd ¹
Calardu Broadmeadow Pty Ltd ¹	Calardu Kingaroy Pty Ltd ¹	Calardu Queensland Pty Ltd ¹
Calardu Broadmeadows Vic Pty Limited ¹	Calardu Kotara Pty Ltd	Calardu Raine Square Pty Limited ¹
Calardu Browns Plains No.1 Pty Limited ¹	Calardu Lakehaven No.1 Pty Limited ¹	Calardu Richmond Pty Limited ¹
Calardu Browns Plains Pty Ltd ¹	Calardu Launceston Pty Limited ¹	Calardu Rockhampton Pty Limited ¹
Calardu Bunbury (WA) Pty Ltd ¹	Calardu Leopold Pty Limited ¹	Calardu Rockingham Pty Ltd ¹
Calardu Bundaberg Pty Limited ¹	Calardu Lismore Pty Limited ¹	Calardu Roselands Pty Ltd ¹
Calardu Bundaberg WH Pty Limited ¹	Calardu Loganholme Pty Limited ¹	Calardu Rothwell Pty Limited ¹
Calardu Bundall Pty Limited ¹	Calardu Macgregor Pty Limited ¹	Calardu Rutherford Pty Limited ¹
Calardu Burnie Pty Ltd ¹	Calardu Mackay No. 1 Pty Limited	Calardu Rutherford Warehouse Pty Limited ¹
Calardu Cairns Pty Limited ¹	Calardu Mackay No. 2 Pty Limited	Calardu Sale Pty Limited ¹
Calardu Cambridge Pty Limited ¹	Calardu Maitland Pty Limited ¹	Calardu Silverwater Pty Limited ¹
Calardu Campbelltown Pty Limited ¹	Calardu Malaga Pty Limited ¹	Calardu South Australia Pty Ltd

(a) Each of the below entities is a body corporate, incorporated in **Australia**, with 100% share capital held by Harvey Norman Holdings Limited, and is an Australian resident within the meaning of the *Income Tax Assessment Act 1997* (continued).

Calardu Springvale Pty Ltd ¹	CP Midland Pty Limited	D.M. Warrawong Franchisor Pty Limited
Calardu Surry Hills Pty Limited ¹	CP Moonah Pty Limited	D.M. Warrawong Leasing Pty Limited
Calardu Swan Hill Pty Limited ¹	CP Moorabbin Pty Limited	D.M. West Gosford Franchisor Pty Ltd
Calardu Taree Pty Limited ¹	CP Morayfield Pty Limited	D.M. West Gosford Leasing Pty Limited
Calardu Taren Point Pty Limited ¹	CP Mornington Pty Limited	Daldere Pty Ltd
Calardu Taylors Beach Pty Ltd ¹	CP Mt Druitt Leasing Pty Limited	Dandolena Pty Ltd ¹
Calardu Taylors Lakes Pty Limited ¹	CP Mt Druitt Pty Limited	Derni Pty Ltd ¹
Calardu Thebarton Pty Limited	CP O'Connor Pty Limited	Divonda Pty Ltd
Calardu Toorak Pty Limited	CP Osborne Park CL Pty Limited	DM Online Franchisor Pty Limited
Calardu Toowoomba WH Pty Limited ¹	CP Osborne Park Pty Limited	DM Online Leasing Pty Limited
Calardu Townsville Pty Ltd ¹	CP Richmond Pty Limited	Domain Holdings Pty Ltd
Calardu Townsville WH Pty Limited ¹	CP Ringwood Pty Limited	Domayne Furnishing Pty Limited
Calardu Tweed Heads Pty Ltd ¹	CP Thomastown Pty Limited	Domayne Online.com Pty Limited
Calardu Tweed Heads Traders Way Pty Limited ¹	CP Victoria Park Pty Limited	Domayne Pty Limited
Calardu Vicfurn Pty Ltd ¹	CP Welshpool DC Pty Limited	Dubbo JV Pty Limited
Calardu Victoria Pty Ltd ¹	Cropp Pty Ltd	Durslee Pty Ltd ¹
Calardu Wangaratta Pty Limited	D.M. Alexandria Franchisor Pty Limited	Edbrook Everton Park Pty Limited
Calardu Warragul Pty Limited ¹	D.M. Alexandria Leasing Pty Limited	Edbrook Pty Ltd
Calardu Warrawong (Homestarters) Pty Limited ¹	D.M. Alexandria Licencing Pty Limited	Energy Incentive Team Pty Limited ¹
Calardu Warrawong Pty Limited ¹	D.M. Auburn Franchisor Pty Limited	Farane Pty Ltd
Calardu Warrnambool Pty Ltd ¹	D.M. Auburn Leasing Pty Limited	Flormonda Pty Ltd
Calardu Warwick Pty Limited ¹	D.M. Belrose Franchisor Pty Limited	Furnishing Venture Pty Limited
Calardu West Gosford Pty Ltd ¹	D.M. Belrose Leasing Pty Limited	Ganoru Pty Ltd
Calardu Whyalla Pty Limited ¹	D.M. Bundall Franchisor Pty Limited	Generic Publications Pty Limited
Calardu Wivenhoe Pty Ltd ¹	D.M. Bundall Leasing Pty Limited	Gestco Pty Ltd
Calardu Wodonga Pty Limited ¹	D.M. Castle Hill Franchisor Pty Limited	H. N. Capalaba Franchisor Pty Limited
Cannone Recovery Pty Limited ¹	D.M. Castle Hill Leasing Pty Limited	H. N. Capalaba Leasing Pty Limited
Carlando Pty Ltd	D.M. Fortitude Valley Hire Franchisor Pty Limited	H. N. Cobar Franchisor Pty Limited
Charmela Pty Ltd ¹	D.M. Fyshwick Franchisor Pty Limited	H. N. Cobar Leasing Pty Limited
Clambruno Pty Ltd ¹	D.M. Fyshwick Leasing Pty Limited	H. N. Moree Franchisor Pty Limited
Consolidated Design Group Pty Ltd	D.M. Kotara Franchisor Pty Limited	H. N. Mt Barker Franchisor Pty Limited
Contemporary Design Group Pty Limited	D.M. Kotara Leasing Pty Limited	H. N. Mt Barker Leasing Pty Limited
CP Aspley Pty Limited	D.M. Liverpool Franchisor Pty Limited	H. N. Newcastle West Franchisor Pty Limited
CP Belmont Pty Limited	D.M. Liverpool Leasing Pty Limited	H. N. Newcastle West Leasing Pty Limited
CP Bendigo Pty Limited	D.M. Macgregor Franchisor Pty Limited	H. N. West Wyalong Franchisor Pty Limited
CP Braybrook Pty Limited	D.M. Macgregor Leasing Pty Limited	H. N. West Wyalong Leasing Pty Limited
CP Bundaberg Leasing Pty Limited	D.M. Marion Franchisor Pty Limited	H.N. Adelaide CK Franchisor Pty Limited
CP Bundaberg Pty Limited	D.M. Marion Leasing Pty Limited	H.N. Adelaide CK Leasing Pty Limited
CP Burleigh Waters Pty Limited	D.M. Maroochydore Franchisor Pty Limited	H.N. Albany Creek Franchisor Pty Limited
CP Coburg Pty Limited	D.M. Maroochydore Leasing Pty Limited	H.N. Albany Creek Leasing Pty Limited
CP Dandenong Pty Limited	D.M. North Ryde Franchisor Pty Limited	H.N. Albany Franchisor Pty Ltd
CP Joondalup Pty Limited	D.M. North Ryde Leasing Pty Limited	H.N. Albany Leasing Pty Limited
CP Loganholme Pty Limited	D.M. Osborne Park Franchisor Pty Limited	H.N. Albury Franchisor Pty Limited
CP Macgregor Pty Limited	D.M. Osborne Park Leasing Pty Limited	H.N. Albury Leasing Pty Limited
CP Mackay Pty Limited	D.M. Penrith Franchisor Pty Limited	H.N. Alexandria Franchisor Pty Limited
CP Malvern Pty Limited	D.M. Penrith Leasing Pty Limited	H.N. Alexandria Leasing Pty Limited
CP Mandurah Pty Limited	D.M. QVH Franchisor Pty Limited	H.N. Alice Springs Franchisor Pty Limited
CP Maroochydore Pty Limited	D.M. QVH Leasing Pty Limited	H.N. Alice Springs Leasing Pty Limited
CP Maryborough Leasing Pty Limited	D.M. Springvale Franchisor Pty Limited	H.N. Ararat Franchisor Pty Limited
CP Maryborough Pty Limited	D.M. Springvale Leasing Pty Limited	H.N. Ararat Leasing Pty Limited

(a) Each of the below entities is a body corporate, incorporated in **Australia**, with 100% share capital held by Harvey Norman Holdings Limited, and is an Australian resident within the meaning of the *Income Tax Assessment Act 1997* (continued).

H.N. Armadale WA Franchisor Pty Limited	H.N. Broadway on the Mall Franchisor Pty Limited	H.N. City West Leasing Pty Limited
H.N. Armadale WA Leasing Pty Limited	H.N. Broadway on the Mall Leasing Pty Limited	H.N. Cleveland Franchisor Pty Limited
H.N. Armidale Franchisor Pty Limited	H.N. Broken Hill Franchisor Pty Limited	H.N. Cleveland Leasing Pty Limited
H.N. Armidale Leasing Pty Limited	H.N. Broken Hill Leasing Pty Limited	H.N. Coburg Franchisor Pty Limited
H.N. Aspley Franchisor Pty Limited	H.N. Brooklyn Franchisor Pty Limited	H.N. Coburg Leasing Pty Limited
H.N. Aspley Leasing Pty Limited	H.N. Brooklyn Leasing Pty Limited	H.N. Coffs Harbour Franchisor Pty Ltd
H.N. Atherton Franchisor Pty Limited	H.N. Broome Franchisor Pty Limited	H.N. Coffs Harbour Leasing Pty Limited
H.N. Atherton Leasing Pty Limited	H.N. Broome Leasing Pty Limited	H.N. Coorparoo Franchisor Pty Limited
H.N. Auburn Franchisor Pty Limited	H.N. Browns Plains Franchisor Pty Limited	H.N. Coorparoo Leasing Pty Limited
H.N. Auburn Leasing Pty Limited	H.N. Browns Plains Leasing Pty Limited	H.N. Cranbourne Franchisor Pty Limited
H.N. Auburn Seconds World Leasing Pty Limited	H.N. Bunbury Franchisor Pty Limited	H.N. Dalby Franchisor Pty Limited
H.N. Ayr Franchisor Pty Limited	H.N. Bunbury Leasing Pty Limited	H.N. Dalby Leasing Pty Limited
H.N. Ayr Leasing Pty Limited	H.N. Bundaberg Franchisor Pty Limited	H.N. Dandenong Franchisor Pty Ltd
H.N. Bairnsdale Franchisor Pty Limited	H.N. Bundaberg Leasing Pty Limited	H.N. Dandenong Leasing Pty Limited
H.N. Bairnsdale Leasing Pty Limited	H.N. Bundall Franchisor Pty Limited	H.N. Darwin Franchisor Pty Limited
H.N. Balgowlah Franchisor Pty Ltd	H.N. Bundall Leasing Pty Limited	H.N. Darwin Leasing Pty Limited
H.N. Balgowlah Leasing Pty Limited	H.N. Burleigh Heads Franchisor Pty Limited	H.N. Deniliquin Franchisor Pty Limited
H.N. Ballarat Franchisor Pty Limited	H.N. Burleigh Heads Leasing Pty Limited	H.N. Deniliquin Leasing Pty Limited
H.N. Ballarat Leasing Pty Limited	H.N. Burleigh Waters Franchisor Pty Limited	H.N. Dubbo Franchisor Pty Limited
H.N. Ballina Franchisor Pty Limited	H.N. Burleigh Waters Leasing Pty Limited	H.N. Dubbo Leasing Pty Limited
H.N. Ballina Leasing Pty Limited	H.N. Busselton Franchisor Pty Limited	H.N. Echuca Franchisor Pty Limited
H.N. Batemans Bay Franchisor Pty Limited	H.N. Busselton Leasing Pty Limited	H.N. Echuca Leasing Pty Limited
H.N. Batemans Bay Leasing Pty Limited	H.N. Cairns Franchisor Pty Ltd	H.N. Edgewater Franchisor Pty Limited
H.N. Bathurst Franchisor Pty Limited	H.N. Cairns Leasing Pty Limited	H.N. Edgewater Leasing Pty Limited
H.N. Bathurst Leasing Pty Limited	H.N. Cambridge Park Franchisor Pty Limited	H.N. Education Franchisor Pty Limited
H.N. Belconnen Franchisor Pty Limited	H.N. Cambridge Park Leasing Pty Limited	H.N. Education Leasing Pty Limited
H.N. Belconnen Leasing Pty Limited	H.N. Campbelltown Franchisor Pty Limited	H.N. Emerald Franchisor Pty Limited
H.N. Belmont Franchisor Pty Limited	H.N. Campbelltown Leasing Pty Limited	H.N. Emerald Leasing Pty Limited
H.N. Belmont Leasing Pty Limited	H.N. Cannington W.A. Franchisor Pty Ltd	H.N. Energy IP Licensing Pty Limited
H.N. Belmont North Franchisor Pty Limited	H.N. Cannington W.A. Leasing Pty Ltd	H.N. Enfield Franchisor Pty Limited
H.N. Belmont North Leasing Pty Limited	H.N. Canonvale Franchisor Pty Limited	H.N. Enfield Leasing Pty Limited
H.N. Bendigo Franchisor Pty Limited	H.N. Canonvale Leasing Pty Limited	H.N. Everton Park Franchisor Pty Limited
H.N. Bendigo Leasing Pty Limited	H.N. Carindale Franchisor Pty Ltd	H.N. Everton Park Leasing Pty Limited
H.N. Bernoth Franchisor Pty Limited	H.N. Carindale Leasing Pty Limited	H.N. Forster Franchisor Pty Limited
H.N. Bernoth Leasing Pty Limited	H.N. Caringbah Franchisor Pty Limited	H.N. Forster Leasing Pty Limited
H.N. Bernoth Plant & Equipment Pty Limited	H.N. Caringbah Leasing Pty Limited	H.N. Fortitude Valley Franchisor Pty Limited
H.N. Blacktown Franchisor Pty Ltd	H.N. Castle Hill Franchisor Pty Limited	H.N. Fortitude Valley Leasing Pty Limited
H.N. Blacktown Leasing Pty Limited	H.N. Castle Hill Leasing Pty Limited	H.N. Frankston Franchisor Pty Limited
H.N. Bondi Junction Franchisor Pty Limited	H.N. Castle Hill Seconds World Leasing Pty Limited	H.N. Frankston Leasing Pty Limited
H.N. Bondi Junction Leasing Pty Limited	H.N. Chadstone Franchisor Pty Limited	H.N. Fremantle Franchisor Pty Ltd
H.N. Bowen Franchisor Pty Limited	H.N. Chadstone Leasing Pty Limited	H.N. Fyshwick Franchisor Pty Limited
H.N. Bowermans Leasing Parramatta Pty Limited	H.N. Charters Towers Franchisor Pty Limited	H.N. Fyshwick Leasing Pty Limited
H.N. Braybrook Franchisor Pty Limited	H.N. Charters Towers Leasing Pty Limited	H.N. Geebung Franchisor Pty Limited
H.N. Braybrook Leasing Pty Limited	H.N. Chatswood Franchisor Pty Limited	H.N. Geebung Leasing Pty Limited
H.N. Brighton Franchisor Pty Limited	H.N. Chatswood Leasing Pty Limited	H.N. Geelong Franchisor Pty Limited
H.N. Brighton Leasing Pty Limited	H.N. Chirnside Park Franchisor Pty Limited	H.N. Geelong Leasing Pty Limited
H.N. Broadmeadow (Vic) Franchisor Pty Limited	H.N. Chirnside Park Leasing Pty Limited	H.N. Gepps Cross Franchisor Pty Limited
H.N. Broadmeadow (Vic) Leasing Pty Limited	H.N. City Cross Franchisor Pty Limited	H.N. Gepps Cross Leasing Pty Limited
H.N. Broadway (Sydney) Franchisor Pty Limited	H.N. City Cross Leasing Pty Limited	H.N. Geraldton Leasing Pty Limited
H.N. Broadway (Sydney) Leasing Pty Limited	H.N. City West Franchisor Pty Limited	H.N. Geraldton WA Franchisor Pty Ltd

(a) Each of the below entities is a body corporate, incorporated in **Australia**, with 100% share capital held by Harvey Norman Holdings Limited, and is an Australian resident within the meaning of the *Income Tax Assessment Act 1997* (continued).

H.N. Gladstone Franchisor Pty Limited	H.N. Kingaroy Leasing Pty Limited	H.N. Moorabbin Franchisor Pty Ltd
H.N. Gladstone Leasing Pty Limited	H.N. Knox Towerpoint Franchisor Pty Limited	H.N. Moorabbin Leasing Pty Limited
H.N. Gordon Franchisor Pty Limited	H.N. Knox Towerpoint Leasing Pty Limited	H.N. Moorabbin SC Franchisor Pty Limited
H.N. Gordon Leasing Pty Limited	H.N. Lake Haven Franchisor Pty Limited	H.N. Moorabbin SC Leasing Pty Limited
H.N. Gosford Leasing Pty Limited	H.N. Lake Haven Leasing Pty Limited	H.N. Moore Park Franchisor Pty Limited
H.N. Goulburn Franchisor Pty Limited	H.N. Leichhardt Franchisor Pty Limited	H.N. Moore Park Leasing Pty Limited
H.N. Goulburn Leasing Pty Limited	H.N. Lismore Franchisor Pty Ltd	H.N. Morayfield Franchisor Pty Limited
H.N. Grafton Franchisor Pty Limited	H.N. Lismore Leasing Pty Limited	H.N. Morayfield Leasing Pty Limited
H.N. Grafton Leasing Pty Limited	H.N. Lithgow Franchisor Pty Limited	H.N. Moree Leasing Pty Limited
H.N. Great Eastern Highway Franchisor Pty	H.N. Lithgow Leasing Pty Limited	H.N. Morley Franchisor Pty Limited
H.N. Great Eastern Highway Leasing Pty Limited	H.N. Liverpool Franchisor Pty Ltd	H.N. Mornington Franchisor Pty Limited
H.N. Greensborough Franchisor Pty Limited	H.N. Liverpool Leasing Pty Limited	H.N. Mornington Leasing Pty Limited
H.N. Greensborough Leasing Pty Limited	H.N. Loganholme Franchisor Pty Limited	H.N. Morwell Franchisor Pty Limited
H.N. Griffith Franchisor Pty Limited	H.N. Loganholme Leasing Pty Limited	H.N. Morwell Leasing Pty Limited
H.N. Griffith Leasing Pty Limited	H.N. Loughran Contracting Pty Ltd	H.N. Moss Vale Franchisor Pty Limited
H.N. Gunnedah Franchisor Pty Limited	H.N. Mac 1 Leasing Pty Limited	H.N. Moss Vale Leasing Pty Limited
H.N. Gunnedah Leasing Pty Limited	H.N. Mac 1 Pty Limited	H.N. Mt Gambier Franchisor Pty Limited
H.N. Guthrie Street Franchisor Pty Limited	H.N. Macgregor Franchisor Pty Limited	H.N. Mt Gambier Leasing Pty Limited
H.N. Guthrie Street Leasing Pty Limited	H.N. Macgregor Leasing Pty Limited	H.N. Mt Gravatt Franchisor Pty Limited
H.N. Gympie Franchisor Pty Limited	H.N. Mackay Franchisor Pty Limited	H.N. Mt Gravatt Leasing Pty Limited
H.N. Gympie Leasing Pty Limited	H.N. Mackay Leasing Pty Limited	H.N. Mt Isa Franchisor Pty Limited
H.N. Hamilton Franchisor Pty Limited	H.N. Maddington Franchisor Pty Limited	H.N. Mt Isa Leasing Pty Limited
H.N. Hamilton Leasing Pty Limited	H.N. Maitland Franchisor Pty Limited	H.N. Mudgee Franchisor Pty Limited
H.N. Hervey Bay Franchisor Pty Limited	H.N. Maitland Leasing Pty Limited	H.N. Mudgee Leasing Pty Limited
H.N. Hervey Bay Leasing Pty Limited	H.N. Malaga Franchisor Pty Limited	H.N. Munno Para Franchisor Pty Limited
H.N. Hoppers Crossing Franchisor Pty Limited	H.N. Malaga Leasing Pty Limited	H.N. Munno Para Leasing Pty Limited
H.N. Hoppers Crossing Leasing Pty Limited	H.N. Mandurah Franchisor Pty Limited	H.N. Murwillumbah Franchisor Pty Limited
H.N. Hornsby Franchisor Pty Limited	H.N. Mandurah Leasing Pty Limited	H.N. Murwillumbah Leasing Pty Limited
H.N. Hornsby Leasing Pty Limited	H.N. Manjimup Franchisor Pty Limited	H.N. Muswellbrook Franchisor Pty Limited
H.N. Horsham Franchisor Pty Limited	H.N. Manjimup Leasing Pty Limited	H.N. Muswellbrook Leasing Pty Limited
H.N. Horsham Leasing Pty Limited	H.N. Maribyrnong Franchisor Pty Limited	H.N. Narre Warren Franchisor Pty Limited
H.N. Hyperdome Franchisor Pty Limited	H.N. Maribyrnong Leasing Pty Limited	H.N. Narre Warren Leasing Pty Limited
H.N. Hyperdome Leasing Pty Limited	H.N. Marion Franchisor Pty Limited	H.N. Newcastle Franchisor Pty Limited
H.N. Indooroopilly Franchisor Pty Limited	H.N. Marion Leasing Pty Limited	H.N. Newcastle Leasing Pty Limited
H.N. Indooroopilly Leasing Pty Limited	H.N. Maroochydore Franchisor Pty Limited	H.N. Noarlunga Franchisor Pty Limited
H.N. Innisfail Franchisor Pty Limited	H.N. Maroochydore Leasing Pty Limited	H.N. Noarlunga Leasing Pty Limited
H.N. Innisfail Leasing Pty Limited	H.N. Martin Place Sydney Franchisor Pty Limited	H.N. Noosa Franchisor Pty Limited
H.N. Inverell Franchisor Pty Limited	H.N. Martin Place Sydney Leasing Pty Limited	H.N. Noosa Leasing Pty Limited
H.N. Inverell Leasing Pty Limited	H.N. Mentone Franchisor Pty Limited	H.N. Norwest Franchisor Pty Limited
H.N. Ipswich Franchisor Pty Limited	H.N. Mentone Leasing Pty Limited	H.N. Nowra Franchisor Pty Limited
H.N. Ipswich Leasing Pty Limited	H.N. Midland Franchisor Pty Limited	H.N. Nowra Leasing Pty Limited
H.N. Joondalup Franchisor Pty Limited	H.N. Midland Leasing Pty Limited	H.N. Nunawading Franchisor Pty Ltd
H.N. Joondalup Leasing Pty Limited	H.N. Mildura Franchisor Pty Limited	H.N. Nunawading Leasing Pty Limited
H.N. Kalgoorlie Franchisor Pty Ltd	H.N. Mildura Leasing Pty Limited	H.N. Oakleigh CK Franchisor Pty Limited
H.N. Kalgoorlie Leasing Pty Ltd	H.N. Mile End Franchisor Pty Limited	H.N. Oakleigh CK Leasing Pty Limited
H.N. Karratha Franchisor Pty Limited	H.N. Mile End Leasing Pty Limited	H.N. O'Connor Franchisor Pty Limited
H.N. Karratha Leasing Pty Limited	H.N. Moe Franchisor Pty Limited	H.N. O'Connor Leasing Pty Limited
H.N. Kawana Waters Franchisor Pty Limited	H.N. Moe Leasing Pty Limited	H.N. Orange Franchisor Pty Limited
H.N. Kawana Waters Leasing Pty Limited	H.N. Moonah Franchisor Pty Limited	H.N. Orange Leasing Pty Limited
H.N. Kingaroy Franchisor Pty Limited	H.N. Moonah Leasing Pty Limited	H.N. Osborne Park Franchisor Pty Limited

(a) Each of the below entities is a body corporate, incorporated in **Australia**, with 100% share capital held by Harvey Norman Holdings Limited, and is an Australian resident within the meaning of the *Income Tax Assessment Act 1997* (continued).

H.N. Osborne Park Leasing Pty Limited	H.N. Sunshine Franchisor Pty Limited	H.N. Wiley Park Leasing Pty Ltd
H.N. Oxley Franchisor Pty Limited	H.N. Sunshine Leasing Pty Limited	H.N. Windsor Franchisor Pty Limited
H.N. Oxley Leasing Pty Limited	H.N. Swan Hill Franchisor Pty Limited	H.N. Windsor Leasing Pty Limited
H.N. Pacific Fair Franchisor Pty Limited	H.N. Swan Hill Leasing Pty Limited	H.N. Woden Franchisor Pty Ltd
H.N. Pacific Fair Leasing Pty Limited	H.N. Tamworth Franchisor Pty Ltd	H.N. Woden Leasing Pty Limited
H.N. Parkes Franchisor Pty Limited	H.N. Tamworth Leasing Pty Limited	H.N. Wonthaggi Franchisor Pty Limited
H.N. Parkes Leasing Pty Limited	H.N. Taree Franchisor Pty Limited	H.N. Wonthaggi Leasing Pty Limited
H.N. Penrith Factory Outlet Leasing Pty Limited	H.N. Taree Leasing Pty Limited	H.N. Woodville Franchisor Pty Limited
H.N. Penrith Franchisor Pty Limited	H.N. Taren Point Franchisor Pty Limited	H.N. Woodville Leasing Pty Limited
H.N. Penrith Leasing Pty Limited	H.N. Taren Point Leasing Pty Limited	H.N. Young Franchisor Pty Limited
H.N. Peppermint Grove Franchisor Pty Limited	H.N. Technology for Business Franchisor Pty	H.N. Young Leasing Pty Limited
H.N. Peppermint Grove Leasing Pty Limited	H.N. Technology for Business Leasing Pty Limited	Hardly Normal Discounts Pty Ltd
H.N. Port Hedland Franchisor Pty Limited	H.N. Thomastown Franchisor Pty Limited	Hardly Normal Pty Limited
H.N. Port Hedland Leasing Pty Limited	H.N. Thomastown Leasing Pty Limited	Harvey Cellars Pty Ltd ¹
H.N. Port Kennedy Franchisor Pty Limited	H.N. Toowoomba Franchisor Pty Limited	Harvey Liquor Pty Ltd
H.N. Port Kennedy Leasing Pty Limited	H.N. Toowoomba Leasing Pty Limited	Harvey Norman (ACT) Pty Ltd ¹
H.N. Port Lincoln Franchisor Pty Limited	H.N. Townsville Franchisor Pty Ltd	Harvey Norman (Qld) Pty Ltd
H.N. Port Lincoln Leasing Pty Limited	H.N. Townsville Leasing Pty Limited	Harvey Norman 2007 Management Pty Limited
H.N. Port Macquarie Franchisor Pty Limited	H.N. Traralgon Franchisor Pty Limited	Harvey Norman Big Buys Pty Limited ²
H.N. Port Macquarie Leasing Pty Limited	H.N. Traralgon Leasing Pty Limited	Harvey Norman Burnie Franchisor Pty Ltd ¹
H.N. Port Pirie Franchisor Pty Limited	H.N. Tura Beach Franchisor Pty Limited	Harvey Norman Burnie Leasing Pty Ltd
H.N. Port Pirie Leasing Pty Limited	H.N. Tura Beach Leasing Pty Limited	Harvey Norman Commercial Your Solution
H.N. Preston Franchisor Pty Ltd	H.N. Vic/Tas Commercial Project Franchisor Pty	Harvey Norman Contracting Pty Limited
H.N. Preston Leasing Pty Limited	H.N. Vic/Tas Commercial Project Leasing Pty	Harvey Norman Corporate Air Pty Limited
H.N. Renmark Franchisor Pty Limited	H.N. Victoria Park Franchisor Pty Limited	Harvey Norman CP Pty Limited
H.N. Renmark Leasing Pty Limited	H.N. Victoria Park Leasing Pty Limited	Harvey Norman Devonport Franchisor Pty Ltd ¹
H.N. Richmond Franchisor Pty Limited	H.N. Wagga Franchisor Pty Limited	Harvey Norman Devonport Leasing Pty Ltd
H.N. Richmond Leasing Pty Limited	H.N. Wagga Leasing Pty Limited	Harvey Norman Education and Training Pty
H.N. Ringwood Franchisor Pty Limited	H.N. Wangaratta Franchisor Pty Limited	Harvey Norman Export Pty Ltd
H.N. Ringwood Leasing Pty Limited	H.N. Wangaratta Leasing Pty Limited	Harvey Norman Furnishing Pty Limited
H.N. Riverwood Franchisor Pty Limited	H.N. Warragul Franchisor Pty Limited	Harvey Norman Gamezone Pty Ltd
H.N. Riverwood Leasing Pty Limited	H.N. Warragul Leasing Pty Limited	Harvey Norman Glenorchy Franchisor Pty Ltd ¹
H.N. Rockhampton Franchisor Pty Limited	H.N. Warrawong Franchisor Pty Limited	Harvey Norman Global Pty Limited
H.N. Rockhampton Leasing Pty Limited	H.N. Warrawong Leasing Pty Limited	Harvey Norman Hobart Franchisor Pty Ltd ¹
H.N. Rothwell Franchisor Pty Limited	H.N. Warrnambool Franchisor Pty Limited	Harvey Norman Hobart Leasing Pty Ltd
H.N. Rothwell Leasing Pty Limited	H.N. Warrnambool Leasing Pty Limited	Harvey Norman Home Cellars Pty Limited
H.N. Salamander Bay Franchisor Pty Limited	H.N. Warwick (WA) Franchisor Pty Limited	Harvey Norman Home Loans Pty Limited
H.N. Salamander Bay Leasing Pty Limited	H.N. Warwick (WA) Leasing Pty Limited	Harvey Norman Home Starters Pty Limited
H.N. Sale Franchisor Pty Limited	H.N. Warwick Franchisor Pty Ltd	Harvey Norman Homemaker Centre Pty Limited
H.N. Sale Leasing Pty Limited	H.N. Warwick Leasing Pty Ltd	Harvey Norman Launceston Franchisor Pty Ltd ¹
H.N. Shepparton Franchisor Pty Limited	H.N. Watergardens Franchisor Pty Limited	Harvey Norman Launceston Leasing Pty Ltd
H.N. Shepparton Leasing Pty Limited	H.N. Watergardens Leasing Pty Limited	Harvey Norman Leasing Pty Limited
H.N. South Tweed Franchisor Pty Ltd	H.N. Waurn Ponds Franchisor Pty Limited	Harvey Norman Mortgage Service Pty Limited
H.N. South Tweed Leasing Pty Ltd	H.N. Waurn Ponds Leasing Pty Limited	Harvey Norman Net.Works Pty Ltd
H.N. Southland Franchisor Pty Limited	H.N. West Gosford Franchisor Pty Ltd	Harvey Norman OFIS Pty Limited
H.N. Southland Leasing Pty Limited	H.N. Whyalla Franchisor Pty Limited	Harvey Norman Online.com Pty Limited
H.N. Springvale Franchisor Pty Limited	H.N. Whyalla Leasing Pty Limited	Harvey Norman Rental Pty Limited
H.N. Springvale Leasing Pty Limited	H.N. Wiley Park Franchisor Pty Ltd	Harvey Norman Retailing Pty. Ltd.

(a) Each of the below entities is a body corporate, incorporated in **Australia**, with 100% share capital held by Harvey Norman Holdings Limited, and is an Australian resident within the meaning of the *Income Tax Assessment Act 1997* (continued).

Harvey Norman Rosney Franchisor Pty Ltd	J. M. Dubbo Leasing Pty Limited	J.M. Warrawong Franchisor Pty Limited
Harvey Norman Security Pty Limited	J. M. Wagga Wagga Franchisor Pty Limited	J.M. Warrawong Leasing Pty Limited
Harvey Norman Shopfitting Pty Ltd ¹	J. M. Wagga Wagga Leasing Pty Limited	J.M. West Gosford Franchisor Pty Limited
Harvey Norman Stores (N.Z.) Pty Limited ⁴	J. M. Wallsend Franchisor Pty Limited	J.M. West Gosford Leasing Pty Limited
Harvey Norman Stores Pty Ltd	J. M. Wallsend Leasing Pty Limited	J.M. Young Franchisor Pty Limited
Harvey Norman Superlink Pty Limited	J.M. Albury Franchisor Pty Limited	J.M. Young Leasing Pty Limited
Harvey Norman Tasmania Pty Ltd	J.M. Albury Leasing Pty Limited	Jartoso Pty Ltd
Harvey Norman Technology Pty Ltd	J.M. Alexandria Franchisor Pty Limited	JM Online Franchisor Pty Limited
Harvey Norman The Bedding Specialists Pty Limited	J.M. Alexandria Leasing Pty Limited	JM Online Leasing Pty Limited
Harvey Norman The Computer Specialists Pty Limited	J.M. Ballina Franchisor Pty Limited	Jondarlo Pty Ltd
Harvey Norman The Electrical Specialists Pty Limited	J.M. Ballina Leasing Pty Limited	Joyce Mayne Furnishing Pty Limited
Harvey Norman The Furniture Specialists Pty Limited	J.M. Campbelltown Franchisor Pty Limited	Joyce Mayne Liverpool Leasing Pty Limited
Harvey Norman Ulverstone Franchisor Pty Ltd	J.M. Campbelltown Leasing Pty Limited	Joyce Mayne Penrith Pty Ltd
Harvey Norman Victoria Pty Ltd	J.M. Caringbah Franchisor Pty Ltd	Joyce Mayne Shopping Complex Pty Limited
Havrex Pty Ltd	J.M. Caringbah Leasing Pty Limited	Kalina Development Pty Ltd
HN Bundaberg Markets Pty Limited	J.M. Chancellor Park Franchisor Pty Limited	Kambaldu Pty Ltd ¹
HN Byron No.2 Pty Limited	J.M. Chancellor Park Leasing Pty Limited	Kita Pty Ltd
HN Byron No.3 Pty Limited	J.M. Contracting Services Pty Ltd	Koodero Pty Ltd
HN Coomboona Pty Limited ¹	J.M. Darwin Franchisor Pty Limited	Korinti Pty Ltd
HN Licensing Pty Limited	J.M. Darwin Leasing Pty Limited	Lamino Pty Ltd ¹
HN Online Franchisor Pty Limited	J.M. Leasing Pty Ltd	Lesandu Adelaide City Pty Limited
HN Online Leasing Pty Limited	J.M. Mackay Franchisor Pty Limited	Lesandu Albany Pty Limited
HN QCV Benaraby No.1 Pty Limited ¹	J.M. Mackay Leasing Pty Limited	Lesandu Albury Pty Limited
HN QCV Benaraby Pty Limited	J.M. Maitland Franchisor Pty Limited	Lesandu Alexandria (JM) Pty Limited
HN QCV Blackwater Land Pty Limited ¹	J.M. Maitland Leasing Pty Limited	Lesandu Alexandria DM Pty Limited
HN QCV Bottle Tree Pty Limited	J.M. Maroochydore Franchisor Pty Limited	Lesandu Alexandria Pty Limited
HN QCV Concepts Pty Limited	J.M. Maroochydore Leasing Pty Limited	Lesandu Alice Springs Pty Limited
HN QCV Fairview Pty Limited	J.M. Marrickville Franchisor Pty Ltd	Lesandu Ararat Pty Limited
HN QCV Injune Pty Limited	J.M. McGraths Hill Franchisor Pty Limited	Lesandu Aspley Pty Limited
HN QCV LOR Pty Limited	J.M. McGraths Hill Leasing Pty Limited	Lesandu Atherton Pty Limited
HN QCV Pty Limited	J.M. Morayfield Franchisor Pty Limited	Lesandu Auburn Stone Pty Limited
HN QCV Sarina Land Pty Limited ¹	J.M. Morayfield Leasing Pty Limited	Lesandu Ayr Pty Limited
HN QCV Sarina Pty Limited	J.M. Mudgee Franchisor Pty Limited	Lesandu Bairnsdale Pty Limited
HN QCV Toowoomba Land Pty Limited	J.M. Mudgee Leasing Pty Limited	Lesandu Balgowlah Pty Limited
HN QCV Toowoomba Pty Limited	J.M. Muswellbrook Franchisor Pty Limited	Lesandu Ballarat Pty Limited
HN Zagreb Investment Pty Limited	J.M. Muswellbrook Leasing Pty Limited	Lesandu Ballina JM Pty Limited
HNIC Pty Limited ¹	J.M. Nowra Franchisor Pty Limited	Lesandu Batemans Bay Pty Limited
HNL Pty Limited	J.M. Nowra Leasing Pty Limited	Lesandu Bathurst Pty Limited
HNM Galaxy Pty Limited ¹	J.M. Plant & Equipment Hire Pty Ltd	Lesandu Belconnen Pty Limited
HNSI Pty Limited	J.M. Rockhampton Franchisor Pty Limited	Lesandu Belmont Pty Limited
Hodberg Pty Ltd	J.M. Rockhampton Leasing Pty Limited	Lesandu Belrose DM Pty Limited
Hodvale Pty Ltd	J.M. Share Investment Pty Ltd	Lesandu Benalla Pty Limited
Home Mart Furniture Pty Limited	J.M. Toukley Franchisor Pty Limited	Lesandu Bennetts Green JM Pty Limited
Home Mart Pty Limited	J.M. Toukley Leasing Pty Limited	Lesandu Bentleigh Pty Limited
Hoxco Pty Ltd	J.M. Townsville Franchisor Pty Limited	Lesandu Berrimah JM Pty Limited
J. M. Bennetts Green Franchisor Pty Limited	J.M. Townsville Leasing Pty Limited	Lesandu Berrimah Pty Limited
J. M. Bennetts Green Leasing Pty Limited	J.M. Warners Bay Franchisor Pty Limited	Lesandu Blacktown Pty Limited
J. M. Dubbo Franchisor Pty Limited	J.M. Warners Bay Leasing Pty Limited	Lesandu Bondi Junction Pty Limited

(a) Each of the below entities is a body corporate, incorporated in **Australia**, with 100% share capital held by Harvey Norman Holdings Limited, and is an Australian resident within the meaning of the *Income Tax Assessment Act 1997* (continued).

Lesandu Bowen Pty Limited	Lesandu Dandenong Pty Limited	Lesandu Manjimup Pty Limited
Lesandu Brisbane City Pty Limited	Lesandu Deniliquin Pty Limited	Lesandu Marion Pty Limited
Lesandu Brisbane Pty Limited	Lesandu Dubbo JM Pty Limited	Lesandu Maroochydore Flooring Pty Limited
Lesandu Broadbeach Pty Limited	Lesandu Dubbo Pty Limited	Lesandu Maroochydore JM Pty Limited
Lesandu Broadway Pty Limited	Lesandu Echuca Pty Limited	Lesandu Maroochydore Pty Limited
Lesandu Broken Hill Pty Limited	Lesandu Eden Pty Limited	Lesandu McGraths Hill (JM) Pty Limited
Lesandu Broome Pty Limited	Lesandu Eight Miles Plains Pty Limited	Lesandu Melbourne City DM Pty Limited
Lesandu Browns Plains No.1 Pty Limited	Lesandu Engadine Pty Limited	Lesandu Mentone Pty Limited
Lesandu Browns Plains Pty Limited	Lesandu Erina Flooring Pty Limited	Lesandu Midland Pty Limited
Lesandu Burleigh Heads Flooring Pty Limited	Lesandu Forster Pty Limited	Lesandu Mile End Pty Limited
Lesandu Burnie Pty Limited	Lesandu Fyshwick Pty Limited	Lesandu Mitchell Pty Limited
Lesandu Busselton Pty Limited	Lesandu Gepps Cross Pty Limited	Lesandu Moe Pty Limited
Lesandu Cairns Pty Limited	Lesandu Gladstone Pty Limited	Lesandu Moorabbin Pty Limited
Lesandu Cambridge Pty Limited	Lesandu Gordon Pty Limited	Lesandu Moore Park Pty Limited
Lesandu Campbelltown Pty Ltd	Lesandu Goulburn Pty Limited	Lesandu Moree Pty Limited
Lesandu Canberra Pty Limited	Lesandu Grafton Pty Limited	Lesandu Mornington Pty Limited
Lesandu Cannington Pty Limited	Lesandu Greensborough Pty Limited	Lesandu Morwell WH Pty Limited
Lesandu Cannonvale Pty Limited	Lesandu Griffith Pty Limited	Lesandu Moss Vale Pty Limited
Lesandu Capalaba Pty Limited	Lesandu Gunnedah Pty Limited	Lesandu Mt Barker Pty Limited
Lesandu Carindale Pty Limited	Lesandu Hamilton (Vic) Pty Limited	Lesandu Mt Gravatt Pty Limited
Lesandu Castle Hill DM Pty Limited	Lesandu Hamilton Pty Limited	Lesandu Mt Isa Pty Limited
Lesandu Castle Hill Pty Limited	Lesandu Helensvale Pty Ltd	Lesandu Munno Para Pty Limited
Lesandu Cessnock (JM) Pty Limited	Lesandu Hervey Bay Pty Limited	Lesandu Murwillumbah Pty Limited
Lesandu Chadstone Pty Limited	Lesandu HN Pty Limited	Lesandu Muswellbrook JM Pty Limited
Lesandu Charmhaven Pty Limited	Lesandu Hoppers Crossing Pty Limited	Lesandu Muswellbrook Pty Limited
Lesandu Charters Towers Pty Limited	Lesandu Hornsby Pty Limited	Lesandu Narrabri Pty Limited
Lesandu Chatswood Express Pty Limited	Lesandu Horsham Pty Limited	Lesandu Narre Warren Pty Limited
Lesandu Chatswood Pty Ltd	Lesandu Indooroopilly Pty Limited	Lesandu Newcastle West Pty Limited
Lesandu Chirnside Park Pty Limited	Lesandu Ingham Pty Limited	Lesandu Noarlunga Pty Limited
Lesandu Cleveland Pty Limited	Lesandu Innisfail Pty Ltd	Lesandu Noosa Pty Limited
Lesandu Cobar Pty Limited	Lesandu Inverell Pty Limited	Lesandu North Ryde DM Pty Limited
Lesandu Coffs Harbour Pty Limited	Lesandu Ipswich Pty Limited	Lesandu Notting Hill Pty Limited
Lesandu Colac Pty Limited	Lesandu Jandakot Pty Limited	Lesandu Nowra Pty Limited
Lesandu Coorparoo Pty Limited	Lesandu Joondalup Pty Limited	Lesandu Oakleigh CK Pty Limited
Lesandu CP Belmont Pty Limited	Lesandu Kalgoorlie Pty Limited	Lesandu O'Connor Pty Limited
Lesandu CP Burleigh Waters Pty Ltd	Lesandu Karratha Pty Limited	Lesandu Orange Pty Ltd
Lesandu CP Coburg Pty Limited	Lesandu Kewdale Pty Limited	Lesandu Osborne Park Pty Limited
Lesandu CP Joondalup Pty Limited	Lesandu Knox Towerpoint Pty Limited	Lesandu Oxley Pty Limited
Lesandu CP Macgregor Pty Limited	Lesandu Kotara DM Pty Limited	Lesandu Pakenham Pty Limited
Lesandu CP Macgregor WH Pty Limited	Lesandu Launceston Pty Limited	Lesandu Parramatta Pty Ltd
Lesandu CP Maryborough Pty Limited	Lesandu Laverton Pty Limited	Lesandu Penrith DM Pty Limited
Lesandu CP Moonah Pty Limited	Lesandu Light Street DM Pty Limited	Lesandu Penrith Pty Limited
Lesandu CP Mornington Pty Limited	Lesandu Lismore Pty Limited	Lesandu Peppermint Grove Pty Limited
Lesandu CP Osborne Park Pty Limited	Lesandu Lithgow Pty Limited	Lesandu Perth City West Pty Limited
Lesandu CP Richmond CL Pty Limited	Lesandu Loganholme Pty Limited	Lesandu Port Lincoln Pty Limited
Lesandu CP Richmond Pty Limited	Lesandu Mackay Pty Limited	Lesandu Port Macquarie Pty Limited
Lesandu CP Richmond WH Pty Limited	Lesandu Maitland JM Pty Limited	Lesandu Port Pirie Pty Limited
Lesandu Cranbourne Pty Limited	Lesandu Maitland Pty Limited	Lesandu Pty Ltd ¹
Lesandu Crossroads Pty Limited	Lesandu Malaga Pty Limited	Lesandu Pyrmont Pty Limited
Lesandu Dalby Pty Limited	Lesandu Mandurah Pty Limited	Lesandu Quantum Pty Limited

(a) Each of the below entities is a body corporate, incorporated in **Australia**, with 100% share capital held by Harvey Norman Holdings Limited, and is an Australian resident within the meaning of the *Income Tax Assessment Act 1997* (continued).

Lesandu Raymond Terrace Pty Limited	Lesandu Warners Bay JM Pty Limited	Poliform Pty Ltd
Lesandu Renmark Pty Limited	Lesandu Warragul Pty Limited	Project Wick Ballarat Pty Limited ¹
Lesandu Richlands Pty Limited	Lesandu Warrawong Pty Limited	Project Wick Caringbah Pty Limited ¹
Lesandu Richmond (Vic) Pty Limited	Lesandu Warrnambool Pty Limited	Project Wick Geelong Pty Limited ¹
Lesandu Riverwood Pty Limited	Lesandu Warwick (WA) Pty Limited	Project Wick Hoppers Crossing Pty Limited ¹
Lesandu Rockhampton Pty Limited	Lesandu Warwick Pty Limited	Project Wick Ipswich Pty Limited ¹
Lesandu Rosebery DM WH Pty Ltd	Lesandu Waurnd Ponds Pty Limited	Project Wick Thomastown Pty Limited ¹
Lesandu Rothwell Pty Limited	Lesandu West Gosford DM Pty Limited	Quantum Franchisor Pty Limited
Lesandu S.A. Pty Ltd	Lesandu West Wyalong Pty Limited	Quantum Leasing Pty Limited
Lesandu Salamander Bay Pty Limited	Lesandu Wiley Park Pty Limited	R. Reynolds Nominees Pty Ltd ¹
Lesandu Sale Pty Limited	Lesandu Windsor Pty Limited	Sarsha Pty Ltd
Lesandu Shepparton Pty Limited	Lesandu Wollongong Pty Limited	Setto Pty Ltd
Lesandu Silverwater Pty Limited	Lesandu Wonthaggi Pty Ltd	Shakespir Pty Ltd ¹
Lesandu Sippy Downs JM Pty Limited	Lesandu Woodville Pty Limited	Solaro Pty Ltd
Lesandu Southport Pty Limited	Lesandu Young JM Pty Limited	Space Furniture Pty Ltd
Lesandu Stanmore Pty Limited	Lexeri Pty Ltd	Spacepol Pty Limited
Lesandu Sunshine Pty Limited	Lightcorp Pty Limited	Steamstyle Venture Pty Limited
Lesandu Swan Hill Pty Limited	Lighting Venture International Pty Limited	Stonetess Pty Limited
Lesandu Sydenham Pty Ltd	Lighting Venture Pty Limited	Stores Securitisation Pty Limited
Lesandu Sydney City SS Pty Limited	Lodare Pty Ltd ¹	Strathloro Pty Ltd
Lesandu Tamworth Pty Ltd	Loreste Pty Ltd	Stupendous Pty Ltd ¹
Lesandu Taree Home Mart Pty Limited	Malvis Pty Ltd	Swaneto Pty Ltd
Lesandu Taree Pty Limited	Manutu Pty Ltd ¹	Swanpark Pty. Ltd.
Lesandu Taren Point Pty Limited	Maradoni Pty Ltd ¹	Tatroko Pty Ltd
Lesandu Tasmania Pty Ltd	Marinski Pty Ltd	Tessera Stones & Tiles Australia Pty Limited
Lesandu Temora Pty Limited	Murray Street Development Pty Limited ¹	Tessera Stones & Tiles Pty Limited
Lesandu Thomastown Pty Limited	Mymasterpiece Pty Limited	The Byron at Byron Pty Limited
Lesandu Toukley Pty Limited	Nedcroft Pty Ltd	Tisira Pty Limited
Lesandu Townsville Pty Limited	Network Consumer Finance Pty Limited	Valecomp Recovery Pty Limited ¹
Lesandu Tumut Pty Limited	Nomadale Pty Ltd	Ventama Pty Ltd
Lesandu Tura Beach Pty Limited	Norman Ross Pty Ltd	Wadins Pty Ltd ¹
Lesandu Tweed Heads Flooring Pty Limited	Oldmist Pty Ltd	Wanalti Pty Ltd
Lesandu Tweed Heads Pty Ltd	Osraidi Pty Ltd	Warungi Pty Ltd ¹
Lesandu Underwood Pty Limited	P & E Crows Nest Pty Limited	Waytango Pty Ltd ¹
Lesandu WA Furniture Pty Limited	P & E Homewest Pty Limited	Webzone Pty Ltd
Lesandu WA Pty Ltd	P & E Leichhardt Pty Limited	Wytharra Pty Ltd
Lesandu Wagga Wagga JM Pty Limited	P & E Maddington Pty Limited	Yoogalu Pty Ltd ¹
Lesandu Wagga Wagga Pty Limited	P & E Shopfitters Pty Limited	Zabella Pty Ltd
Lesandu Wallsend JM Pty Limited	Packcom Pty Limited	Zavarte Pty Ltd
Lesandu Wangaratta Pty Limited	PEM Corporate Pty Limited	Zirdano Pty Ltd
Lesandu Warana Pty Limited	Plezero Pty Ltd	Zirdanu Pty Ltd

Notes:

1. Body Corporate is a trustee of a trust within the consolidated group.

2. Body Corporate is a partner of a partnership within the consolidated group.

3. Arisit Pty Limited is incorporated in and operates in Australia and has a registered branch in New Zealand. The branch operations have tax obligations in New Zealand under the *New Zealand Income Tax Act 2007*.

4. Harvey Norman Stores (N.Z.) Pty Limited is incorporated in Australia and operates in New Zealand. Harvey Norman Stores (N.Z.) Pty Limited has tax obligations in New Zealand under the *New Zealand Income Tax Act 2007*.

(b) (i) Each of the below entities is a body corporate, incorporated in **New Zealand**, with 100% share capital held by Harvey Norman Holdings Limited, and is a foreign resident (New Zealand) within the meaning of the *Income Tax Assessment Act 1997*.

Domayne Holdings Limited	HN Glen Innes Leasing Limited	HN Queenstown Leasing Limited
Hardly Normal Limited	HN Grey Lynn Commercial Leasing Limited	HN Rangitikei Street Leasing Limited
Harvey Norman Leasing (N.Z.) Limited	HN Hamilton Central Leasing Limited	HN Rotorua Leasing Limited
Harvey Norman Limited	HN Hamilton Commercial Leasing Ltd	HN Takanini Leasing Limited
Harvey Norman Properties (N.Z.) Limited	HN Harris Road Leasing Limited	HN Tauranga Commercial Leasing Limited
HN Albany Highway Leasing Limited	HN Henderson Leasing Limited	HN Tauranga Leasing Limited
HN Allens Road Leasing Limited	HN Hornby Leasing Limited	HN Tauriko Warehouse Leasing Ltd
HN Ashburton Leasing Limited	HN Lincoln Centre Leasing Limited	HN Tory Street Leasing Limited
HN Ashburton Warehouse Leasing Limited	HN Maleme Street Leasing Limited	HN Tower Junction Leasing Limited
HN Blenheim Leasing Limited	HN Manukau Leasing Limited	HN Westgate Leasing Limited
HN Botany Leasing Limited	HN Mowbray Street Leasing Limited	HN Whakatane Leasing Limited
HN Botany Outlet Leasing Limited	HN Mt Roskill Leasing Limited	HN Whangarei Leasing Limited
HN Carbine Warehouse Leasing Ltd	HN Mt Wellington Warehouse Leasing Ltd	HN Wingate Leasing Limited
HN Christchurch Commercial Leasing Limited	HN Napier Leasing Limited	HN Wiri Leasing Limited
HN Commercial Leasing Limited	HN Napier Warehouse Leasing Limited	HN Woolston Leasing Limited
HN Commercial Queenstown Warehouse Leasing Ltd	HN Northlink Leasing Limited	HNZ Retailing NZ Limited
HN Downing Street Leasing Limited	HN Palmerston North Warehouse Leasing Ltd	Network Consumer Finance (N.Z.) Limited
HN Dunedin Outlet Leasing Limited	HN Papanui Leasing (70091) Ltd	Norman Ross Limited
HN Edmonton Road Leasing Limited	HN Paraparaumu Leasing Limited	Stores (NZ) Limited
HN Gisborne Warehouse Leasing Ltd	HN Porirua Warehouse Leasing Limited	

(b) (ii) Each of the below entities is a body corporate, incorporated in **Ireland**, with 100% share capital held by Harvey Norman Holdings Limited, and is a foreign resident (Ireland) within the meaning of the *Income Tax Assessment Act 1997*.

Eastgate Retail Park Ltd	Harvey Norman Leasing (Dublin) Limited	Harvey Norman Leasing (Sligo) Limited
Eastgate Retail Park Management Ltd	Harvey Norman Leasing (Eastgate) Limited	Harvey Norman Leasing (Tralee) Limited
Harvey Norman Holdings (Ireland) Limited	Harvey Norman Leasing (Fonthill) Limited	Harvey Norman Leasing (Waterford) Limited
Harvey Norman Leasing (Blanchardstown) Limited	Harvey Norman Leasing (Galway) Limited	Harvey Norman Tallaght Limited
Harvey Norman Leasing (Carrickmines) Limited	Harvey Norman Leasing (Limerick) Limited	Harvey Norman Trading (Ireland) Limited ⁵
Harvey Norman Leasing (Castlebar) Limited	Harvey Norman Leasing (Naas) Limited	Network Consumer Finance (Ireland) Limited
Harvey Norman Leasing (Cork) Limited	Harvey Norman Leasing (NI) Limited ⁶	
Harvey Norman Leasing (Drogheda) Limited	Harvey Norman Leasing (Rathfarnham) Limited	

Notes:

5. Harvey Norman Trading (Ireland) Limited is incorporated in and operates in Ireland and has a registered branch in Northern Ireland. The branch operations have tax obligations in the United Kingdom under the *United Kingdom Finance Act 1998*.

6. Harvey Norman Leasing (NI) Limited is incorporated in and operates in Ireland and has a registered branch in Northern Ireland. The branch operations have tax obligations in the United Kingdom under the *United Kingdom Finance Act 1998*.

(b) (iii) Each of the below entities is a body corporate, incorporated in **Singapore**, with 100% share capital held by Harvey Norman Holdings Limited, and is a foreign resident (Singapore) within the meaning of the *Income Tax Assessment Act 1997*.

Bencoolen Properties Pte Ltd
Harvey Norman Singapore Pte Ltd
Space Furniture Pte Ltd

(b) (iv) Each of the below entities is a body corporate, incorporated in **United Kingdom**, with 100% share capital held by Harvey Norman Holdings Limited, and is a foreign resident (United Kingdom) within the meaning of the *Income Tax Assessment Act 1997*.

Harvey Norman Holdings (UK) Limited
Harvey Norman Trading (UK) Limited
Harvey Norman Leasing (UK) Limited

(b) (v) Each of the below entities is a body corporate, incorporated in **Malaysia**, with 100% share capital held by Harvey Norman Holdings Limited, and is a foreign resident (Malaysia) within the meaning of the *Income Tax Assessment Act 1997*.

Space Furniture Collection Sdn.Bhd

(b) (vi) Each of the below entities is a body corporate, incorporated in **Slovenia**, with 100% share capital held by Harvey Norman Holdings Limited, and is a foreign resident (Slovenia) within the meaning of the *Income Tax Assessment Act 1997*.

Harvey Norman CEI d.o.o.
Harvey Norman Europe d.o.o.
Harvey Norman Trading d.o.o.

(b) (vii) Each of the below entities is a body corporate, incorporated in **Croatia**, with 100% share capital held by Harvey Norman Holdings Limited, and is a foreign resident (Croatia) within the meaning of the *Income Tax Assessment Act 1997*.

Harvey Norman Croatia d.o.o.

(b) (viii) Each of the below entities is a body corporate, incorporated in **Hungary**, with 100% share capital held by Harvey Norman Holdings Limited, and is a foreign resident (Hungary) within the meaning of the *Income Tax Assessment Act 1997*.

Harvey Norman Hungary KFT

(c) (i) Entities included in the consolidated group but not listed above.

Entity Name	Entity Type	Place of Incorporation	% of Share Capital held by Harvey Norman Holdings Limited	Australian or Foreign resident
Cascade Consolidated Sdn.Bhd.	Body Corporate	Malaysia	80.25%	Foreign- Malaysia
Eastern Audio (Pte) Ltd	Body Corporate	Singapore	80.25%	Foreign- Singapore
E-Creations (M) Sdn. Bhd.	Body Corporate	Malaysia	80.25%	Foreign- Malaysia
Elitetrax Marketing Sdn. Bhd.	Body Corporate	Malaysia	80.25%	Foreign- Malaysia
Harvey Norman Ossia (Asia) Pte Ltd	Body Corporate	Singapore	60.00%	Foreign- Singapore
KEH Partnership	Partnership	N/A	N/A	Australian
KEH Partnership Pty Limited	Body Corporate and an agent of a partnership within the consolidated group	Australia	99.02%	Australian
Pertama Holdings Pte Ltd	Body Corporate	Singapore	80.25%	Foreign- Singapore
Pertama Merchandising Pte Ltd	Body Corporate	Singapore	80.25%	Foreign- Singapore

(d) Each of the below entities is a trust and is an **Australian** resident within the meaning of the *Income Tax Assessment Act 1997*.

A.C.N. 098 004 570 No. 2 Trust	Calardu Bundaberg Trust	Calardu Maroochydore Warehouse Trust
ABSC Online Trust	Calardu Bundaberg WH Trust	Calardu Marsden Park Trust
Anwarah No. 2 Trust	Calardu Bundall Trust	Calardu Melton Trust
Australian Business Skills Centre Trust	Calardu Burnie Trust	Calardu Melville Trust
Barrayork Trust	Calardu Cairns Trust	Calardu Mentone Trust
Calardu A.C.T. Trust	Calardu Cambridge Trust	Calardu Merrifield Trust
Calardu A.C.T. No. 2 Trust	Calardu Campbelltown Trust	Calardu Midland Trust
Calardu A.C.T. No. 3 Trust	Calardu Cannington Trust	Calardu Morayfield Trust
Calardu Adderley Street Trust	Calardu Cannonvale Trust	Calardu Moree Trust
Calardu Albany Trust	Calardu Capalaba Trust	Calardu Morwell Trust
Calardu Albury Trust	Calardu Caringbah (Taren Point) Trust	Calardu Moss Vale Trust
Calardu Alexandria DM Trust	Calardu Caringbah Trust	Calardu Mt. Gambier Trust
Calardu Alexandria WH Trust	Calardu Crows Nest Trust	Calardu Mudgee Trust
Calardu Alice Springs No. 1 Trust	Calardu Darwin Trust	Calardu Munno Para Trust
Calardu Alice Springs Trust	Calardu Devonport Trust	Calardu No. 1 Trust
Calardu Armadale WA Trust	Calardu Dubbo Trust	Calardu No. 2 Trust
Calardu Armidale Trust	Calardu Emerald Trust	Calardu No. 3 Trust
Calardu Aspley Trust	Calardu Frankston Trust	Calardu Noarlunga Trust
Calardu Auburn No. 1 Trust	Calardu Frankston WH Trust	Calardu Noble Park WH Trust
Calardu Auburn No. 2 Trust	Calardu Fyshwick DM Trust	Calardu Noosa Trust
Calardu Auburn No. 3 Trust	Calardu Gepps Cross No. 2 Trust	Calardu North Ryde No. 1 Trust
Calardu Auburn No. 4 Trust	Calardu Gepps Cross No. 3 Trust	Calardu North Ryde No. 2 Trust
Calardu Auburn No. 5 Trust	Calardu Gepps Cross Trust	Calardu North Ryde No. 3 Trust
Calardu Auburn No. 6 Trust	Calardu Geraldton Trust	Calardu North Ryde Trust
Calardu Auburn No. 7 Trust	Calardu Gladstone Trust	Calardu Nowra Trust
Calardu Auburn No. 8 Trust	Calardu Gympie Trust	Calardu Nowra WH Trust
Calardu Auburn No. 9 Trust	Calardu Hervey Bay Trust	Calardu Nunawading
Calardu Auburn No. 10 Trust	Calardu Hobart Trust	Calardu Oxley Trust
Calardu Ballarat Trust	Calardu Hoppers Crossing Trust	Calardu Penrith No. 2 Trust
Calardu Ballina No. 1 Trust	Calardu Horsham Trust	Calardu Penrith No. 1 Trust
Calardu Ballina No. 2 Trust	Calardu Ipswich Trust	Calardu Penrith Trust
Calardu Ballina Trust	Calardu Joondalup Trust	Calardu Perth City West No. 1 Trust
Calardu Bathurst No. 1 Trust	Calardu Kalgoorlie Oswald St Trust	Calardu Perth City West Trust
Calardu Bathurst Trust	Calardu Kalgoorlie Trust	Calardu Pimpama Trust
Calardu Beaufort Street Trust	Calardu Karratha Trust	Calardu Port Macquarie Trust
Calardu Belrose DM Trust	Calardu Kawana Waters Trust	Calardu Preston Trust
Calardu Bendigo Trust	Calardu Kingaroy Trust	Calardu Raine Square Trust
Calardu Bennetts Green Trust	Calardu Lakehaven Trust	Calardu Richmond Trust
Calardu Bennetts Green Warehouse Trust	Calardu Lakehaven No. 1 Trust	Calardu Rockhampton No. 2 Trust
Calardu Berrimah Trust	Calardu Launceston Trust	Calardu Rockhampton Trust
Calardu Berrimah WH Trust	Calardu Leopold Trust	Calardu Rockingham Trust
Calardu Brighton Trust	Calardu Lismore Trust	Calardu Rosebery Trust
Calardu Broadmeadow No. 1 Trust	Calardu Loganholme Trust	Calardu Roselands Trust
Calardu Broadmeadow No. 2 Trust	Calardu Macgregor Trust	Calardu Rothwell Trust
Calardu Broadmeadows VIC Trust	Calardu Mackay Trust	Calardu Rutherford Trust
Calardu Brookvale Trust	Calardu Maitland Trust	Calardu Rutherford Warehouse Trust
Calardu Browns Plains No. 1 Trust	Calardu Malaga Trust	Calardu Sale Trust
Calardu Browns Plains Trust	Calardu Mandurah Trust	Calardu Silverwater Trust
Calardu Bunbury Trust	Calardu Marion Trust	Calardu Springvale Trust
Calardu Bundaberg No. 1 Trust	Calardu Maroochydore Trust	Calardu Stapylton Trust

(d) Each of the below entities is a trust and is an **Australian** resident within the meaning of the *Income Tax Assessment Act 1997* (continued).

Calardu Surry Hills Trust	Calardu Wivenhoe Trust	Lamino Investments No. 5 Trust
Calardu Swan Hill Trust	Calardu Wodonga Trust	Lamino Investments No. 6 Trust
Calardu Sylvania Trust	Cannonel Recovery Trust	Lesandu Albury Trust
Calardu Taree Trust	CBG Trust	Lesandu Campbelltown Trust
Calardu Taren Point Trust	Charmela No. 1 Trust	Lesandu Fairfield Trust
Calardu Taylors Beach Trust	Energy Incentive Team Trust	Lesandu Gordon Trust
Calardu Taylors Lake Trust	Geraldton WA No. 1 Trust	Lesandu Miranda Trust
Calardu Thomastown Trust	Geraldton WA No. 2 Trust	Lesandu No. 1 Trust
Calardu Toowoomba No. 1 Trust	H.N. Cards Trust	Lesandu Penrith Trust
Calardu Toowoomba No. 2 Trust	Harvey Norman Burnie Franchisor Unit Trust	Lodare No. 1 Trust
Calardu Toowoomba Trust	Harvey Norman Devonport Franchisor Unit Trust	Lodare No. 2 Trust
Calardu Toowoomba WH Trust	Harvey Norman Discounts No. 1 Trust	Murray Street Development Trust
Calardu Townsville Trust	Harvey Norman Glenorchy Franchisor Unit Trust	Oslek Developments Trust
Calardu Townsville WH No. 2 Trust	Harvey Norman Hobart Franchisor Unit Trust	Project Wick Ballarat Trust
Calardu Trust	Harvey Norman Launceston Franchisor Unit Trust	Project Wick Caringbah Trust
Calardu Tweed Heads No. 1 Trust	Harvey Norman Lighting Asset Trust	Project Wick Geelong Trust
Calardu Tweed Heads Traders Way Trust	Harvey Norman Lighting No. 1 Trust	Project Wick Hoppers Crossing Trust
Calardu Tweed Heads Trust	Harvey Norman No. 1 Trust	Project Wick Ipswich Trust
Calardu Warragul Trust	Harvey Norman Shopfitting Trust	Project Wick Thomastown Trust
Calardu Warrawong (Homestarters) No. 1 Trust	Harvey Norman Tasmania Agent Unit Trust	QCV Benaraby No. 1 Trust
Calardu Warrawong (Homestarters) Trust	HN Coomboona Trust	Torcarsa No. 2 Trust
Calardu Warrawong No. 1 Trust	HN QCV Blackwater Land Trust	Warehouse No. 7 Trust
Calardu Warrawong No. 2 Trust	HN QCV Sarina Land Trust	Yoogalu Albury Trust
Calardu Warrawong Trust	HNH Galaxy Unit Trust	Yoogalu Gordon Trust
Calardu Warrnambool Trust	HVN D&O Indemnity Trust	Yoogalu Lismore Trust
Calardu Warwick Trust	Lamino Investments No. 1 Trust	Yoogalu Newcastle Trust
Calardu West Gosford No. 1 Trust	Lamino Investments No. 2 Trust	
Calardu West Gosford Trust	Lamino Investments No. 3 Trust	
Calardu Whyalla Trust	Lamino Investments No. 4 Trust	

Distribution of shareholdings as at 28 August 2024

Size of holding	Ordinary Shareholders
1 – 1,000	13,018
1,001 – 5,000	12,189
5,001 – 10,000	3,801
10,001 – 100,000	3,414
100,001 and over	175
	32,597
Number of shareholders with less than a marketable parcel	1,048

Voting rights

All ordinary shares issued by Harvey Norman Holdings Limited carry one vote per share.

Twenty largest shareholders as at 28 August 2024

Number of Ordinary Shares	Shareholder	Percentage of Ordinary Shares
415,031,937	Mr. Gerald Harvey	33.309%
205,525,565	Mr. Christopher Herbert Brown	16.495%
144,327,469	HSBC Custody Nominees Limited	11.583%
77,122,956	Citicorp Nominees (Australia) Limited	6.190%
72,034,309	J P Morgan Nominees Australia Limited	5.781%
58,592,289	Ms. Margaret Lynette Harvey	4.702%
20,405,315	Ms. Kay Lesley Page	1.638%
20,063,673	Enbear Pty Limited	1.610%
16,506,556	BNP Paribas Nominees Pty Limited	1.325%
11,323,750	National Nominees Limited	0.909%
8,070,000	BKI Investment Company Limited	0.648%
4,213,182	Argo Investments Limited	0.338%
3,730,118	Peter & Lyndy White Foundation Pty Ltd	0.299%
3,335,180	Ms. Jacqueline Galbraith	0.268%
2,033,309	Omnilab Media Investments Pty Ltd	0.163%
1,470,893	Mr. John Evyn Slack-Smith	0.118%
1,450,297	Mr. Chris Mentis	0.116%
1,252,641	Mr. Arthur Brew	0.101%
1,143,295	Eastcote Pty Ltd	0.092%
1,061,450	Mr. Graeme Harvey	0.085%
1,068,694,184		85.770%