



HRL Holdings Limited

Level 8 Waterfront Place, 1 Eagle Street
Brisbane Queensland 4000, Australia

GPO Box 216

Brisbane Queensland 4001, Australia

Tel +61 7 3105 5960

Email admin@hrlholdings.com

9 February 2015

ASX Announcement

Prospectus Capital Raising

- **HRL Holdings Ltd (HRL) advises it has lodged a Prospectus for**
 - **A General Public Offer of up to 76,923,077 New Shares on a post-Consolidation basis at Offer Price of \$0.065 per New Share to raise \$5m.**
 - **The Post Consolidation Offer Price of \$0.065 represents a 23.24 % discount to the 10 day volume-weighted average Share price, adjusted for consolidation (being \$0.084 as at 5 February 2015).**
 - **The Offer is underwritten up to a maximum of \$5m by an entity associated with Mr Kevin Maloney, the Company's largest shareholder.**
- **Funds raised from the Offer are earmarked to partly fund the acquisition of Precise Consulting, for costs of the Offer, for general working capital for the Company and to ensure the Company is in a position to re-comply with Chapters 1 and 2 of the ASX Listing Rules pursuant to Listing Rule 11.1.3 following a change to the nature and scale of the Company's activities.**
- **The Prospectus, along with an application form, will be dispatched to all eligible current HRL shareholders.**

HRL Holdings Ltd (ASX:HRL) announces a general public offer for applicants to apply for one new fully paid ordinary share (New Shares) at an issue price of \$0.065 per New Share to raise up to \$5 million before costs (Offer).

The Offer is being made on the basis that the Company has completed a 1 for 13 share consolidation that is subject to obtaining shareholder approval at an EGM to be held on 2 March 2015. *Shareholders should note this is a revised date for the meeting that was originally scheduled to be held on 25 February.*

The share capital of the Company following Completion and Consolidation is as summarised in the table below:

| Capital Structure | Shares |
|---|--------------------|
| Shares currently on issue | 1,009,142,649 |
| Consolidation of Company's issued capital (at 1:13) | 77,626,358 |
| Issue of Shares under the Offer (post Consolidation) | 76,923,077 |
| Total Shares on issue upon completion of the Offer | 154,549,435 |



Following quotation, the New Shares will rank equally in all respects from the date of allotment with existing quoted shares on issue.

The Offer is fully underwritten to \$5 million by Tulla Property Partners Pty Ltd, an entity associated with Mr Kevin Maloney, the Company's largest shareholder. The underwriting means that the receipt of the funds sought under the Offer can, subject to the terms and conditions of the Underwriting Agreement, be guaranteed and the Company will be able to implement its planned activities. A fee of 5% is being paid for the underwriting.

The Offer is being undertaken pursuant to a prospectus issued in accordance with the Corporations Act (Prospectus). Full details of the Offer are set out in the Prospectus. A copy of the Prospectus, along with an application form, will be dispatched to all current HRL shareholders. The Prospectus can also be viewed online at www.hrlholdings.com.

The Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to applicants having registered addresses outside of Australia and New Zealand.

The funds raised under the Offer (after payment of costs) will be used to complete the acquisition, subject to obtaining required shareholder approval, of Precise Consulting a New Zealand based company that offers a number of services to assist companies with the identification and remediation of risks posed to health and safety of both humans and the environment. Details of the acquisition were announced to the ASX on 24 December 2014.

In relation to the acquisition of Precise Consulting ASX has determined that the Company will need to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules for admission to the Official List. Condition 8 of Listing Rule 1.1 provides that a company seeking admission to the Official List must either satisfy 'the profits test' or 'the assets test' as a condition of admission.

Initially, the Company intended to rely on the 'the profits test' under Listing Rule 1.2, however, after engaging in discussions with the ASX as to the Company's ability to comply with Listing Rule 1.2, the Directors have determined that it is in the best interests of the Company to pursue admission based on 'the assets test'.

To satisfy 'the assets test' in Listing Rule 1.3, at the time of admission to the Official List, a company must have net tangible assets of at least \$3 million (after costs of the fundraising) or a market capitalisation of at least \$10 million.

The Directors have determined to increase the total number of Shares to be issued pursuant to the Capital Raising so as to comply with the minimum market capitalisation aspect of the assets test, with a view to compliance with Listing Rule 1.3.

Completion under the Prospectus is subject to a number of conditions, including:

- Shareholders approving all resolutions put forward at the EGM to be held on 2 March;
- the Consolidation of the share capital being completed; and
- ASX providing a conditional approval letter to the Company confirming that, subject to completion of the Precise Consulting Acquisition, the equity securities of the Company will be re-admitted to Official Quotation.

For the Company's equity securities to be re-admitted to Official Quotation, the Company will need to, inter alia, re-comply with Chapters 1 and 2 of the ASX Listing Rules, complete the



Offer, finalise the Consolidation, raise the minimum subscription and complete the Precise Consulting Acquisition.

Applications for New Shares under the Offer may only be made on the Application Form attached to or accompanying the Prospectus in its paper copy form, or in its electronic form as downloaded in its entirety from the Company's website: www.hrlholdings.com.

The proposed timetable for the Offer is set out below:

| Event | Date |
|--|------------------|
| Notice of Meeting sent to Shareholders | 27 January 2015 |
| Lodge Prospectus (lodge Appendix 3B) | 9 February 2015 |
| Offer opens | 12 February 2015 |
| General Meeting to consider the Resolutions | 2 March 2015 |
| Suspension of trading in the Company's securities | 2 March 2015 |
| Notification to ASX of results of General Meeting | 2 March 2015 |
| Consolidation commences | 3 March 2015 |
| Offer closes | 6 March 2015 |
| Consolidation completes | 17 March 2015 |
| Issue of Shares under Prospectus on a post-Consolidation basis | 19 March 2015 |
| Completion of Precise Consulting Acquisition | 20 March 2015 |
| Expected date for re-quotation of the Company's shares on the ASX (subject to satisfaction of Chapters 1 and 2 of ASX Listing Rules) | 26 March 2015 |

These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to change any date including to extend the Closing Date of the Offer, to close the Offer early, to accept late acceptances either generally or in particular cases, or to withdraw or reduce the size of the Offer without notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares.

HRL Executive Director, Darren Anderson, encourages investors to participate in the Offer. He said the funds raised would enable HRL to continue the expansion of its operations to create a conglomerate entity which is multi-faceted in nature. He noted that it is pleasing having the underwriting support from Mr Kevin Maloney demonstrating the largest shareholder's ongoing faith in advancing the business of HRL.

On behalf of the Board

Paul Marshall
Company Secretary

For further information contact
Mr Darren Anderson
Executive Director
Ph: +61 (0)417 791 903
darren.anderson@hrlholding.com