



**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

**23 February 2015**

**ASX Announcement**

**Supplementary Prospectus**

Please find attached a copy of a Supplementary Prospectus lodged with the ASIC today.

The Supplementary Prospectus is the first Supplementary Prospectus issued by HRL Holdings Ltd ACN 120 896 371 in relation to its Offer of up to 76,923,077 New Shares on a post-Consolidation basis at an Offer Price of \$0.065 per New Share to raise \$5 million.

The Supplementary Prospectus provides information in relation to the following areas:

- Underwriting of the Offer
- Allocation Policy
- Pro Forma Financial Information

and it should be read together with the prospectus lodged with the Australian Securities and Investments Commission by HRL on 9 February 2015.

There is no change to the closing date for the Offer which remains as 6 March 2015.

On behalf of the Board

Paul Marshall  
Company Secretary

**For further information contact**

**Mr Paul Marshall**

**Company Secretary**

Ph: +61 7 3149 2113

paul.marshall@hrlholdings.com

## **HRL Holdings Ltd ACN 120 896 371 Supplementary Prospectus**

### **1. Introduction**

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This document is a supplementary prospectus under section 719(1) of the Corporations Act 2001 (Cth) dated 23 February 2015. It is the first Supplementary Prospectus issued by HRL Holdings Ltd ACN 120 896 371 (**HRL**) in relation to its Offer of up to 76,923,077 New Shares on a post-Consolidation basis at an Offer Price of \$0.065 per New Share to raise \$5 million (**Supplementary Prospectus**).

This document supplements, and should be read together with the prospectus lodged with the Australian Securities and Investments Commission (**ASIC**) by HRL on 9 February 2015 (**Prospectus**).

**This document is important and should be read in its entirety in conjunction with the Prospectus. If you are in any doubt as to the contents of this document, you should consult your financial or legal adviser.**

Terms used in this Supplementary Prospectus shall have the same meaning as ascribed to them in the Prospectus, unless otherwise indicated.

### **2. Underwriting**

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The Prospectus specifies that the Offer is fully underwritten pursuant to an Underwriting Agreement for up to \$5,000,000 with Tulla Property Partners Pty Ltd ACN 126 992 103, an entity associated with Mr Kevin Maloney, the Chairman of HRL. Details of the Underwriting Agreement are contained in Sections 1.9, 1.19 and 12.1 of the Prospectus.

Sub-clause (c) in Section 12.1 of the Prospectus identifies the events upon which the Underwriter can terminate the Underwriting Agreement, with sub-sub-clause (4) identifying that the Underwriter can terminate the Underwriting Agreement if the Company and the Underwriter do not enter into sub-underwriting commitments for not less than 53,846,154 Shares representing \$3,500,000 of Subscription Funds.

For the purposes of clarification, the Company advises that as a result of this right of termination, the Offer is conditionally underwritten, being conditional upon the Company and the Underwriter achieving commitments to sub-underwriting for at least \$3,500,000. References in the Prospectus to the Offer being underwriting should be read accordingly.

The Board has decided that it will refund application money received under applications received by the Company before the issue of this Supplementary Prospectus. The Company will be in contact with those applicants to discuss arrangements for the payment of that refund.

As disclosed in Sections 1.9, 1.19 and 12.1 of the Prospectus, the Underwriter has received a sub-underwriting commitment in the sum of \$1,500,000 from Integrated Holdings Group Pty Ltd, a company associated with Kevin Maloney and Darren Anderson. Since the issue of the Prospectus, HRL and the Underwriter have continued to have discussions with other potential sub-underwriters and both HRL and the Underwriter are confident that commitments for sub-underwriting will exceed \$3,500,000 and that the condition in clause 12.1(c)(4) will be satisfied.

### **3. Allocation Policy**

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The allotment and allocation policy of the Company is contained in sections 1.9, 2.5 and 4.4 of the Prospectus.

Under this allocation policy, priority will be given ahead of remaining applicants to Small Parcel Shareholders applying for up to 30,769 Offer Shares. Otherwise, the Company, in consultation with the Underwriter, has discretion regarding the allocation of New Shares.

HRL notes that as a part of the requirement for the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules in making the Offer, it is a requirement for HRL to show that it has a minimum number of shareholders with parcels of Shares worth at least \$2,000. Following the Consolidation, there will be a number of Existing Shareholders who will not hold a minimum parcel of Shares.

The HRL Directors have determined that a priority allocation of New Shares to Existing Shareholders who are applying to top up their existing holdings as well as new shareholders who apply for the minimum \$2,000 parcel as this will assist HRL in achieving the required shareholder spread under the ASX Listing Rules.

#### **4. Pro Forma Financial Information**

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Section 10 of the Prospectus contains details of historical financial information and pro-forma financial information relevant to the Offer.

The table in Section 10.4 contains a pro-forma balance sheet illustrating:

- (a) the reviewed consolidated Balance Sheet of HRL as at 31 December 2014;
- (b) the reviewed Balance Sheet of Precise Consulting as at 31 December 2014; and
- (c) the reviewed pro-forma Balance Sheet of the combined entity as at 31 December 2014 showing the impact of the proposed capital issue and the effects of the Precise Consulting Acquisition.

The notes relating to that table are contained in Section 10.5.

As a new Section 10.6 to the Prospectus, the Company provides the table below outlining the amalgamated pro-forma Income Statement for HRL and Precise Consulting for the 12 months ending 31 December 2014.

**Amalgamated Pro-Forma Income Statement  
For the 12 months ended 31 December 2014**

	A	B	C	D = A + B + C
	HRL Holdings \$	OCTIEF \$	Precise Consulting \$	Amalgamated \$
Environmental services revenue	-	4,431,253	2,582,225	7,013,478
Interest Revenue	34,394	124	8,017	42,535
Costs and consumables relating to provision of services	-	(431,090)	(18,081)	(449,171)
Employment and consultancy expenses	(451,443)	(1,790,549)	(829,514)	(3,071,506)
Depreciation and amortisation expenses	(2,160)	(212,940)	(23,980)	(239,080)
Administration expenses	(384,124)	(745,040)	(291,142)	(1,420,306)
Profit from continuing operations before tax	(803,333)	1,251,758	1,427,525	1,875,950
<i>Discontinued operations and restructuring items</i>				
Gain on disposal of geothermal equipment	347,350	-	-	347,350
Gain on loan forgiveness	-	670,068	-	670,068
Listing expense arising on deemed acquisition of HRL by OCTIEF	(1,252,455)	-	-	(1,252,455)
OCTIEF restructuring expenses	-	(409,553)	-	(409,553)
Discontinued South American geothermal operations	(168,482)	-	-	(168,482)
<b>Profit before income tax</b>	<b>(1,876,920)</b>	<b>1,512,273</b>	<b>1,427,525</b>	<b>1,062,878</b>
Income tax (expense) / benefit	-	(271,854)	(399,707)	(671,561)
<b>Profit after income tax</b>	<b>(1,876,920)</b>	<b>1,240,419</b>	<b>1,027,818</b>	<b>391,317</b>

**Notes to the Table of Amalgamated Pro-forma Income Statement**

This pro-forma income statement is prepared on the basis of:

Column A

The HRL Holdings income statement for the 12 month period 1 January 2014 through to 31 December 2014 has been derived from the audited financial statements for the year ended 30 June 2014 and the half-year results for the consolidated HRL group for the period ended 31 December 2014.

Column B

The OCTIEF income statement for the 12 month period 1 January 2014 to 31 December 2014 has been derived from the financial statements of OCTIEF for the year ended 30 June 2014 and the half-year results for the consolidated HRL group for the period ended 31 December 2014.

### Column C

The Precise Consulting income statement for the 12 month period 1 January 2014 to 31 December 2014 has been derived from the audited financial statements for the 7 month period ended 31 October 2014, the audited financial statements for the 12 month period ended 31 March 2014 and the reviewed financial statements the 9 month period ended 31 December 2014.

### Column D

Amalgamated profit and loss statement, being HRL, OCTIEF and Precise Consulting for the 12 month period ended 31 December 2014.

## **5. Lodgement with ASIC**

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A copy of this document was lodged with the ASIC on 23 February 2015. This document will prevail to the extent of any inconsistency with the Prospectus lodged with ASIC on 9 February 2015. Neither the ASIC nor any of its officers takes any responsibility for the contents of this document.

## **6. Authorisation**

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This document has been approved by a resolution passed by the directors of HRL. Each Director has consented to lodgement of this Supplementary Prospectus with the ASIC.

Dated 23 February 2015

Signed for and on behalf of HRL Holdings Ltd

A handwritten signature in black ink, appearing to read 'D Anderson', with a long horizontal line extending to the right.

Darren Anderson, Executive Director