



HUDSON INVESTMENT GROUP LIMITED

ACN 004 683 729

APPENDIX 4E

ASX PRELIMINARY UNAUDITED FINAL REPORT– 31 DECEMBER 2023

(CORRESPONDING PERIOD – YEAR ENDED 31 DECEMBER 2022)

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The preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by Hudson Investment Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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CORPORATE DIRECTORY

Hudson Investment Group Limited

ACN 004 683 729
ABN 25 004 683 729

Registered and Corporate Office

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Auditors

K.S. Black & Co
Level 1
251 Elizabeth Street
Sydney NSW 2000
Telephone: +61 2 8839 3000

Lawyers

Piper Alderman
Level 23, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000
Telephone: +61 2 9253 9999

Bankers

Commonwealth Bank of Australia
Corporate Financial Services
Business & Private Banking
Level 9, Darling Park 1
201 Sussex Street
Sydney NSW 2000
Telephone: +61 2 9118 7031

St George Bank Limited
Level 14, 182 George Street
Sydney NSW 2000
Telephone: +61 2 9236 2230

Board of Directors

John W Farey (Non-Executive Chairman)
Alan Beasley (Managing Director)
Wei Huang (Executive Director)
John J Foley
Dr Cheng Fong Han
Pin Chua
Warren Wen-Shih Choo (Alternate Director)

Joint Company Secretaries

Henry Kinstlinger
Mona Esapournoori

Chief Financial Officer

Francis Choy

Risk & Compliance

Allan Scadden

Share registry

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
Telephone: 1300 850 505 (within Australia)

ASX Code – HGL

Hudson Investment Group Limited shares are listed on the Australian Securities Exchange.

This financial report covers the Consolidated Entity consisting of Hudson Investment Group Limited and its controlled entities.

Hudson Investment Group Limited is a company limited by shares, incorporated and domiciled in Australia.

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 December 2023
(PREVIOUS CORRESPONDING PERIOD: YEAR ENDED 31 December 2022)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$'000
Revenue from ordinary activities	Down	16%	To	1,480
Profit/(Loss) after income tax from ordinary activities attributable to members	Up	107%	To	182
Net Profit/(Loss) for the period attributable to members	Up	107%	To	182

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	\$Nil	N/A
Interim dividend	\$Nil	N/A

Dividend record date: N/A

Explanation of Profit after Tax from Ordinary Activities

The Company has recorded a consolidated net profit after tax of \$0.18 million for the year ended 31 December 2023. The profit was mainly attributable to revaluation of Investment properties.

The Company's current net asset value as at 31 December 2023 is \$23.1 million (or 38.9 cents per share).

REVIEW OF OPERATIONS

CORPORATE HIGHLIGHTS

- The Company has recorded a consolidated net profit after tax of \$0.18 million for the year ended 31 December 2023.
- HGL increased investment in the Warnervale property by enhancing the preparation for further proposed tenancies on the Western land. This additional investment was in addition to the over \$1 million in capital expenditures in 2022. These investments are made to increase the asset portfolio value.
- From December 2023, HGL entered a further 3 years to our long term tenant for Unit 2, 171-175 Sparks Road, Halloran New South Wales.
- Exploring future options including a potential Residential Development Application (**DA**) for the Bowen Hills QLD property in addition to the mix use DA, approved in 2021. The Company is seeking the highest value and best use for development of the property.

ABOUT HUDSON INVESTMENT GROUP LTD

HGL is an ASX-listed Company focusing on industrial, residential and commercial property development, and currently owns the following properties:

- Unit 2, 171-175 Sparks Road, Halloran, New South Wales
- 59 Mountain Road, Halloran, New South Wales
(both collectively the **Warnervale Properties**);
- 47 Brookes Street, Bowen Hills, Queensland
- 41-43 Brookes Street, Bowen Hills Queensland
(both collectively the **Bowen Hills Properties**); and
- 43 Regent Street, Woolloongabba, Queensland (the **Regent Street Property**)

Hudson Investment Group continues to be focussed on developing its current property portfolio and seeking out additional potential property investment opportunities to achieve capital appreciation and increase revenue to strengthen the Company's strategic positioning for future growth to increase shareholder value.

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

		Consolidated	
		2023	2022
	Notes	\$'000	\$'000
Revenue	2	1,480	1,768
Cost of services		(487)	(425)
Other income and expenses	2	910	(2,338)
Cost of providing services and administration expenses	3	(914)	(1,027)
Finance income	3	7	4
Finance expenses	3	(814)	(375)
PROFIT BEFORE INCOME TAX		182	(2,393)
Income tax		-	-
PROFIT AFTER TAX FOR THE YEAR		182	(2,393)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income		-	-
Income tax		-	-
Other comprehensive income after tax		-	-
Total comprehensive income		182	(2,393)
Profit attributable to non-controlling interests		-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		182	(2,393)
Earnings per shares		Cents	Cents
Basic earnings per share (cents)	8	0.31	(4.03)
Diluted earnings per share (cents)	8	0.31	(4.03)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION **AS AT 31 DECEMBER 2023**

		Consolidated	
		2023	2022
	Notes	\$'000	\$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	599	112
Trade and other receivables		(129)	(23)
Other current assets		290	132
TOTAL CURRENT ASSETS		760	221
NON-CURRENT ASSETS			
Investment properties	6	35,821	34,474
TOTAL NON-CURRENT ASSETS		35,821	34,474
TOTAL ASSETS		36,581	34,695
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		223	530
Financial liabilities		4,200	6,885
Accrued payable and provision		66	75
TOTAL CURRENT LIABILITIES		4,489	7,490
NON-CURRENT LIABILITIES			
Financial liabilities		8,925	4,200
Accrued payable and provision		27	47
TOTAL NON-CURRENT LIABILITIES		8,952	4,247
TOTAL LIABILITIES		13,441	11,737
NET ASSETS		23,140	22,958
EQUITY			
Issued Capital	7	63,397	63,397
Reserves		5,261	5,261
Accumulated losses		(45,518)	(45,700)
Total equity attributable to equity holders of the parent entity		23,140	22,958
Non-controlling interest		-	-
TOTAL EQUITY		23,140	22,958

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

Consolidated	Notes	Issued Capital	Reserves	Accumulated Losses	Total Equity
		\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2023	7	63,397	5,261	(45,700)	22,958
Share issued		-	-	-	-
Share issuing costs		-	-	-	-
Profit for the year		-	-	182	182
Balance at 31 December 2023	7	63,397	5,261	(45,518)	23,140
Balance at 1 January 2022		63,397	5,626	(43,307)	25,716
Share issued		-	-	-	-
Share issuing costs		-	-	-	-
Loss for the year		-	-	(2,393)	(2,393)
Business Combination		-	(365)	-	(365)
Balance at 31 December 2022	7	63,397	5,261	(45,700)	22,958

The above statement should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Consolidated 2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts from customers		1,504	1,378
Payments to suppliers, employees and service providers		(1,271)	(902)
Interest received		7	6
Interest paid		(686)	(373)
Net cash (used in)/provided by operating activities		(446)	109
Cash flows from investing activities			
Proceed from sales of properties		-	1,019
Payments for investment properties improvements		(831)	(1,025)
Payments for purchases of investments		-	(2,800)
Repayment / (Advance) to other entities		-	408
Net cash (used in)/provided by investing activities		(831)	(2,398)
Cash flows from financing activities			
Proceeds from issuing share		-	-
Share issuing cost		-	-
Bank borrowings		1,764	2,100
Net cash provided by/(used in) financing activities		1,764	2,100
Net increase /(decrease) in cash and cash equivalents		487	(189)
Cash and cash equivalents at the beginning of the year		112	301
Cash and cash equivalents at the end of the year	5	599	112

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES, ESTIMATION METHOD AND MEASUREMENT BASIS

Accounting policies, estimation methods and measurement bases used in this Appendix 4E are the same as those used in the last annual report and the last half year report.

2. REVENUE

		Consolidated 2023 \$'000	2022 \$'000
a	Revenue		
	Rental Income	1,470	1,766
	Service Fee income	10	2
		<u>1,480</u>	<u>1,768</u>
b	Other Income and expenses		
	Change in fair value of investment properties	774	(1,860)
	Change in fair value of investment properties project	-	2
	Insurance Compensation	136	-
	Doubtful debt provision and others	-	(480)
		<u>910</u>	<u>(2,338)</u>

3. PROFIT/ (LOSS) FROM ORDINARY ACTIVITIES

		Consolidated 2023 \$'000	2022 \$'000
	Profit/(loss) before income tax is arrived after (charging)/crediting the following specific expenses		
a	Cost of providing services and administration expenses		
	Consulting and professional fee	(121)	(323)
	Directors fee and employee on costs	(511)	(336)
	Legal expenses	(12)	(113)
	Other administration expenses	(270)	(255)
		<u>(914)</u>	<u>(1,027)</u>
b	Finance income	<u>7</u>	<u>4</u>
	Interest income		
c	Finance expenses	(789)	(373)
	Interest paid	(25)	(2)
	Others	<u>(814)</u>	<u>(375)</u>

NOTES TO THE FINANCIAL STATEMENTS continued

4. DIVIDENDS

The directors do not recommend a dividend relating to the year ended 31 December 2023 (2022: Nil) to be paid.

5. CASH AND CASH EQUIVALENTS

	Consolidated	
	2023	2022
	\$'000	\$'000
Cash at bank and on hand	599	112
Cash held in trust account	-	-
	599	112

6. INVESTMENT PROPERTIES

	Consolidated	
	2023	2022
	\$'000	\$'000
Non-current		
Investment properties at fair value	35,821	34,474
	35,821	34,474

a. Valuation basis

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. The revaluations were based on independent assessments made by members of the Australian Property Institute valuations.

	Consolidated	
	2023	2022
	\$'000	\$'000
Investment properties at fair value		
Independent valuation	43,950	41,875
Director valuation	-	-
Acquisition cost	3,225	4,000
Capital works improvements and capitalised costs	3,244	2,671
Accumulated depreciation and impairment provision	(14,598)	(14,072)
	35,821	34,474

NOTES TO THE FINANCIAL STATEMENTS continued

7. ISSUED CAPITAL

	Consolidated		Consolidated	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	Shares	Shares	\$'000	\$'000
Ordinary shares				
Issued	59,359,935	59,359,935	63,397	63,397
Movements during the period				
Balance at beginning of the period	59,359,935	59,359,935	63,397	63,397
Share issued	-	-	-	-
Share issuing costs	-	-	-	-
Balance at the end of the period	59,359,935	59,359,935	63,397	63,397

Ordinary Shares

Ordinary shares entitle the holders to participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Option

There are no unissued ordinary shares of the Company under option at the date of the report.

Preference options

No options were granted and issued during this year.

8. EARNINGS PER SHARE

	2023	2022
	Cents	Cents
Basic earnings per share	0.31	(4.03)
Diluted earnings per share	0.31	(4.03)
	2023	2022
	\$'000	\$'000
Earnings used in calculating basic and diluted earnings per share	182	(2,393)
	2023	2022
	Number	Number
Weighted average number of ordinary shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share and diluted earnings per share	59,359,935	59,359,935

NOTES TO THE FINANCIAL STATEMENTS continued**9. CONTINGENT ASSETS AND LIABILITIES, COMMITMENTS****Guarantees**

Cross guarantees under Class Order 98/1418 by Hudson Investment Group Limited and its several wholly owned controlled entities exist in respect of loans. No deficiency of assets exists in the consolidated entity as a whole. No material losses are anticipated in respect of any of the above contingent liabilities.

Commitments

There are no material commitments as at the date of the report.

10. EVENTS OCCURRING AFTER BALANCE DATE

At the date of this report there are no other matters or circumstances, other than noted above, which have arisen since 31 December 2023 that have significantly affected or may significantly affect:

- The operations, in financial years subsequent to 31 December 2023 of the Group;
- The results of those operations; or
- The state of affairs in financial years subsequent to 31 December 2023 of the Group.

11. SEGMENT INFORMATION

The Consolidated entity primary reporting format is business segments and its secondary reporting format is geographical segments.

Business segments

The Consolidated entity is organised into the following divisions by product and service type.

Property investment & development in Australia

Development and leasing industrial and residential properties in Eastern Australia.

Geographical segments

All business segments operate principally within Australia.

Accounting policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings.

Inter-segment transfers

Segment revenues, expenses and results include transfers between segments. All other intersegment transfers are priced on an "arm's-length" basis and are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS continued

11. SEGMENT INFORMATION continued

	Property investment & development	Investment Services	Inter segment eliminations/ unallocated	Consolidated
	\$'000	\$'000	\$'000	\$'000
2023				
Sales to external customers	1,480	-	-	1,480
Intersegment sales	-	-	-	-
Total sales revenue	1,480	-	-	1,480
Other revenue	-	-	-	-
Total segment revenue	1,480	-	-	1,480
Segment result				
Profit/(loss) before tax	182	-	-	182
Tax expense	-	-	-	-
Net profit/(loss)	182	-	-	182
Segment assets	36,581	-	-	36,581
Segment liabilities	13,441	-	-	13,441
Acquisition of non-current assets	573	-	-	573
Depreciation and amortisation expense	-	-	-	-
2022				
Sales to external customers	1,768	-	-	1,768
Intersegment sales	-	-	-	-
Total sales revenue	1,768	-	-	1,768
Other revenue	-	-	-	-
Total segment revenue	1,768	-	-	1,768
Segment result				
Profit/(loss) before tax	(2,393)	-	-	(2,393)
Tax expense	-	-	-	-
Net profit/(loss)	(2,393)	-	-	(2,393)
Segment assets	34,695	-	-	34,695
Segment liabilities	11,737	-	-	11,737
Acquisition of non-current assets	3,825	-	-	3,825
Depreciation and amortisation expense	-	-	-	-

SUPPLEMENTARY APPENDIX 4E INFORMATION**NTA Backing**

	31/12/2023	31/12/2022
Net tangible asset per ordinary share	38.9 cents	38.6 cents

Controlled Entities Acquired during the Period

No entity was acquired during the reporting period.

Loss of Control of Entities during the Period

HSC Property Pty Ltd had been de-registered during the reporting period.

Subsequent Events

There have been no other events subsequent to reporting date which affect the results contained in this report or the continuing operations of the Group. Please refer to Note 10 to the financial statement.

Accounting Standards

Australian Accounting Standards have been used in the preparation of this report.

Other Significant Information

All significant information in relation to the financial performance and position of Hudson Investment Group Limited has been disclosed in the attached report.

Returns to Shareholders

No distribution/dividend paid this year. The Company does not have a dividend/distribution reinvestment plan. No share buy back during the year.

Audit Report

This report is based on financial statements that are in the process of being audited, and it is unlikely that there will be any dispute or qualification; therefore no audit report has been attached.

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