

Appendix 4D

Preliminary Final Report

Results for announcement to the market

For the Half-Year ended 31 December 2024

RESULTS FOR ANNOUNCEMENT TO THE MARKET	Movement %	Current Period \$'000	Previous Period \$'000
Income from ordinary activities	Down 165.4%	(1,698)	2,596
Profit from ordinary activities after tax attributable to members	Down 178.9%	(1,174)	1,489
Net profit for the period attributable to members	Down 178.9%	(1,174)	1,489
		cents per share	cents per share
Earnings per share, basic and diluted (cents per share)	Down 179.7%	(4.7)	5.9
		31 December 2024	31 December 2023
Net tangible asset backing per share (NTA) as at		\$	\$
Post-tax net tangible assets per share		0.98	1.07
Pre-tax net tangible assets per share		0.96	1.12

DIVIDENDS

No dividend was declared for the half year ended 31 December 2024.

EXPLANATION OF RESULTS

A detailed explanation of the financial performance for the half-year ended 31 December 2024 is contained in the Review of Operations within the Directors' Report.

This report is based on financial statements which have been subject to independent review by the auditors, UHY Haines Norton Chartered Accountants.

All documents comprise the information required by listing rule 4.2A.

This information should be read in conjunction with the 2024 Annual Financial Report.



Contents

Directors' Report	3
Auditors' Independence Declaration	5
Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	
1 Basis of preparation	10
2 Summary of significant accounting policies	10
3 Fair value gains on financial instruments at fair value through profit and loss and other income	12
4 Earnings per share (EPS)	13
5 Cash and Cash Equivalents	13
6 Trade and Other Receivables	13
7 Financial assets held at fair value through profit and loss	14
8 Trade and other payables	14
9 Issued capital	15
10 Dividends	15
11 Dividend franking account	16
12 Contingent liabilities	16
13 Related parties	16
14 Key management personnel compensation	17
15 Events occurring after the reporting date	17
Directors' Declaration	18
Independent Auditor's Report	19
Corporate Directory	21



Directors' Report

The directors submit the financial report of the Company for the Half-Year ended 31 December 2024

REVIEW OF OPERATIONS

The directors H&G High Conviction Limited (ASX: HCF) (HCF or Company) present the Company's results for the six months ended 31 December 2024.

HCF posted a disappointing -3.8% post-tax return for the first half of Financial Year 2025, underperforming the ASX Small Ordinaries Accumulation Index, which gained 5.5%. Since IPO, post-tax returns have averaged 4.8% per annum, compared to the Index's 7.9%. Despite short-term underperformance, HCF remains committed to a long-term, high-conviction investment strategy, actively managing its portfolio while embracing market volatility. The Company maintains a fully invested position, reflecting its confidence in its holdings and ability to generate sustainable returns over time.

Key highlights of the first half include initiating a 10% share buyback in August 2024, repurchasing 678,194 shares (~3% of issued capital), and adding two high-conviction holdings: SciDev Ltd (ASX: SDV) and DUG Technology Ltd (ASX: DUG).

Top contributors: SciDev benefited from growth in PFAS treatment and chemical solutions; FOS Capital (ASX: FOS) exceeded market expectations with strong FY24 results; ARN Media (ASX: A1N) rebounded due to cost-saving opportunities and consolidation prospects.

Top detractors: VEEM (ASX: VEE) declined after two downgrades, though HCF remains confident in its upside potential; DUG Technology faced near-term headwinds from a \$30M capital raise; Universal Biosensors (ASX: UBI) weakened as investors await a key commercial partnership for its FDA-approved device.

Post-tax NTA per share declined to \$0.98 as of 31 December 2024, from \$1.042 at 30 June 2024, reflecting broader market movements and portfolio adjustments.

HCF paid a fully franked interim dividend of 2 cps on 4 October 2024, bringing total FY24 dividends to 4 cps. The Company remains focused on long-term value creation through disciplined capital management, prudent stock selection, and proactive engagement with its portfolio companies to unlock shareholder value.

HCF's Net Tangible Asset (NTA) backing per share, as at 31 December 2024, was as follows:

- **NTA per share after all taxes – \$0.98**
- **NTA per share before deferred tax on unrealised gains – \$0.96**

HCF ended the period with \$655,838 in cash.

DIVIDENDS

No dividend was declared for the half year ended 31 December 2024.

OUTLOOK

The macroeconomic environment for small-cap investing in 2025 has shown further signs of improvement, with expectations of interest rate cuts providing a supportive global stimulatory backdrop. The RBA pleasingly moved to a more dovish tone with an interest rate cut of 25 basis points to 4.10% on 18 February 2025 following 13 interest rate rises since May 2022.

We expect stronger earnings from the broader ASX small caps & HCF's conviction positions to attract capital from the current 2024 overcrowded high valuation stocks that are priced for perfection. We remain comfortable with the current HCF portfolio and remain confident that the current valuation gap will narrow & deliver superior returns over the medium term.

LIKELY DEVELOPMENTS AND CHANGES IN THE STATE OF AFFAIRS

In January 2025, the Company has received a non-binding indicative offer (NBIO) from Hancock & Gore Limited (HNG) to acquire all of the Company's assets in exchange for shares in HNG. The proposed NBIO was announced to the ASX on the 13 January 2025. The NBIO is non-binding, incomplete and subject to the parties negotiating and entering into definitive legal agreements to implement the Proposal. The Company has established an independent Board Committee to oversee all aspects of the proposal.

BOARD OF DIRECTORS AND COMPANY SECRETARY

The names of each person who has been a director during the period and to the date of this report are:

David Groves

Non-Executive Chairman (appointed 26 August 2023)

Qualifications: David has a Bachelor of Commerce from the University of Wollongong and a Master of Commerce from the University of New South Wales, and is a member of the Institute of Chartered Accountants Australia and New Zealand.

Experience: David has over 25 years' experience as a company director. He is Chairman of Pengana Capital Group Limited (ASX: PCG) and is a Non-Executive Director of Pengana International Equities Limited (ASX: PIA) and MA Redcape Hotel Fund RE Ltd as responsible entity of the MA Redcape Hotel Fund. David is also a member of the Audit and Risk Committee for Pengana Capital Group Limited and Pengana International Equities Limited. He is a member of the Council of the University of Wollongong. He is a former director of EQT Holdings Ltd, Tassal Group Ltd and GrainCorp Ltd and a former executive with Macquarie Bank Limited and its antecedent, Hill Samuel Australia.

Nicholas (Nick) Atkinson

Executive Director (appointed 8 June 2022)

Qualifications: Nick has a Master of Business Administration (MBA) from Macquarie Graduate School of Management, a Bachelor of Commerce from the University of Queensland, and a Graduate Diploma in Applied Investment and Finance from FINSIA.

Experience: Nick has over 30 years' equity capital markets experience, that spans trading, research, sales, corporate finance and investment management. Nick has specialty expertise in the Energy, Healthcare/Life Sciences and Small Capitalisation sectors, garnered from working both in Australia as well as offshore in London and New York.

Nick has been an executive at Hancock & Gore since June 2021. Nick was also appointed as the Portfolio Manager for the investment manager, H&G Investment Management Ltd with effect from 30 April 2024. Prior to joining Hancock & Gore, Nick spent 14 years at Morgans Financial Limited, where he was Executive Director of Institutional Equities. Nick oversaw rapid growth of the division's profitability over a 10+year period.

Dennison Hambling

Non-Executive Director (appointed 27 February 2024)

Qualifications: Dennison holds a Master of Commerce (Honours) in Economics from the University of Auckland and is a CFA Charterholder.

Experience: Dennison has over 24 years of investment experience. He was the Chief Investment Officer of First Samuel for 12 years (until 2019), then the head of Public and Private Equity at 360 Capital Group (2019–2021). Prior to First Samuel, he worked at Cooper Investors as a Portfolio Manager. Dennison is currently the Managing Director of Intelligent Monitoring Group (IMB:ASX) and currently serves as Non-Executive Director of several private companies in a board advisory capacity.

Joseph Constable

Executive Director (8 June 2022 to 22 July 2024)

Qualifications: Joseph has a Master of History from the University of Oxford and a Bachelor of Arts (Honours) from the University of Melbourne. He is a Graduate of the Australian Institute of Company Directors.

Joseph resigned as a director of HCF with effect from 22 July 2024. Joseph also resigned as a director of Hancock & Gore Limited (ASX: HNG) and the Portfolio Manager of the investment manager, H&G Investment Management Ltd effective 30 April 2024. He is a Director of Po Valley Energy Limited (ASX: PVE).

Nishantha Seneviratne

Company Secretary (appointed 12 February 2024)

Qualifications: Nishantha has a Master of Business Administration and is a fellow member of CPA (Australia), Governance Institute of Australia (GIA) and Institute of Chartered Secretaries and Administrators (ICSA).

He is the Chief Financial Officer and Company Secretary of Hancock & Gore Limited (ASX: HNG). He has over 19 years of senior managerial experience in diverse industries with 13+ years in ASX listed investment companies.

He was the former Chief Financial Officer and Company Secretary of Milton Corporation Limited (between 2012–2021) until it was taken over by Washington H. Soul Pattinson Limited (ASX:SOL) in October 2021.

This report is made in accordance with a resolution of directors.



David Groves

Director

25 February 2025



Auditors' Independence Declaration

**UHY Haines Norton
Chartered Accountants**

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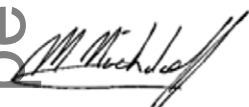
Under Section 307C of the Corporations Act 2001

To the Directors of H&G High Conviction Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of H&G High Conviction Limited during the financial period.

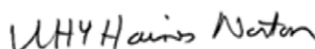


Mark Nicholaeff

Partner

Sydney

Dated: 25 February 2025



UHY Haines Norton

Chartered Accountants

Audit | Tax | Advisory

The Firm: UHY Haines Norton ABN 85 140 758 156 in Sydney ("the Firm") is an independent member of UHY Haines Norton ("the Association"), an association of independent firms in Australia and New Zealand. The Association is an independent member of Urbach Hacker Young International ("UHY International"), a UK company, and is part of the UHY International network of legally independent accounting and consulting firms. Any engagement you have is with the Firm and any services are provided by the Firm and not by the Association or UHY International or any other member firm of the Association or UHY International.

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Liability limited by a scheme approved under Professional Standards Legislation.



Statement of Profit or Loss and Other Comprehensive Income

For the Half Year ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Dividends received		521,159	376,363
Fair value gains on financial instruments at fair value through profit and loss	3	(2,253,561)	2,119,008
Interest income		34,856	100,921
Income from Ordinary Activities		(1,697,546)	2,596,292
Performance fees expense		–	(349,758)
Management expense		(138,083)	(142,774)
Professional fees expense		(26,193)	(19,446)
Employee benefits expense		(40,035)	(20,090)
Other expenses		(55,447)	(38,025)
Operating Expenses		(259,758)	(570,093)
Profit before income tax		(1,957,304)	2,026,199
Income tax benefit (expense)		783,264	(537,293)
Profit after income tax for the period		(1,174,040)	1,488,906
Other comprehensive income		–	–
Total comprehensive income for the period		(1,174,040)	1,488,906

	Note	31 December 2024 Cents	31 December 2023 Cents
Earnings per share for profit attributable to the shareholders of H&G High Conviction Limited			
Basic and diluted earnings per share	4	(4.7)	5.9

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Statement of Financial Position

As at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
Assets			
CURRENT ASSETS			
Cash and cash equivalents	5	655,838	2,474,943
Trade and other receivables	6	173,839	152,611
Financial assets held at fair value through profit and loss	7	23,128,607	25,520,787
Total current assets		23,958,284	28,148,341
NON CURRENT ASSETS			
Deferred tax asset		469,560	16,926
Total non current assets		469,560	16,926
Total assets		24,427,844	28,165,267
Liabilities			
CURRENT LIABILITIES			
Trade and other payables	8	120,119	246,042
Income tax payable		469,471	1,016,256
Total current liabilities		589,590	1,262,298
NON CURRENT LIABILITIES			
Deferred tax liability		–	792,526
Total non current liabilities		–	792,526
Total liabilities		589,590	2,054,824
Net assets		23,838,254	26,110,443
Equity			
Issued capital	9	23,942,946	24,540,935
Retained earnings		(104,692)	1,569,508
Total equity		23,838,254	26,110,443

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Statement of Changes in Equity

For the Half Year ended 31 December 2024

	Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 30 June 2024	24,540,935	1,569,508	26,110,443
Profit	–	(1,174,040)	(1,174,040)
Other comprehensive income	–	–	–
Total comprehensive income	–	(1,174,040)	(1,174,040)
Issue of share capital	–	–	–
Shares cancelled	(597,989)	–	(597,989)
Dividends paid	–	(500,160)	(500,160)
Balance at 31 December 2024	23,942,946	(104,692)	23,838,254

For the Half Year ended 31 December 2023

Balance at 30 June 2023	24,540,935	1,271,999	25,812,934
Profit	–	1,488,906	1,488,906
Other comprehensive income	–	–	–
Total comprehensive income	–	1,488,906	1,488,906
Issue of share capital	–	–	–
Dividends paid	–	(501,189)	(501,189)
Balance at 31 December 2023	24,540,935	2,259,716	26,800,651

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Statement of Cash Flows

For the Half Year ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		521,159	429,632
Interest received		34,856	46,054
Other revenue		3,957	3,820
Management fees		(138,083)	(142,774)
Performance fees		–	(158,782)
Income tax paid		(1,008,682)	(335,918)
Other operating expenses		(268,825)	(253,891)
Net cash used in operating activities		(855,618)	(411,859)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(10,185,458)	(7,187,340)
Sale of investments		10,320,120	8,995,338
Net cash used in investing activities		134,662	1,807,998
CASH FLOWS FROM FINANCING ACTIVITIES			
Issued shares		–	–
Shares bought back		(597,989)	–
Ordinary dividends paid		(500,160)	(501,189)
Net cash provided by financing activities		(1,098,149)	(501,189)
Net increase in cash and cash equivalents held		(1,819,105)	894,950
Cash and cash equivalents at the beginning of the half year		2,474,943	5,941,036
Cash and cash equivalents at end of the half year	5	655,838	6,835,986

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Notes to the Financial Statements

For the Half Year period ended 31 December 2024

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1 BASIS OF PREPARATION

The financial report covers H&G High Conviction Limited as an individual entity. H&G High Conviction Limited is a for profit Company limited by shares, incorporated and domiciled in Australia.

The principal activity the Company is to invest in micro capitalisation ASX -listed companies seeking. HCF's primary goals are to generate long- term double-digit per annum returns while minimising capital loss. HCF actively engages with investee companies to unlock the full value of management teams and core assets.

This condensed interim financial report for the reporting period ending 31 December 2024 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of H&G High Conviction Limited. As such it does not contain information that represents relatively insignificant changes occurring during the year within H&G High Conviction Limited. This condensed financial report does not include all the notes normally included in an annual financial report.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Fair value gains on financial instruments at fair value through profit and loss and other income

Fair value gains on financial instruments at fair value through profit and loss

The Company has been classified under AASB 10 as an Investment Entity whose business purpose is to invest funds solely for returns via capital appreciation and/or investment returns. As the Company has been classified as an Investment Entity, the portfolio investments have been accounted for at fair value through profit and loss and shown as Financial Assets in the Statement of Financial Position.

Investments held at fair value through profit and loss are initially recognised at cost. Transaction costs related to acquisitions are expensed to profit and loss immediately. Subsequent to initial recognition, all financial instruments held at fair value are accounted for at fair value, with changes to such values recognised in the profit and loss. Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable, and willing market participants at the measurement date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value Level 1 in the fair value hierarchy. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

Financial assets are de-recognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets and liabilities are recognised for differences between the purchase price and tax cost base of assets and liabilities acquired in asset swap arrangements. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred income tax is provided on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(d) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss – FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short term, highly liquid financial instruments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

3 FAIR VALUE GAINS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS AND OTHER INCOME

Fair value gains on financial instruments at fair value through profit and loss

	31 December 2024 \$	31 December 2023 \$
Realised (loss) gain on disposal of investments	(51,867)	842,609
Unrealised (loss) gain on revaluation of investments	(2,201,694)	1,276,399
	(2,253,561)	2,119,008

4 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. For the current period diluted EPS is the same as basic EPS.

	31 December 2024 \$	31 December 2023 \$
Profit after income tax attributable to the shareholders of H&G High Conviction Limited	(1,174,040)	1,488,906

The basic earnings per share for the reporting period were as follows:

	Cents	Cents
Basic and diluted earnings per share	(4.7)	5.9
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	24,797,439	25,059,428

5 CASH AND CASH EQUIVALENTS

	31 December 2024 \$	30 June 2024 \$
Cash	655,838	2,474,943
	655,838	2,474,943

6 TRADE AND OTHER RECEIVABLES

	31 December 2024 \$	30 June 2024 \$
CURRENT		
Account Receivable	146,000	152,559
Prepayments	27,371	–
Other Receivable	468	52
	173,839	152,611

7 FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

	31 December 2024 \$	30 June 2024 \$
CURRENT		
Investment in listed entities	22,919,249	25,057,998
Options	209,358	462,789
	23,128,607	25,520,787
Fair value hierarchy		
Level 1 (Fair value measurement using Quoted prices in active markets)	22,459,213	25,520,787
Level 2 (Significant observable inputs)	–	–
Level 3 (Significant unobservable inputs)	669,394	–
	23,128,607	25,050,810

There were no transfers between levels during the reporting period.

Level 1 instruments comprise securities quoted on the ASX where values are based on quoted market prices.

Level 2 instruments comprise securities yet to be quoted on the ASX where values are determined based on significant observable inputs.

Level 3 instruments include certain private equity type investments of which valuations are not based on market inputs or securities valued using models and internal data. Investments may be adjusted to reflect illiquidity.

Investments are currently held at fair value via a mark-to-market valuation approach.

As per AASB13, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3).

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value of all assets held – Level 1 in the fair value hierarchy. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability.

8 TRADE AND OTHER PAYABLES

	30 June 2024 \$	30 June 2023 \$
Trade payables	89,599	186,222
Accrued expenses	30,520	58,936
Other payables	–	884
	120,119	246,042

9 ISSUED CAPITAL

	31 December 2024 No of Shares	31 December 2024 \$	30 June 2024 No of Shares	30 June 2024 \$
Opening balance	25,059,428	24,540,935	25,059,428	24,540,935
Shares bought back via on market buyback	(678,194)	(597,989)	–	–
Share issues	–	–	–	–
Ordinary fully paid ordinary shares closing balance	24,381,234	23,942,946	25,059,428	24,540,935

Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company bought back 678,194 shares during the 6 months ended 31 December 2024 via the On Market Buy Back program announced to ASX on 30 April 2024. No new shares were issued during this period (30 June 2024: No new shares were issued or cancelled during the year ended 30 June 2024).

All capital consists of fully paid ordinary shares which are listed on the ASX.

10 DIVIDENDS

a) Recognised in the current period

	31 December 2024 \$	31 December 2023 \$
Ordinary fully franked final dividend in respect of the 2024 financial year of 2 cents per share paid on 4 October 2024 (31 Dec 2023: fully franked final dividend of 2 cents per share paid on 6 Oct 2024)	500,160	501,189
	500,160	501,189

b) Not recognised in the current period

	31 December 2024 \$	31 December 2023 \$
No dividend was declared for the half year ended 31 December 2024 (31 Dec 2023: fully franked ordinary interim dividend of 2 cents per share paid on 25 March 2024)	–	501,189
	–	501,189

No LIC capital gain was included in the above dividends.

11 DIVIDEND FRANKING ACCOUNT

	31 December 2024 \$	31 December 2023 \$
Franking credits available for subsequent financial years based on a tax rate of 30%	1,619,384	1,009,829

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the income tax payable at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

12 CONTINGENT LIABILITIES

In the opinion of the Directors, the Company did not have any contingent liabilities at 31 December 2024.

13 RELATED PARTIES

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

H&G Investment Management Limited, in its capacity as the Investment Manager, is entitled to be paid a management fee equal to 1.0% (plus GST) per annum of the value of the Company's Gross Portfolio Value, which is calculated on the last Business Day of each calendar month and paid monthly in arrears within five business days of the end of each calendar month. Gross Portfolio Value means, on any given date, the net asset value of the Company excluding any Performance Fee or Tax liabilities.

Management fees paid and payable to the Manager for the 6-month period to 31 December 2024 total \$138,083.

In addition, the Investment Manager is entitled to be paid a performance fee equal to 20.0% (plus GST) of the amount by which the return of the Company exceeds a hurdle return of 5.0% per annum. The return of the Company means an amount expressed in dollars which is equal to the accumulated profit before tax of the Company since the Highwater Mark Date. The Highwater Mark Date means the end of the last period where a Performance Fee has been paid. Any Performance Fee accrues on the Performance Testing Date, which is each 31 December and each 30 June, and is payable within five business days. No performance fee was payable for the 6-month period to 31 December 2024.

David Groves has a relevant interest in 378,077 shares in Hancock & Gore Limited (HNG). By virtue of this interest, David Groves may indirectly benefit from the Management Fee and Performance Fee being payable to the Investment Manager (which is a wholly owned subsidiary of HNG) in accordance with the Management Agreement. David Groves does not control HNG or the Investment Manager.

Nicholas Atkinson is an executive of HNG, an executive director of the Investment Manager and has a relevant interest in 11,940,000 shares in HNG. Nick does not receive director fees from HCF, but is eligible to receive short term incentives and long term incentives from HNG, which will be subject to various performance hurdles based on the performance of HNG. By virtue of this interest, Nicholas Atkinson may also indirectly benefit from the Management Fee and Performance Fee being payable to the Investment in accordance with the Management Agreement. Nicholas Atkinson does not control HNG or the Investment Manager.

14 KEY MANAGEMENT PERSONNEL COMPENSATION

	31 December 2024 \$	31 December 2023 \$
Short term employee benefits	36,554	19,095
Post employment benefits	3,481	995
	40,035	20,090

15 EVENTS OCCURRING AFTER THE REPORTING DATE

The financial report was authorised for issue on 26 Feb 2025 by the board of directors.

The Company has received a NBIO from HNG to acquire all of the Company's assets in exchange for shares in HNG at an issue price of \$0.30 per share. The NBIO is based on a valuation of the Company's assets of \$1.00 per share less the Company's sale and transaction costs and any dividends declared or paid by the Company prior to completion. The proposed NBIO was announced to the ASX on the 13 January 2025. The NBIO is non-binding, incomplete and subject to the parties negotiating and entering into definitive legal agreements to implement the proposal. The Company has established an Independent Board Committee (IBC) comprising Mr David Groves and Mr Dennison Hambling to oversee all aspects of the proposed NBIO. HCF shareholder approval will be required for the implementation of the NBIO proposal. The IBC is currently considering the NBIO and subject to due diligence, and independent expert's conclusion, the IBC would be making a recommendation to the HCF shareholders.

Other than noted above, no matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

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Directors' Declaration

For the Half Year period ended 31 December 2024

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1. In the opinion of the directors of H&G High Conviction Limited:
 - (a) The financial statements and notes, as set out on pages 6–17 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with *Australian Accounting Standards* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the half year ended on that date.
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

David Groves
Director

Nicholas Atkinson
Director

Dated: 25 February 2025

Directors' Declaration



HCF Half Year Report 2024



Independent Auditor's Report

**UHY Haines Norton
Chartered Accountants**

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To the Members of H&G High Conviction Limited

REPORT ON THE HALF-YEAR FINANCIAL REPORT

Conclusion

We have reviewed the accompanying half-year financial report of H&G High Conviction Limited ("the Company"), which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes, and the directors' declaration of the entity.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of H&G High Conviction Limited is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Audit | Tax | Advisory

The Firm: UHY Haines Norton ABN 85 140 758 156 in Sydney ("the Firm") is an independent member of UHY Haines Norton ("the Association"), an association of independent firms in Australia and New Zealand. The Association is an independent member of Urbach Hacker Young International ("UHY International"), a UK company, and is part of the UHY International network of legally independent accounting and consulting firms. Any engagement you have is with the Firm and any services are provided by the Firm and not by the Association or UHY International or any other member firm of the Association or UHY International.

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Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

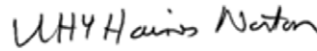
Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Mark Nicholaeff
Partner

Sydney
25 February 2025



UHY Haines Norton
Chartered Accountants

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Corporate Directory

DIRECTORS

David Groves (Non-executive Chairman)
Nicholas (Nick) Atkinson (Executive Director)
Dennison Hambling (Non-executive Director)

MANAGEMENT

H&G Investment Management Limited
Level 11, Suite 11.02, 68 Pitt Street
Sydney NSW 2000

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 11, Suite 11.02, 68 Pitt Street
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Phone: +61 (0)2 8667 4660
Email: info@hng.com.au
Website: www.hancockandgore.com.au

COUNTRY OF INCORPORATION

Australia

SHARE REGISTRY

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Phone: 1300 556 635 or
+61 3 9909 9909 (outside Australia)
Email: registry@registrydirect.com.au

AUSTRALIAN SECURITIES EXCHANGE LISTING

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

AUDITOR

UHY Haines Norton Sydney
Level 9, 1 York Street
Sydney NSW 2000

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