



HUDSON INVESTMENT GROUP LIMITED

ACN 004 683 729

APPENDIX 4E

ASX PRELIMINARY UNAUDITED FINAL REPORT– 31 DECEMBER 2022

(CORRESPONDING PERIOD – YEAR ENDED 31 DECEMBER 2021)

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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 2021 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**

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ABN 25 004 683 729

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Sydney NSW 2000
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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 2022
(PREVIOUS CORRESPONDING PERIOD: YEAR ENDED 31 December 2021)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$'000
Revenue from ordinary activities	Up	3.4%	to	1,768
Profit/(Loss) after income tax from ordinary activities attributable to members	Up	136.5%	to	1,807
Net Profit/(Loss) for the period attributable to members	Up	136.5%	to	1,807

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 \$1.80 million for the year ended 31 December 2022. The profit was mainly attributable to revaluation of Investment properties.

The Company's current net asset value as at 31 December 2022 is \$27.15 million (or 45.7 cents per share).

REVIEW OF OPERATIONS

CORPORATE HIGHLIGHTS

- The Company has recorded a consolidated net profit after tax of \$1.80 million for the year ended 31 December 2022.
- HGL had paid over \$1 million in capital expenditures on the Warnervale properties to increase the asset portfolio value.
- HGL has increased lease income and secured long term tenant for Unit 2, 171-175 Sparks Road, Halloran New South Wales.
- Exploring potential Residential Development Application (**DA**) for the Bowen Hills QLD properties in addition to the mix use DA, approved in 2021, to provide the Company with additional options with regard to the best use development of the property.
- Mr Pin Chua was appointed a non-executive director of HGL on 27th September 2022.

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**)

The focus of Hudson Investment Group remains 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.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Consolidated	
		2022 \$'000	2021 \$'000
Revenue	2	1,768	1,709
Cost of services		(425)	(488)
Other income and expenses	2	1,862	600
Cost of providing services and administration expenses	3	(1,027)	(856)
Finance income	3	4	127
Finance expenses	3	(375)	(328)
PROFIT BEFORE INCOME TAX		1,807	764
Income tax		-	-
PROFIT AFTER TAX FOR THE YEAR		1,807	764
OTHER COMPREHENSIVE INCOME			
Other comprehensive income		-	-
Income tax		-	-
Other comprehensive income after tax		-	-
Total comprehensive income		1,807	764
Profit attributable to non-controlling interests		-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		1,807	764
Earnings per shares		Cents	Cents
Basic earnings per share (cents)	8	3.04	1.29
Diluted earnings per share (cents)	8	3.04	1.29

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	Consolidated	
		2022	2021
		\$'000	\$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	112	301
Trade and other receivables		(23)	904
Investment		-	1,019
Other current assets		132	128
TOTAL CURRENT ASSETS		221	2,352
NON-CURRENT ASSETS			
Investment properties	6	38,674	30,497
Investment		-	2,255
Other assets		-	2
TOTAL NON-CURRENT ASSETS		38,674	32,754
TOTAL ASSETS		38,895	35,106
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		530	256
Financial liabilities		6,885	-
Accrued payable and provision		75	105
TOTAL CURRENT LIABILITIES		7,490	361
NON-CURRENT LIABILITIES			
Financial liabilities		4,200	8,985
Accrued payable and provision		47	44
TOTAL NON-CURRENT LIABILITIES		4,247	9,029
TOTAL LIABILITIES		11,737	9,390
NET ASSETS		27,158	25,716
EQUITY			
Issued Capital	7	63,397	63,397
Reserves		5,261	5,626
Accumulated losses		(41,500)	(43,307)
Total equity attributable to equity holders of the parent entity		27,158	25,716
Non-controlling interest		-	-
TOTAL EQUITY		27,158	25,716

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

Consolidated	Notes	Issued Capital \$'000	Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
Balance at 1 January 2022	7	63,397	5,626	(43,307)	25,716
Share issued		-	-	-	-
Share issuing costs		-	-	-	-
Profit for the year		-	-	1,807	1,807
Business Combination		-	(365)	-	(365)
Balance at 31 December 2022	7	63,397	5,261	(41,500)	27,158
Balance at 1 January 2021		63,397	5,626	(44,071)	24,952
Share issued		-	-	-	-
Share issuing costs		-	-	-	-
Profit for the year		-	-	764	764
Balance at 31 December 2021	7	63,397	5,626	(43,307)	25,716

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

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CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Consolidated	
		2022 \$'000	2021 \$'000
Cash flows from operating activities			
Receipts from customers		1,378	1,522
Payments to suppliers, employees and service providers		(902)	(1,531)
Interest received		6	10
Interest paid		(373)	(295)
Net cash provided by/(used in) operating activities		109	(294)
Cash flows from investing activities			
Proceed from sales of properties		1,019	4,800
Payments for investment properties improvements		(1,025)	(125)
Payments for purchases of investments		(2,800)	(1,318)
Repayment / (Advance) to other entities		408	(408)
Net cash (used in)/provided by investing activities		(2,398)	2,949
Cash flows from financing activities			
Proceeds from issuing share		-	-
Share issuing cost		-	-
Bank borrowings		2,100	(2,540)
Net cash provided by/(used in) financing activities		2,100	(2,540)
Net (decrease)/increase in cash and cash equivalents		(189)	115
Cash and cash equivalents at the beginning of the year		301	186
Cash and cash equivalents at the end of the year	5	112	301

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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	
	2022	2021
	\$'000	\$'000
a Revenue		
Rental Income	1,766	1,699
Fee income	2	10
	<u>1,768</u>	<u>1,709</u>
b Other Income and expenses		
Change in fair value of investment properties	2,340	442
Change in fair value of investment properties project	2	(135)
Profit on disposal of properties	-	473
Doubtful debt provision and others	(480)	(180)
	<u>1,862</u>	<u>600</u>

3. PROFIT/ (LOSS) FROM ORDINARY ACTIVITIES

	Consolidated	
	2022	2021
	\$'000	\$'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	(323)	(259)
Directors fee and employee on costs	(336)	(317)
Legal expenses	(113)	(27)
Other administration expenses	(255)	(253)
	<u>(1,027)</u>	<u>(856)</u>
b Finance income		
Interest income	4	127
c Finance expenses		
Interest paid	(373)	(295)
Others	(2)	(33)
	<u>(375)</u>	<u>(328)</u>

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NOTES TO THE FINANCIAL STATEMENTS continued

4. DIVIDENDS

The directors do not recommend a dividend relating to the year ended 31 December 2022 (2021: Nil) to be paid.

5. CASH AND CASH EQUIVALENTS

	Consolidated	
	2022	2021
	\$'000	\$'000
Cash at bank and on hand	112	301
Cash held in trust account	-	-
	<u>112</u>	<u>301</u>

6. INVESTMENT PROPERTIES

	Consolidated	
	2022	2021
	\$'000	\$'000
Non-current		
Investment properties at fair value	<u>38,674</u>	30,497
	<u>38,674</u>	<u>30,497</u>

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	
	2022	2021
	\$'000	\$'000
Investment properties at fair value		
Independent valuation	41,875	30,425
Director valuation	-	450
Acquisition cost	4,000	-
Capital works improvements and capitalised costs	2,671	254
Accumulated depreciation and impairment provision	<u>(9,872)</u>	<u>(632)</u>
	<u>38,674</u>	<u>30,497</u>

NOTES TO THE FINANCIAL STATEMENTS continued

7. ISSUED CAPITAL

	Consolidated		Consolidated	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	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

	2022	2021
	Cents	Cents
Basic earnings per share	3.04	1.29
Diluted earnings per share	3.04	1.29
	2022	2021
	\$'000	\$'000
Earnings used in calculating basic and diluted earnings per share	1,807	764
Weighted average number of ordinary shares used as the denominator	2022	2021
	Number	Number
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 2022 that have significantly affected or may significantly affect:

- The operations, in financial years subsequent to 31 December 2022 of the Group;
- The results of those operations; or
- The state of affairs in financial years subsequent to 31 December 2022 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
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	1,807	-	-	1,807
Tax expense	-	-	-	-
Net profit/(loss)	1,807	-	-	1,807
Segment assets	38,895	-	-	38,895
Segment liabilities	11,737	-	-	11,737
Acquisition of non-current assets	3,825	-	-	3,825
Depreciation and amortisation expense	-	-	-	-
2021				
Sales to external customers	1,699	10	-	1,709
Intersegment sales	-	-	-	-
Total sales revenue	1,699	10	-	1,709
Other revenue	-	-	-	-
Total segment revenue	1,699	10	-	1,709
Segment result				
Profit/(loss) before tax	889	(125)	-	764
Tax expense	-	-	-	-
Net profit/(loss)	889	(125)	-	764
Segment assets	31,832	3,274	-	35,106
Segment liabilities	9,390	-	-	9,390
Acquisition of non-current assets	125	1,318	-	1,443
Depreciation and amortisation expense	-	-	-	-

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SUPPLEMENTARY APPENDIX 4E INFORMATION**NTA Backing**

	31/12/2022	31/12/2021
Net tangible asset per ordinary share	45.7 cents	43.3 cents

Controlled Entities Acquired during the Period

Hudson Regent Development Pty Ltd and Regent Property Trust were acquired during the reporting period.

Loss of Control of Entities during the Period

HSC Property 1 Pty Ltd, Halloran Properties Pty Ltd, Halloran Properties Unit Trust, Halloran Properties 1 Pty Ltd and Halloran Properties 1 Unit Trust have 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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