



Hudson Investment Group  
Ltd

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Alan Zhao  
Adviser, Listings Compliance  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

By email: ListingsComplianceSydney@asx.com.au

4 August 2025

Dear Mr Zhao

**Hudson Investment Group Limited (ASX:HGL) – Response to ASX Aware Letter**

We refer to your letter dated 23 July 2025 and set out the response of Hudson Investment Group Limited (HGL or the Company) to the requests for information made in your letter using the same numbering.

Unless otherwise indicated, capitalised terms in this letter have the same meaning as given in your letter.

1. Does HGL consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?:

- 1.1. The auditor's intention to issue a disclaimer of opinion in respect of the financial report for the year ended 31 December 2025 (the 'Financial Report').

No.

- 1.2. The auditor's issuance of a disclaimer of opinion in respect of the Financial Report.

No.

2. If the answer to any part of question 1 is "no", please advise the basis for that view.

In respect of Item 1.1, at all times HGL was of the view that (i) the auditor was mistaken in their view regarding the recoverability of a \$2.4m receivable in respect of the real estate property located at 43 Regent Street, Woolloongabba (the **Receivable** and the **Property**, respectively) to be disclosed in the Financial Report and (ii) even if the auditor continued to hold their view regarding the recoverability of the Receivable, HGL could adequately address such concerns by fully impairing the Receivable.

HGL was therefore of the view that (i) the issue a disclaimer of opinion was not necessary or appropriate in the circumstances, and once the matters were resolved through dialogue with the auditor HGL could receive a 'clean' audit report in respect of the 2024 Financial Year (**FY24**) and (ii) even if the auditor did

not agree with HGL's assessment of the intended treatment of the Receivable, if Receivable was fully impaired (which in the end it was) then this would fully deal with the matter for the purposes of the FY24 accounts. From the end of the reporting period up until the date that the Financial Report was ultimately disclosed, HGL remained in dialogue with its auditor with a view to providing information for the auditor to take comfort that a disclaimer of their opinion was not necessary, and HGL was of the view that the auditor's concerns could be alleviated.

In respect of Item 1.2, as above for Item 1.1.

HGL ultimately determined to release the Financial Report on 6 May 2025, including with the Auditor's Report in the form as originally provided by the auditor on 31 March 2025, in order to comply with HGL's obligations under the *Corporations Act 2001* (Cth) (**Corporations Act**) to lay the Financial Report before members at its annual general meeting within 5 months of the end of its financial year. In releasing the Financial Report, details regarding the HGL Directors' views regarding the disclaimer of the auditor's opinion were included in the Financial Report (see pages 11, 12 and 63).

Despite the auditor determining that it would not change its view (discussed further in response to Item 4 below), the Preliminary Report that was released by HGL to the ASX on 28 February 2025, which recorded the Receivable in full, was ultimately the correct position, as demonstrated by the full repayment of that receivable to HGL's wholly owned subsidiary on 15 July 2025. On the same day, HGL released an ASX announcement that its wholly owned subsidiary Hudson Regent Development Pty Ltd completed the sale of the Property with all funds received. The funds referred to in that announcement constituted the Receivable referred to in the auditor's disclaimer of opinion in respect of the Financial Report.

**3. When did HGL first become aware of the information referred to in question 1 above?**

In respect of Item 1.1, HGL's auditor had been making inquiries regarding the Property as part of its usual audit process following the financial year end on 31 December 2024, however HGL's auditor first raised the prospect of issuing a disclaimer of opinion regarding the treatment of the Receivable on 28 March 2025. HGL and its advisers were in dialogue with the auditor at that time to provide information regarding the transactions giving rise to the Receivable and the security arrangements relevant to the Property with a view to alleviating the concerns raised by the auditor.

In respect of item 2.2, the auditor issued its disclaimer of opinion in respect of the Financial Report at approximately 5.30pm on 31 March 2024. The auditor required the Directors to sign the Director's Declaration prior to issuing its opinion, hence the Director's Report is dated 28 March 2025.

**4. If HGL first became aware of the information referred to in question 1 above before the release of the Annual Report, did HGL make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe HGL was obliged to release the information under Listing Rules 3.1, 3.1A and 4.3D and what steps HGL took to ensure that the information was released promptly and without delay.**

No. As explained above for Item 1, HGL was of the view that the information was not required to be disclosed under Listing Rules 3.1 and 3.1A.



To the extent that it may have been the case that the fact that the auditor had issued a disclaimer of opinion with respect to the Financial Report may have constituted information that a reasonable person would have expected to have a material effect on the price or value of HGL's securities, HGL notes that HGL discussed the issue with HGL's listing adviser on 31 March 2025 (and on subsequent occasions) and was automatically placed into suspension by ASX on 1 April 2025.

Consistent with ASX guidance and scenarios in section 4.6 of Guidance Note 8, HGL was continuing to provide information to the auditor regarding the Receivable with the intent of alleviating their concerns, meaning matters were evolving during the period that trading in HGL's securities have been suspended. In light of the suspension imposed by ASX and the ongoing engagement between HGL and its listing officer, HGL was conscious of its disclosure obligations.

In respect of Listing Rule 4.3D, HGL notes:

- HGL and the auditor were in ongoing dialogue up to the date that the Financial Report was lodged with ASX on 6 May 2025 in seeking to resolve the issues the auditor had raised regarding the Receivable and, during that time, matters were evolving. As the outcome was not certain, HGL was not sufficiently aware of what the impact on its preliminary report may have been and was therefore not in a position to make a disclosure under Listing Rule 4.3D. As above, HGL discussed the issue with HGL's listing adviser on 31 March 2025 (and on subsequent occasions) and was conscious of its disclosure obligations in light of the suspension imposed by ASX.
- As for Item 2, it was, at all times, HGL's view that the auditor was mistaken in their view regarding the treatment of the Receivable and the proper treatment should have been as was disclosed in the preliminary report. Therefore HGL's view was that the preliminary report remained accurate in this regard – as indeed it ultimately was, given the Receivable was repaid in full on 15 July 2025. The reasons for the Directors holding that view was outlined on pages 11 and 12 of the Financial Report.

5. In light of Listing Rules 4.3D, 4.5 and 4.7, please explain why HGL did not lodge the Annual Report on MAP immediately after the issuance of the Auditor's Report dated 31 March 2025.

As outlined in response to Item 2, when the auditor issued the Auditor's Report dated 31 March 2025 HGL's view was that the auditor was mistaken regarding their position on the Receivable and that HGL could obtain a 'clean' audit opinion for inclusion in the Financial Report following further dialogue with the auditor to resolve the matter.

As outlined in response to Item 4, HGL continued to provide information to the auditor following 31 March 2025 in seeking to alleviate the auditor's concerns and satisfy the auditor to change its position with regards to the audit opinion in the Financial Report. Those matters were evolving and HGL was conscious of its disclosure obligations in light of the suspension imposed by ASX.

6. Noting that the Subsequent Events Note (forming part of the Directors' Report in the Annual Report) discloses events apparently occurring after the respective dates of the Directors' Report, the Declaration by Directors and the Auditor's Report, please:

**6.1. explain why the Directors' Report is signed and dated as at 28 March 2025; and**

The Directors' Report included in the Financial Report is dated 28 March 2025. Matters referred to in the Subsequent Events Note occurred between 31 December 2024 and 28 March 2025. As noted above in response to Item 3, The auditor required the Directors to sign the Director's Declaration prior to issuing its opinion, hence the Director's Report is dated 28 March 2025.

**6.2. advise whether the auditor performed any additional procedures on the completeness and accuracy of the Subsequent Event Note. If the auditor performed such additional procedures, please explain why the Auditor's Report was not reissued and updated following the conduct of the additional procedures.**

As noted above in the response to Item 1, HGL and the auditor continued to liaise following 31 March 2025 as HGL sought to provide additional information to assist the auditor in obtaining comfort to issue its opinion without a disclaimer. HGL is not aware why the auditor did not accept the information and re-issue its opinion following receipt of that information as HGL considered it had provided sufficient information to alleviate the auditor's concerns.

HGL ultimately determined that it would release the Financial Report in the form as originally provided by the auditor on 31 March 2025 in order to comply with its obligations under the Corporations Act and hold the HGL's annual general meeting within the statutorily prescribed time period.

**7. Please advise whether the directors considered the Auditor's Report (or a draft thereof) which contained a disclaimer of opinion in making the Declaration by Directors.**

The Directors signed the Declaration by Directors before the final Auditor's Report was issued. However, the Director's had received indications from the auditor that the auditor was considering a financial disclaimer or adverse opinion in respect of the treatment of the Receivable. At the time of signing the Director's Declaration, it was HGL's view that the concerns that had been raised by the auditor regarding the Receivable were capable of being resolved as the Financial Report that the Directors approved fully impaired the Receivable.

**8. If the response to question 7 is "yes", please provide the basis for the directors' view, and the factors considered by the directors in satisfying themselves, that the financial statements of HGL for the year ended 31 December 2024 (as included in the Annual Report):**

**8.1. comply with the relevant Accounting Standards; and**

The Directors' view was that the financial position as set out in the Financial Report complied with the relevant Accounting Standards as at 31 December 2024.

As above in response to Item 7, HGL notes that at the point of signing the Declaration by Directors, the Directors had determined that the Receivable would be fully impaired. The Directors considered that – whilst this was unnecessary – this fully addressed any concerns the auditor had regarding the Receivable, and that therefore the auditor would be in a position to provide a 'clean' audit opinion.

HGL notes that that the view taken by the Directors ultimately proved to be correct as, per HGL's announcement on 15 July 2025, the Receivable was in fact paid in full to HGL's wholly owned subsidiary.

**8.2. give a true and fair view of HGL's financial position as at 31 December 2024.**

As above for Item 8.1, the Directors' view was that the financial position as set out in the Financial Report gave a true and fair view of HGL's financial position as at 31 December 2024.

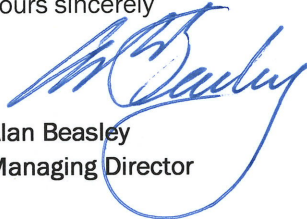
**9. Please confirm that HGL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

HGL confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

**10. Please confirm that HGL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of HGL with delegated authority from the board to respond to ASX on disclosure matters.**

HGL confirms that its responses to the questions above have been approved by HGL's Board of Directors.

Yours sincerely



**Alan Beasley**  
**Managing Director**





23 July 2025

Reference: 109404

Ms Mona Esapournoori  
Company Secretary  
Hudson Investment Group Limited

By email: monaesapournoori@hpgl.com.au

Dear Ms Esapournoori

**Hudson Investment Group Limited ('HGL'): ASX Aware Letter**

ASX refers to the following:

- A. HGL's Appendix 4E for the year ended 31 December 2024 released on the ASX Market Announcements Platform ('MAP') on 28 February 2025 ('Preliminary Final Report') which states:

**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.*

- B. HGL's annual report for the year ended 31 December 2024 released on MAP on 6 May 2025 ('Annual Report'), which states in the Notes to Financial Statements, amongst other things:

**21. EVENTS OCCURRING AFTER BALANCE DATE**

*As at the date of lodgement of the 2024 Hudson Investment Group Limited Annual Report, the Directors note that on 31 March 2025, the Company's auditor (KSB) issued a Disclaimer of Opinion (Disclaimer of Opinion) stating:*

*"...we (KSB) were unable to obtain sufficient appropriate audit evidence regarding the recoverability of the receivable, existence (ownership of receivable) and the appropriateness of the going concern assumption used in the preparation of the financial report. These issues are material and persuasive to the financial report."*

*The Directors disagree with this Disclaimer of Opinion*

*Subsequent to the issue of the Disclaimer of Opinion, the directors have provided KSB with sufficient evidence showing:*

- i) The Company has obtained a registered second mortgage over the land situated at 43 Regent Street Woollongabba Qld*
- ii) The Company has caused the financial report for the year ended 31 December 2024 to show a full provision over the recoverability of the remaining unpaid debt amounting to \$2.395 million owed by the purchaser even though the directors believe that the debt will be paid in full by 30 June 2025*
- iii) Provided an updated cash flow for the year ended 31 December 2025 showing a positive cash flow after eliminating the remaining recoverable debt of \$2.395 million and*

- iv) *Provided additional documents stating that no Hudson director has any interest in the Woolloongabba land subject to the now registered second mortgage and the sales transaction was at arms length.*

*KSB remains of the view expressed in the Disclaimer of Opinion.*

*(...)*

*(together, the 'Subsequent Events Note')*

- C. ASX notes that the Independent Auditor's Report dated 31 March 2025, included in the Annual Report ('Auditor's Report'), contains a disclaimer of opinion together with the basis for the disclaimer of opinion as follows:

*During the year, the Group sold commercial real estate property located at 43 Regent Street, Wolloongabba ("the Property") in Queensland for \$4 million, recording a \$2.4 million receivable under vendor finance arrangements. To facilitate the purchaser's development financing, the Group entered into a deed granting a registered first mortgage over the property to a separate entity, distinct from the purchaser, acting as trustee for a trust. Legal representations confirm that the Group has registered an interest in the property as a second mortgagee; however, this registration remains pending.*

*Management has fully impaired the \$2.4 million receivable but has not provided sufficient appropriate audit evidence to confirm the existence or legal right to the asset. Specifically, it is unclear whether the type of trust holding the property is a discretionary or unit trust, and consequently, who would ultimately benefit in the event of the purchaser's non-performance of the purchase contract. Furthermore, pursuant to the deed, the first mortgagee has the right to take possession of the property if the receivable is not paid by the purchaser by 30 June 2025.*

*Additionally, despite the full impairment of the receivable in the financial statements, the Group has included the \$2.4 million in its cash flow forecast. The non-receipt of this amount raises substantial doubt about the Group's ability to continue as a going concern, as indicated in the cash flow forecast.*

*Due to these matters, we were unable to obtain sufficient appropriate audit evidence regarding the recoverability of the receivable, existence (ownership of receivable) and the appropriateness of the going concern assumption used in the preparation of the financial report. These issues are material and pervasive to the financial report.*

- D. ASX notes that the Declaration by Directors in the Annual Report dated 28 March 2025 ('Declaration by Directors') states (amongst other things) the following:

*The directors of the Company declare that:*

1. *The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, accompanying notes, are in accordance with the Corporations Act 2001 and:*
  - (a) *comply with Accounting Standards which as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with international Financial Reporting Standards (IFRS); and*
  - (b) *give a true and fair view of the financial position as at 31 December 2024 and of the performance for the year ended on that date of the Company and the Group.*

*(...)*

- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.*
- G. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- H. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
- 3.1A *Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 *One or more of the following 5 situations applies:*
- *It would be a breach of a law to disclose the information;*
  - *The information concerns an incomplete proposal or negotiation;*
  - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
  - *The information is generated for the internal management purposes of the entity; or*
  - *The information is a trade secret; and*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 *A reasonable person would not expect the information to be disclosed.*
- I. The concept of "confidentiality" detailed in section 5.8 of *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:
- Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.*
- J. Listing Rule 4.3D which states:
- 4.3D *Once an entity is or becomes aware of any circumstances which are likely to materially affect the results or other information contained in the preliminary final report given to ASX under Listing Rules 4.3 or 4.3A the entity must immediately give ASX an explanation of the circumstances and the effects the circumstances are expected to have on the entity's current or future financial performance or financial position.*
- K. Listing Rule 4.5 which states, relevantly:
- 4.5 *An entity must give ASX a copy of the following documents.*
- 4.5.1 *If the entity is established in Australia, a copy of the documents which a disclosing entity must lodge with ASIC under section 319 of the Corporations Act. It must give*



*the documents to ASX when it lodges them with ASIC and in any event no later than three months after the end of the accounting period. It must also give ASX a copy of any concise report at the same time.*

*(...)*

L. Listing Rule 4.7 which states, relevantly:

*4.7 An entity must give ASX a copy of the following documents.*

*4.7.1 If the entity is established in Australia, a copy of the annual report and any concise report provided to security holders under section 314 of the Corporations Act. This must be given to ASX by the earlier of:*

- The first date the entity sends the documents to security holders under section 315 of the Corporations Act.*
- The last day for the documents to be given to security holders under section 315 of the Corporations Act.*

*(...)*

M. Listing Rule 19.11A which states:

*19.11A If a listing rule requires an entity to give ASX accounts, the following rules apply.*

- (a) If the entity controls an entity within the meaning of section 50AA of the Corporations Act or is the holding company of an entity, required by any law, regulation, rule or accounting standard, or if ASX requires, the accounts must be consolidated accounts.*
- (b) The accounts must be prepared to Australian accounting standards. If the entity is a foreign entity the accounts may be prepared to other standards agreed by ASX.*
- (c) If the listing rule requires audited accounts, the audit must be conducted in accordance with Australian auditing standards by a registered company auditor. If the entity is a foreign entity, the audit may be conducted in accordance with other standards agreed by ASX and may be conducted by an overseas equivalent of a registered company auditor.*
- (d) If the listing rule requires accounts to be reviewed, the review must be conducted in accordance with Australian auditing standards. If the entity is a foreign entity, the review may be conducted in accordance with other standards agreed by ASX. Unless the listing rule says an independent accountant may conduct the review, it must be conducted by a registered company auditor (or, if the entity is a foreign entity, an overseas equivalent of a registered company auditor).*
- (e) If there is a directors' declaration that relates to the accounts, the directors' declaration must be given to ASX with the accounts.*
- (f) If there is a directors' report that relates to the period covered by the accounts, the directors' report must be given to ASX with the accounts.*

#### **Request for information**

In light of the information contained in the Preliminary Final Report, the Annual Report, the Auditor's Report and the application of the Listing Rules stated above, ASX asks HGL to respond separately to each of the following questions:

- For personal use only
1. Does HGL consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
    - 1.1 The auditor's intention to issue a disclaimer of opinion in respect of the financial report for the year ended 31 December 2025 (the 'Financial Report').
    - 1.2 The auditor's issuance of a disclaimer of opinion in respect of the Financial Report.Please answer separately for each of the above.
  2. If the answer to any part of question 1 is "no", please advise the basis for that view.  
Please answer separately for each of the items in question 1 above.
  3. When did HGL first become aware of the information referred to in question 1 above?  
Please answer separately for each of the items in question 1 above.
  4. If HGL first became aware of the information referred to in question 1 above before the release of the Annual Report, did HGL make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe HGL was obliged to release the information under Listing Rules 3.1, 3.1A and 4.3D and what steps HGL took to ensure that the information was released promptly and without delay.  
Please answer separately for each of the items in question 1 above.
  5. In light of Listing Rules 4.3D, 4.5 and 4.7, please explain why HGL did not lodge the Annual Report on MAP immediately after the issuance of the Auditor's Report dated 31 March 2025.
  6. Noting that the Subsequent Events Note (forming part of the Directors' Report in the Annual Report) discloses events apparently occurring after the respective dates of the Directors' Report, the Declaration by Directors and the Auditor's Report, please:
    - 6.1 explain why the Directors' Report is signed and dated as at 28 March 2025; and
    - 6.2 advise whether the auditor performed any additional procedures on the completeness and accuracy of the Subsequent Event Note. If the auditor performed such additional procedures, please explain why the Auditor's Report was not reissued and updated following the conduct of the additional procedures.
  7. Please advise whether the directors considered the Auditor's Report (or a draft thereof) which contained a disclaimer of opinion in making the Declaration by Directors.
  8. If the response to question 7 is "yes", please provide the basis for the directors' view, and the factors considered by the directors in satisfying themselves, that the financial statements of HGL for the year ended 31 December 2024 (as included in the Annual Report):
    - 8.1 comply with the relevant Accounting Standards; and
    - 8.2 give a true and fair view of HGL's financial position as at 31 December 2024.
  9. Please confirm that HGL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
  10. Please confirm that HGL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of HGL with delegated authority from the board to respond to ASX on disclosure matters.

**When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **12:00 PM AEST Wednesday, 30 July 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, HGL's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require HGL to request a trading halt immediately if trading in HGL's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to HGL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that HGL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

#### **Release of correspondence between ASX and entity**

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours faithfully

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ASX Compliance