



HUDSON INVESTMENT GROUP LIMITED

ACN 004 683 729

APPENDIX 4E

ASX PRELIMINARY UNAUDITED FINAL REPORT– 31 DECEMBER 2021

(CORRESPONDING PERIOD – YEAR ENDED 31 DECEMBER 2020)

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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 2020 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*.

CORPORATE DIRECTORY

Hudson Investment Group Limited

ACN 004 683 729
ABN 25 004 683 729

Registered and Corporate Office

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Sydney NSW 2000
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Level 1
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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
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 2021
(PREVIOUS CORRESPONDING PERIOD: YEAR ENDED 31 December 2020)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$'000
Revenue from ordinary activities	Down	0.1%	to	1,709
Profit/(Loss) after income tax from ordinary activities attributable to members	Up	412%	to	764
Net Profit/(Loss) for the period attributable to members	Up	412%	to	764

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 \$0.76 million for the year ended 31 December 2021. The profit was mainly attributable to \$0.91 million profit on disposal of properties and revaluation of properties.

The Company's current net tangible asset value as at 31 December 2021 is \$25.71 million (or 43.3 cents per share).

REVIEW OF OPERATIONS

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, SP 101632, 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**)

CORPORATE HIGHLIGHTS

- The sale of Unit 1, 171-175 Sparks Road, Halloran completed on 17th December 2021 for \$4,700,000 (nett) following the strata title subdivision submitted to Central Coast Council for Lots 1 and 74 of the Warnervale Properties being approved
- Exploring potential Residential Development Application (**DA**) for 41-47 Brookes Street, Bowen Hills QLD properties in addition to the approved mix use DA to provide the Company with additional options with regard to the development of the property
- HGL now fully owns 100% of the Regent Street Property after HGL exercised the Option to purchase the remaining 70% of the Regent Street Property
- All financial facilities have been rolled over to 2023/2024

Hudson Investment Group remains focused on developing its current property portfolio and seeking out additional potential property investment opportunities to strengthen its strategic positioning for future growth.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Consolidated	
		2021	2020
	Notes	\$'000	\$'000
Revenue	2	1,709	1,712
Cost of services		(488)	(398)
Other income and expenses	2	600	(61)
Cost of providing services and administration expenses	3	(856)	(843)
Finance income	3	127	93
Finance expenses	3	(328)	(354)
PROFIT/(LOSS) BEFORE INCOME TAX		764	149
Income tax		-	-
PROFIT/(LOSS) AFTER TAX FOR THE YEAR		764	149
OTHER COMPREHENSIVE INCOME			
Other comprehensive income		-	-
Income tax		-	-
Other comprehensive income after tax		-	-
Total comprehensive income		764	149
Profit attributable to non-controlling interests		-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		764	149
Earnings per shares			
		Cents	Cents
Basic earnings per share (cents)	8	1.29	0.25
Diluted earnings per share (cents)	8	1.29	0.25

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		Consolidated	
		2021	2020
	Notes	\$'000	\$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	301	186
Trade and other receivables		904	111
Investment		1,019	-
Other current assets		128	64
TOTAL CURRENT ASSETS		2,352	361
NON-CURRENT ASSETS			
Investment properties	6	30,497	34,181
Investment		2,255	2,411
Other assets		2	2
TOTAL NON-CURRENT ASSETS		32,754	36,594
TOTAL ASSETS		35,106	36,955
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		256	346
Financial liabilities		-	11,524
Accrued payable and provision		105	91
TOTAL CURRENT LIABILITIES		361	11,961
NON-CURRENT LIABILITIES			
Financial liabilities		8,985	-
Accrued payable and provision		44	42
TOTAL NON-CURRENT LIABILITIES		9,029	42
TOTAL LIABILITIES		9,390	12,003
NET ASSETS		25,716	24,952
EQUITY			
Issued Capital	7	63,397	63,397
Reserves		5,626	5,626
Accumulated losses		(43,307)	(44,071)
Total equity attributable to equity holders of the parent entity		25,716	24,952
Non-controlling interest		-	-
TOTAL EQUITY		25,716	24,952

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

Consolidated	Notes	Issued Capital	Reserves	Accumulated Losses	Total Equity
		\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2021	7	63,397	5,626	(44,071)	24,952
Share issued		-	-	-	-
Share issuing costs		-	-	-	-
Profit/(loss) for the year		-	-	764	764
Balance at 31 December 2021	7	63,397	5,626	(43,307)	25,716
Balance at 1 January 2020		63,397	5,626	(44,220)	24,803
Share issued		-	-	-	-
Share issuing costs		-	-	-	-
Profit for the year		-	-	149	149
Balance at 31 December 2020	7	63,397	5,626	(44,071)	24,952

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

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Consolidated	
		2021	2020
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		1,522	1,636
Payments to suppliers, employees and service providers		(1,531)	(880)
Interest received		10	1
Interest paid		(295)	(352)
Net cash (used in)/provided by operating activities		(294)	405
Cash flows from investing activities			
Proceed from sales of properties		4,800	-
Payments for investment properties improvements		(125)	(338)
Payments for purchases of investments		(1,318)	(240)
Advance to other entities		(408)	-
Payment for deposit		-	(60)
Net cash provided by/ (used in) investing activities		2,949	(638)
Cash flows from financing activities			
Proceeds from issuing share		-	-
Share issuing cost		-	-
Bank borrowings		(2,540)	174
Net cash (used in)/provided by financing activities		(2,540)	174
Net increase/(decrease) in cash and cash equivalents		115	(59)
Cash and cash equivalents at the beginning of the year		186	245
Cash and cash equivalents at the end of the year	5	301	186

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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	
	2021	2020
	\$'000	\$'000
a Revenue		
Rental Income	1,699	1,579
Fee income	10	133
	1,709	1,712
b Other Income and expenses		
Change in fair value of investment properties	442	-
Change in fair value of investment properties project	(135)	-
Profit on disposal of properties	473	-
Doubtful debt provision and others	(180)	(61)
	600	(61)

3. PROFIT/ (LOSS) FROM ORDINARY ACTIVITIES

	Consolidated	
	2021	2020
	\$'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	(259)	(116)
Directors fee and employee on costs	(317)	(350)
Legal expenses	(27)	(83)
Other administration expenses	(253)	(294)
	(856)	(843)
b Finance income		
Interest income	127	93
c Finance expenses		
Interest paid	(295)	(352)
Others	(33)	(2)
	(328)	(354)

NOTES TO THE FINANCIAL STATEMENTS continued

4. DIVIDENDS

The directors do not recommend a dividend relating to the year ended 31 December 2021 (2020: Nil) to be paid.

5. CASH AND CASH EQUIVALENTS

	Consolidated	
	2021	2020
	\$'000	\$'000
Cash at bank and on hand	301	136
Cash held in trust account	-	50
	301	186

6. INVESTMENT PROPERTIES

	Consolidated	
	2021	2020
	\$'000	\$'000
Non-current		
Investment properties at fair value	30,497	34,181
	30,497	34,181

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	
	2021	2020
	\$'000	\$'000
Investment properties at fair value		
Independent valuation	30,425	34,475
Director valuation	450	-
Capital works and improvements	254	338
Accumulated depreciation and impairment	(632)	(632)
	30,497	34,181

NOTES TO THE FINANCIAL STATEMENTS continued

7. ISSUED CAPITAL

	Consolidated		Consolidated	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	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

	2021	2020
	Cents	Cents
Basic earnings per share	1.29	0.25
Diluted earnings per share	1.29	0.25
	2021	2020
	\$'000	\$'000
Earnings used in calculating basic and diluted earnings per share	764	149
Weighted average number of ordinary shares used as the denominator	2021	2020
	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

Hudson Investment Group has exercised the Option to purchase the remaining 70% of the Regent Street Property located at 43 Regent Street, Woolloongabba QLD 4102 for consideration \$2.8 million. After exercising the option, the Company owns 100% of the Regent St Property.

At the date of this report there are no other matters or circumstances, other than noted above, which have arisen since 31 December 2021 that have significantly affected or may significantly affect:

- The operations, in financial years subsequent to 31 December 2021 of the Group;
- The results of those operations; or
- The state of affairs in financial years subsequent to 31 December 2021 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
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	-	-	-	-
2020				
Sales to external customers	1,592	120	-	1,712
Intersegment sales	-	-	-	-
Total sales revenue	1,592	120	-	1,712
Other revenue	-	-	-	-
Total segment revenue	1,592	120	-	1,712
Segment result				
Profit/(loss) before tax	149	-	-	149
Income tax expense	-	-	-	-
Net profit/(loss)	149	-	-	149
Segment assets	34,544	2,411	-	36,955
Segment liabilities	12,003	-	-	12,003
Acquisition of non-current assets	338	240	-	578
Depreciation and amortisation expense	-	-	-	-

SUPPLEMENTARY APPENDIX 4E INFORMATION**NTA Backing**

	31/12/2021	31/12/2020
Net tangible asset per ordinary share	43.3 cents	42 cents

Controlled Entities Acquired during the Period

No controlled entity was acquired or incorporated during the reporting period.

Loss of Control of Entities during the Period

No entities have been disposed 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; therefore no audit report has been attached.