

MANAGING DIRECTOR'S REPORT

It is with great pleasure that I present to you the Managing Director's Report for Hudson Investment Group (HGL or the Company) for the twelve months to 31 December 2018.

Hudson Investment Group is focused on:

- ✓ Consistent revenue streams through lease income with long term blue chip tenants;
- ✓ Further revenue and capital appreciation over currently light industrial zoned land;
- ✓ The opportunity for further potential capital appreciation through rezoning and development; and
- ✓ The opportunity for further medium and high density commercial development.

Hudson Investment Group currently owns the following properties:

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

Warnervale Properties

The Warnervale Properties are on a 44.5 hectare site, comprising a factory and office complex which occupies 5 hectares of the site, with the remaining land currently surplus. The Sparks Road Property is tenanted by Bunnings Limited and Better Concrete Products Pty Ltd. The Company intends to explore development opportunities for the Surplus land.



Figure 1: Location of Hudson Warnervale Properties

For personal use only

Bowen Hills Properties

The Bowen Hills Properties are commercial properties located approximately 2 kilometres from the Brisbane CBD. The Bowen Hills Properties provide further revenue streams, have an appreciating value and high development potential.

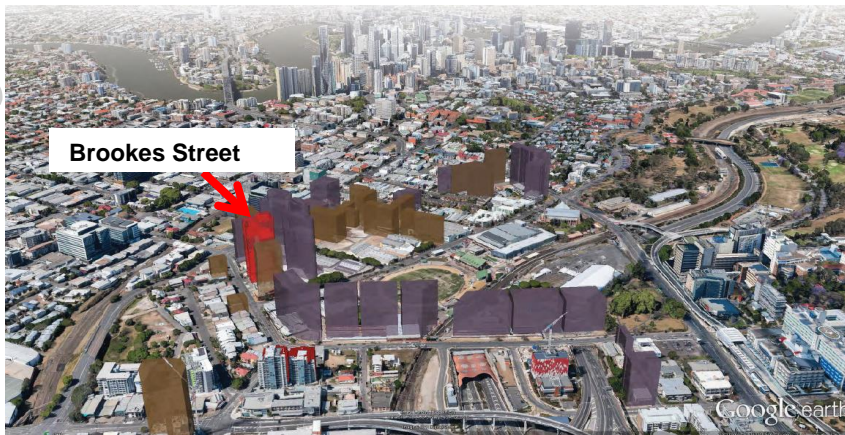


Figure 2



Figure 3: Conceptual Commercial Design. Bowen Hills Properties

Regent Street Property

The Company has entered into a sale of purchase agreement to acquire 30% of the Regent Property Trust that owns the Regent Street Property Development (**The Project**) for \$1.2 million and a put and call option agreement to purchase the remaining 70%. The purchase and option agreements are subject to shareholder approval.

The Project at Woolloongabba (Brisbane) has Development approval from Brisbane City Council for 54 apartments that is a mix of 1, 2 and 3 bedroom apartments. Successful completion of the Project will increase the size of the Company's property portfolio.



Figure 4: Development Approved Project Design. Regent Street Property

I thank all shareholders for their continued interest and support for the Company.

Alan Beasley
Managing Director

For further information please contact:

Alan Beasley, Managing Director

Telephone: +61 2 9251 7177