



## Hudson Investment Group Limited

### ASX Announcement

24 May 2017

### Managing Director's Presentation

At the Annual General Meeting of Hudson Investment Group Limited (ASX:HGL) (**Hudson** or the **Company**) to be held today, the Managing Director, Alan Beasley, will be giving a presentation to shareholders on the Company's Warnervale Property.

The Company provides this presentation for the benefit of those shareholders who are unable to attend the AGM.

If shareholders have any further queries regarding the presentation, please contact the Managing Director.

### For further information, please contact:

Alan Beasley – Managing Director

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# 2017 ANNUAL GENERAL MEETING OF SHAREHOLDERS

Hudson Investment Group Limited

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ASX Code: HGL

**HUDSON**  
**INVESTMENT GROUP**

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Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors. The principal important risk factors that could cause HGL's actual performance and future events and actions to differ materially from such forward-looking statements, include, but are not limited to, continuing volatility in the capital or credit markets and other changes in the securities and capital markets, changes in market prices of HGL's investments, the occurrence of one or more catastrophic events, such as an earthquake, hurricane, or act of terrorism, changes in laws or regulations, changes in income tax laws, and changes in general economic and market factors that affect the prices of securities or the industries in which it does business.

# Hudson Property Overview



## Corporate Information

ASX Code	HGL
Issued Shares	280,416,865
Share Price	\$0.03
Market Cap.	A\$8.9 million
Shareholders	455

Major Shareholders	%
RafflesCo Limited	31.17
Citicorp Nominees Pty Limited	10.76
Yee Tee Holdings Ltd	8.92

## Board of Directors – Experienced Management Team

Non-Executive Chairman	John Farey <sup>1</sup>	<ol style="list-style-type: none"> <li>1. John Farey has over 45 years experience in financial services including merchant and investment banking, having held directorships/management positions in Australia, UK, South East and Far East Asia with major international banks and companies.</li> <li>2. Alan Beasley is the former Country Head of Goldman Sachs Australia, and BNP Paribas respective asset management businesses, as well as having held senior positions at several other firms. Alan has served as a Director in several listed and unlisted public and private companies including two public charities.</li> <li>3. Ian Mutton is a solicitor who has worked for CSR Limited for over 15 years as well as over 10 years with the Commonwealth Crown Solicitor.</li> <li>4. John Foley has over 40 years' experience in the gold mining industry and was a founding Director of the Australian Gold Council, the industry body. For 20 years Mr Foley was the Chairman of Citigold Corporate Limited, listed on the ASX and the FSE (Frankfurt Stock Exchange), and with a Level One ADR (American Depository Receipts) program in the USA.</li> </ol>
Managing Director	Alan Beasley <sup>2</sup>	
Non Executive Director	Ian Mutton <sup>3</sup>	
Non Executive Director	John Foley <sup>4</sup>	
Joint Company Secretary	Henry Kinstlinger	
Joint Company Secretary	Gananatha Minithantri	
Chief Financial Officer	Francis Choy	

\*As at 17 May 2017

## Non-Executive Director and Alternate Director to be appointed to Board of Directors effective 1 June 2017

**Dr Cheng Fong Han**



Non-Executive Director

Dr Han is the current Executive Chairman of Hua Zia International Investments Ltd. He has previously held appointments as Group CEO and Managing Director of Fraser and Neave Limited and DBS Land Limited, Deputy Managing Director of Petrochemical Corporation of Singapore, and Chairman of Australand Holdings Ltd (1996-2000). Dr Han has also served as Permanent Secretary to the Ministry of Manpower (Singapore) (1978-1984).

**Warren Wen-Shih Choo**



Alternate Director

Mr Choo currently serves as Assistant General Manager of Tridex Pte Ltd and Alternate Director at Transmex Systems International Pte Ltd. Mr Choo has a background in engineering.



# Stand alone Industrial property focus

Positive cashflow business with capital growth potential



# Strategic Location

## Close Proximity to Sydney – Newcastle Freeway

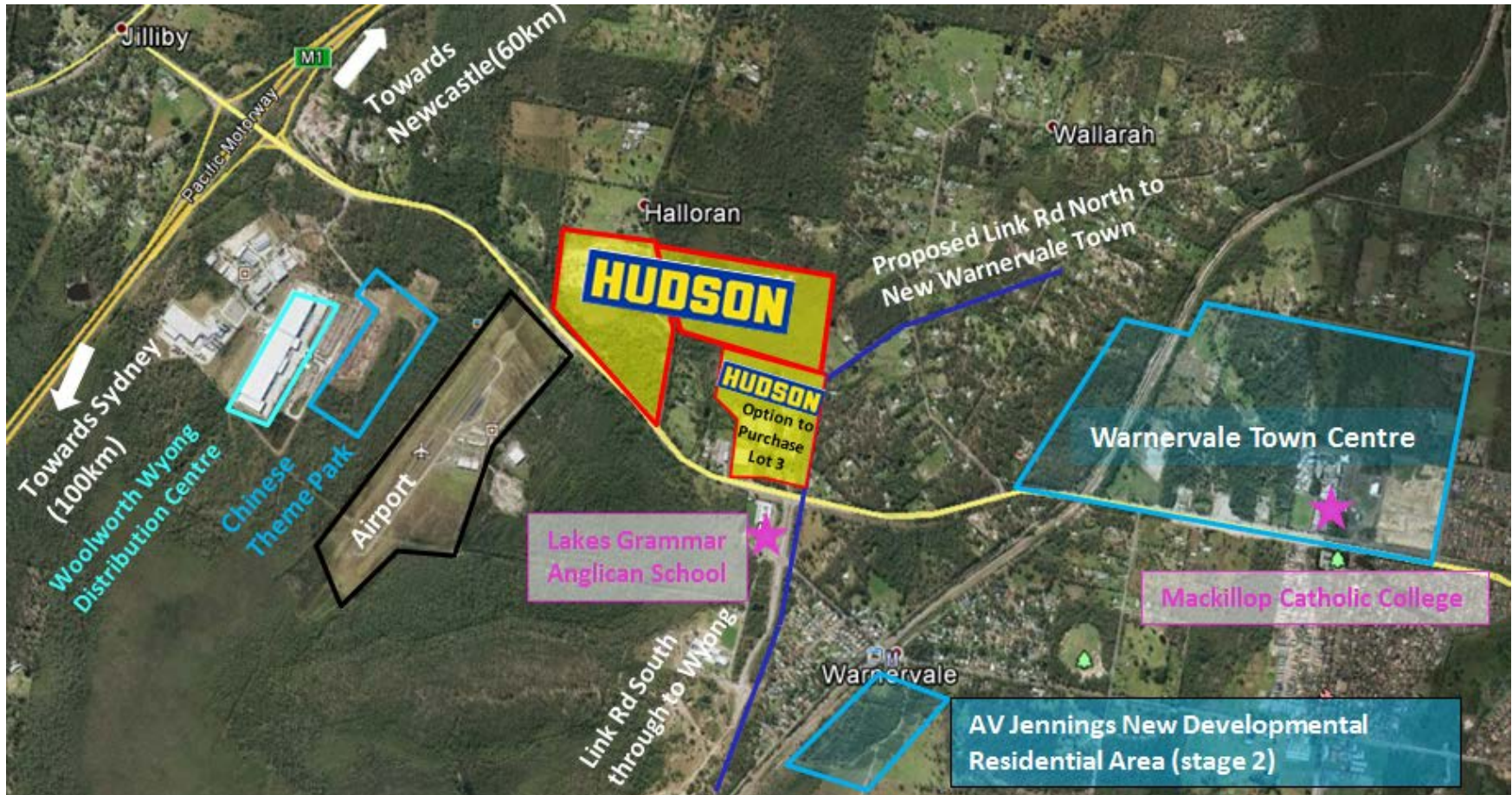
- Situated in a prime location within the Wyong Employment Zone (**WEZ**), in which the Council is aiming to attract \$1.5 billion in investment generating 45,000 jobs over the next 20 years
- The Hudson Property is located in a prime location within the WEZ, close to the Sydney-Newcastle freeway, about 100 kilometres north of Sydney and 60 kilometres south of Newcastle





# Warnervale Property Location

Strategically positioned near established & proposed commercial and industrial enterprises



## Stable Lease Income Supported by Development Opportunity



Area	Land description
A	IN1 Leased Land (5.3 ha) 10,000m <sup>2</sup> warehouse and 300m <sup>2</sup> office leased to blue chip tenants
B1, B2, B3	IN1 development potential (6.1 ha) proposed to be developed, in part or whole
C	'Triangle' area of 1.7 ha. Currently zoned E2. Approval obtained from Council to rezone to IN1
D	10.5 ha Land Environmental Conservation (E2)

1. Post rezoning valuation. Council has approved rezoning from E2 to IN1 and has sent to Department of Planning and Environment ("DOPE"). DOPE has approved a delegated DOPE authority to Wyong Council to implement the rezoning. Council and Hudson discussing timeline for implementing rezoning.

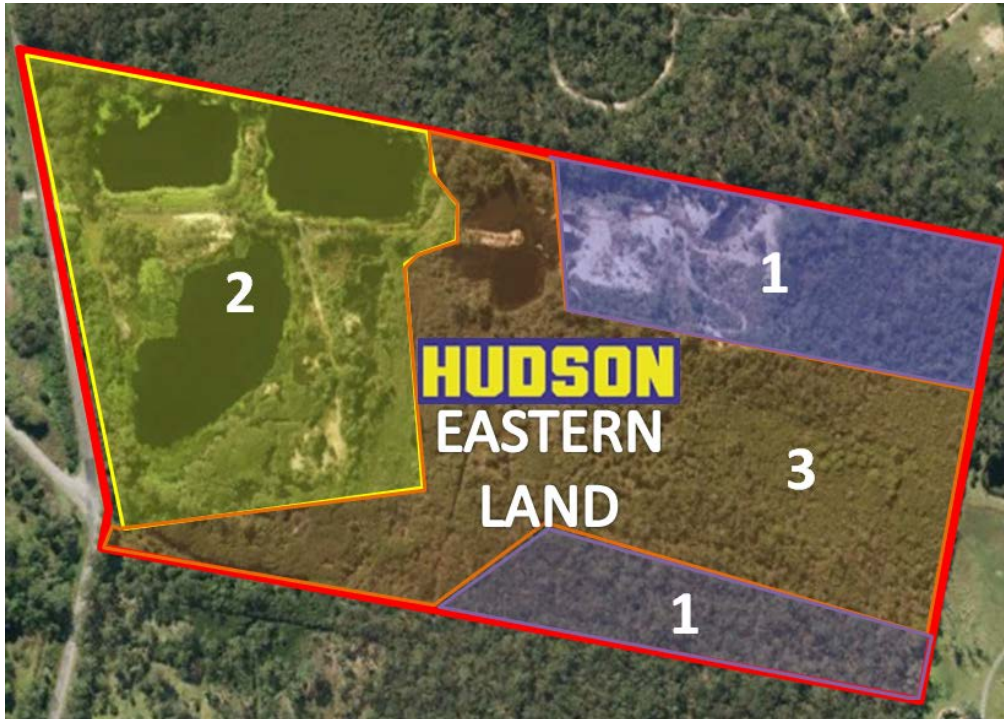


Vast industrial warehouse onsite (10,000 sqm under cover)



# Eastern Land

~21 ha of Land for potential development



Status		Area*
1	Development Potential (IN1)	5.1 ha
2	Water Management (SP2)	7.1 ha
3	Environmental (E2)	8.7 ha
TOTAL		20.9 ha
*Estimated		



## Significant potential for industrial development

Natural water features located in the North West of the Eastern Land enhances the amenity of any future development in that area.

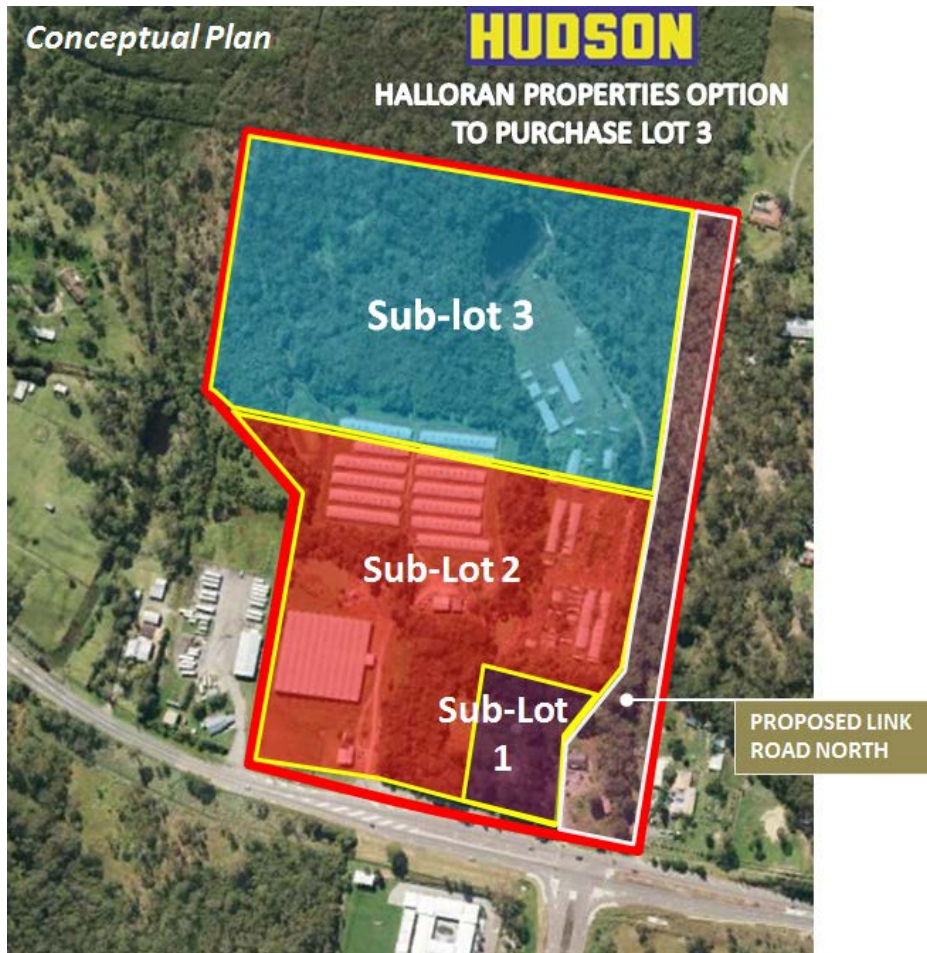


- The Eastern Land comprises of strategically located land with water features in situ
- Currently in discussions with Council to support suitable development ideas and JV partners to optimise the potential value

# Option to Purchase Lot 3

## Expressions of Interest Received

Halloran Properties Pty Ltd (a wholly owned subsidiary of HGL) has an option to acquire Lot 3 (~15ha of zoned IN1).



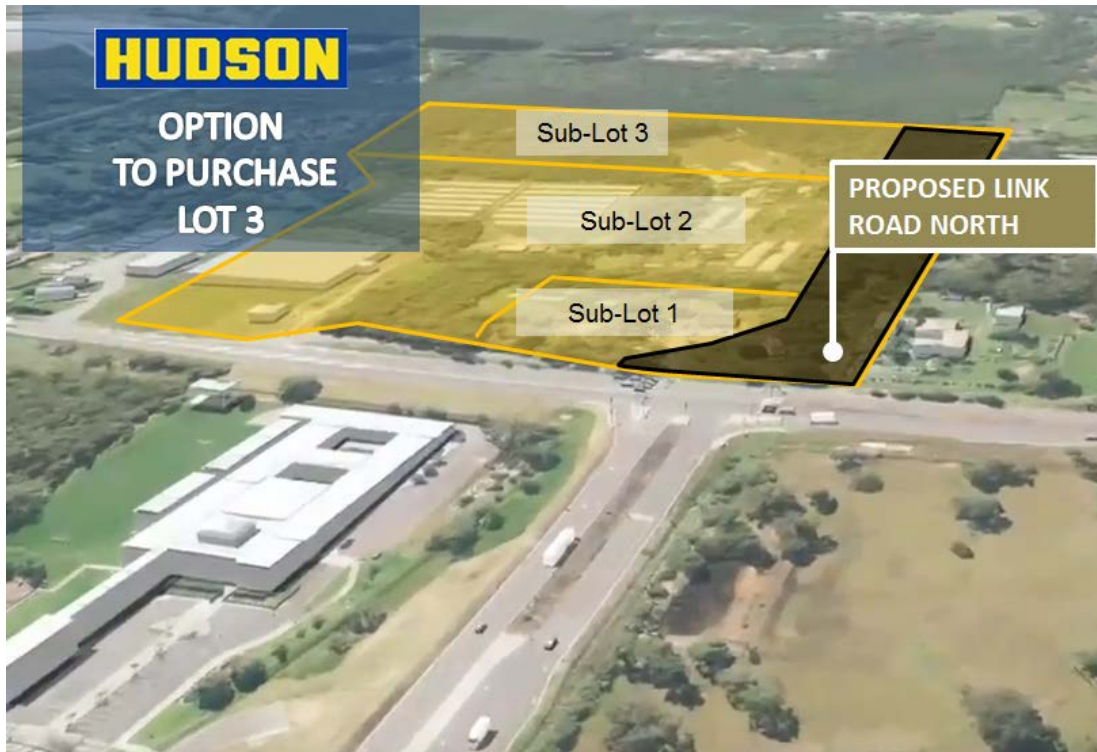
Proposed Subdivision	Ha*	Use
Sub-lot 1	1.1	Service station & fast food
Sub-lot 2	5.7	Automotive precinct
Sub-lot 3	7.6	Industrial / warehouse
Link Rd North	1.3	Road
<b>Total</b>	<b>15.7</b>	

\*Estimates Only



# Option to Purchase Lot 3

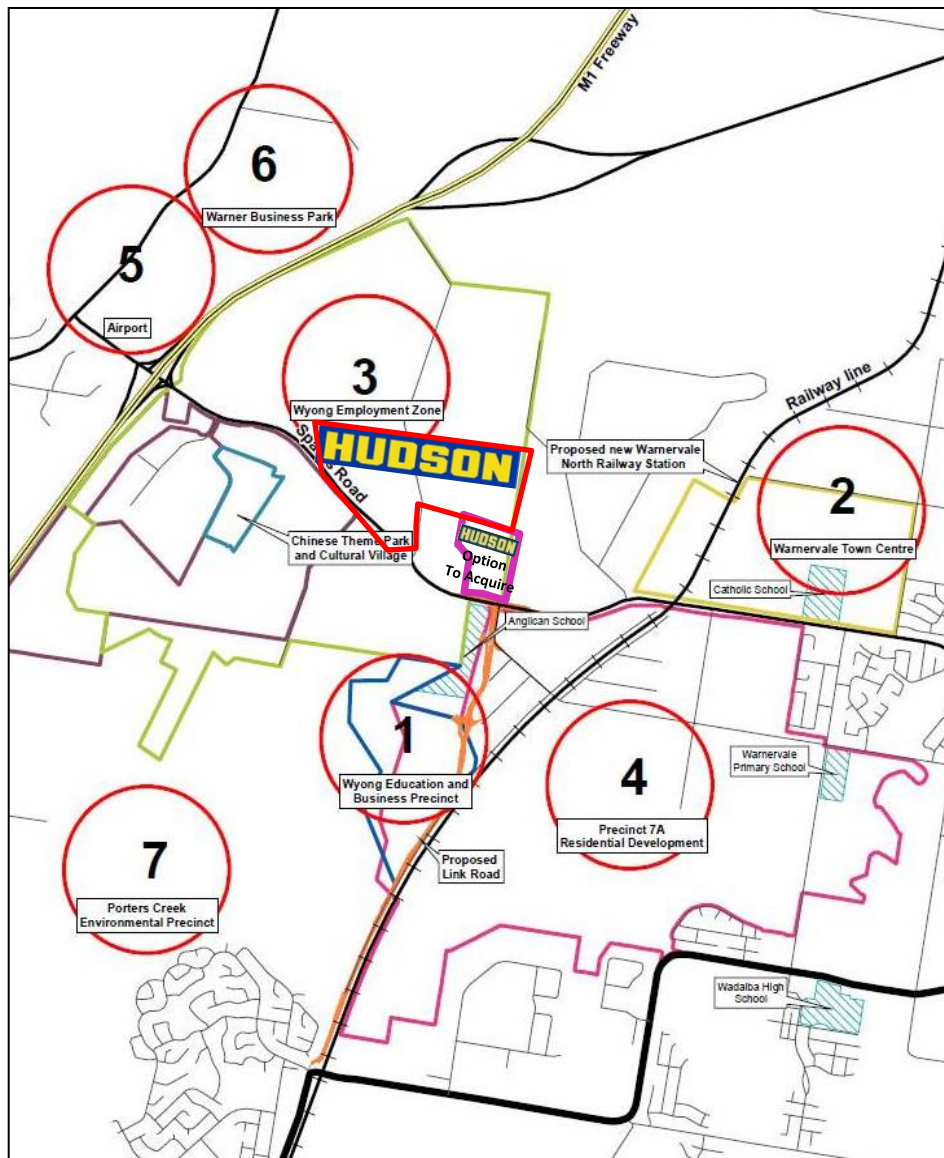
## Major Intersection & Gateway to the Wyong Employment Zone



### Lot 3 is strategic in location:

- Proposed Link Road North by Council (running along Lot 3 eastern border) intersecting with Sparks Road, will be a main road to Warnervale Town Centre.
- Proposed Link Road North will become the main access to all industrial developments in WEZ, north of Sparks Road.
- Currently zoned for automotive use.
- Development of Lot 3 enables access to Hudson's Eastern Land.

*Courtesy of Central Coast Council*



## Smart City: Foundation Projects

- 1. Wyong Education & Business Precinct**  
Integrated education and business precinct over 65ha which will provide a world-class university campus, with student accommodation for up to 1,500 students and business technology park for 5,000 workers.
- 2. Warnervale Town Centre**  
119ha mixed use commercial / retail / residential urban town centre with a proposed new railway station and bus interchange. Woolworths have approval for \$117m regional shopping centre and various residential developments will soon commence.
- 3. Wyong Employment Zone (WEZ)**  
740ha (340ha General Industrial) employment zone, including 80,000sqm Woolworths Distribution Centre and plans underway to develop the largest Chinese Theme Park in Australia. WEZ has the capacity for \$1.5b of investment and 6,000 jobs.
- 4. Precinct 7A – Residential**  
Residential release area – 500ha site for 2,500 residential properties, neighbourhood shops, open space and significant conservation areas.
- 5. Airport**
- 6. Warner Business Park**
- 7. Porters Creek Environmental Precinct**

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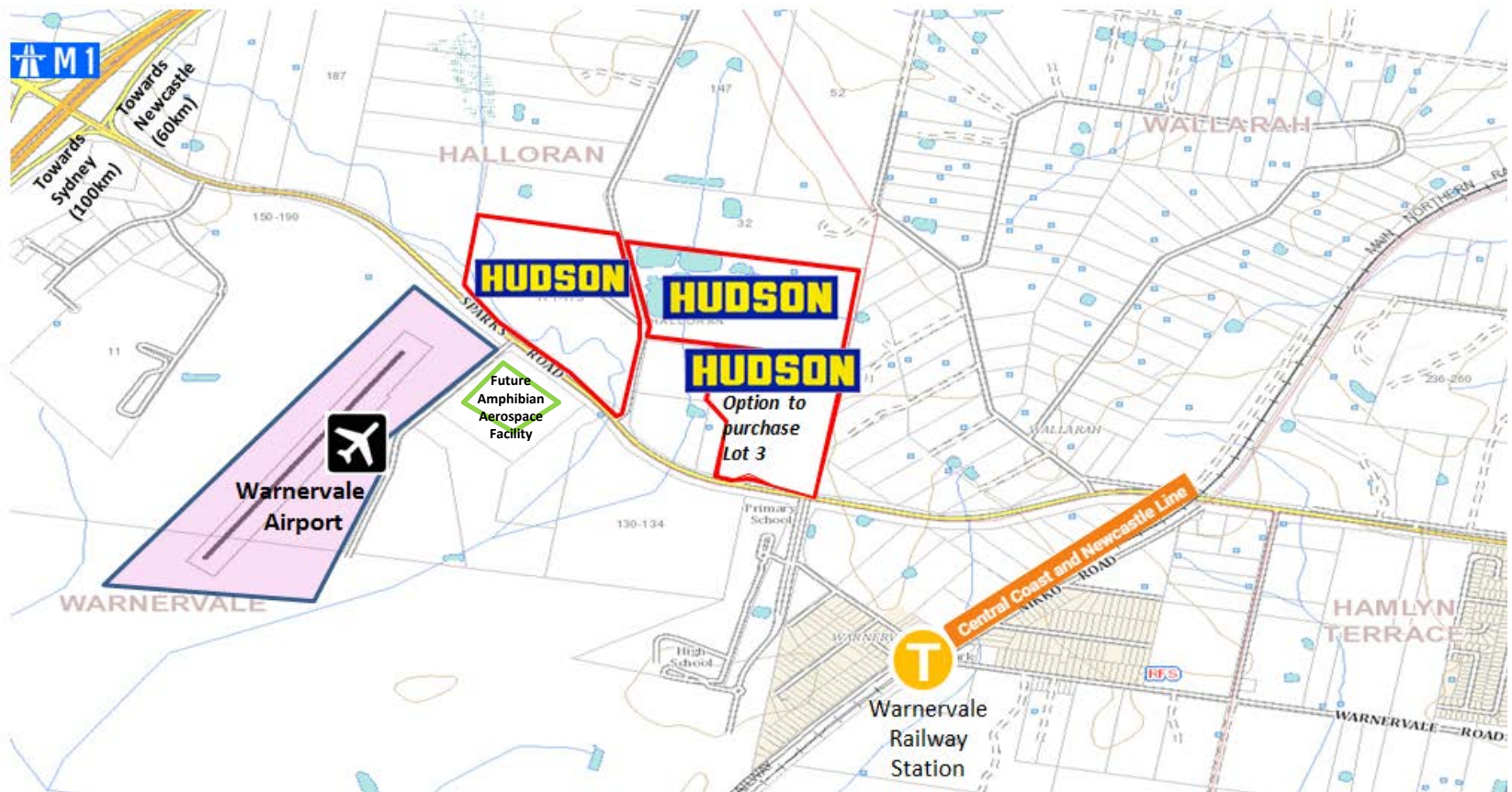
\* Link Road South project will cost approximately \$45m



# Strategically Positioned

## Walking distance to Warnervale Airport & the proposed \$100M Amphibian Aerospace Facility in close proximity to Warnervale Airport

- Proposed facility to create thousands of jobs and will boost the Central Coast economy,  
*Premier Mike Baird (Sep 2016)*
- Warnervale Airport to be the a hub for light to medium commercial general aviation,  
*Central Coast Council Administrator, Ian Reynolds (Sep 2016)*



# Financial Overview

Land	Western Area (ha)	Eastern Area (ha)	Total Area (ha)	2017 Net Revenue (Annualised)	2017 Valuation
Leased Industrial Land	5.3	-	5.3	\$868,279	\$7.50m*
Industrial Land for Development	6.1	5.1	11.2		\$4.33m*
Water Management (SP2)	-	7.1	7.1		\$0.07m*
Environmental (E2)	12.2	8.7	20.9		\$0.84m*
<b>Total</b>	23.6	20.9	44.5	\$868,279	\$12.75m*
Directors' Valuation & Capital Works					\$0.9M
<b>Total Property Valuation</b>					<b>\$13.7M</b>
* 2016 JLL valuation report					

# Current Financials

Unaudited Balance Sheet – As of 31.12.2016 A\$M	
TOTAL ASSETS	\$14.6
LIABILITIES	
• Bank borrowings	\$7.5
• Convertible Notes	\$0.5
TOTAL LIABILITIES	\$8.00
NET ASSETS	\$6.6

2017 Forecast Cash Flows	A\$
Total Net Rent	\$868,279
Loan Interest repayments	(\$393,000)
Net Positive cash flow (p.a.) <sup>1</sup>	\$475,279
1. Does not include HGL overhead costs	

# Hudson Property Highlights

## Focus on optimising the Warnervale asset and maximising returns and capital value of the Hudson Property

- ✓ Current leased industrial land generates net revenue of ~\$868,279 per annum. Potential revenue opportunity for the remaining ~40ha of land
- ✓ Solid cash flows to service modest debt levels of ~54% gearing ratio<sup>1</sup>
- ✓ Strategically positioned to become the main access to all industrial development north of Sparks Road in close proximity to Sydney-Newcastle Freeway
- ✓ Industrial development opportunities include fast food, petrol station, automotive and other businesses
- ✓ Situated within Warnervale Employment Zone - the target of \$1.5 billion in investment and the expected creation of over 45,000 jobs
- ✓ Maintaining ongoing communications with Council and other stakeholders, potential developers and prospective tenants
- ✓ Highly qualified and experienced Management team with expert industry experience in commercial and industrial development

1. Gearing ratio calculated based on Borrowings of \$8.0m divided by Total Assets of \$14.62m