



**HUDSON INVESTMENT GROUP LIMITED
ACN 004 683 729
HALF YEAR REPORT**

Incorporating

**APPENDIX 4D ASX HALF-YEAR INFORMATION
30 June 2018**

LODGED WITH THE ASX UNDER LISTING RULE 4.2A

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This interim 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 2017 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

Level 2
Hudson House
131 Macquarie Street
Sydney NSW 2000
Telephone: +61 2 9251 7177
Fax: +61 2 9251 7500
Website: www.higl.com.au

Auditors

K.S. Black & Co
Level 1
251 Elizabeth Street
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

Australia & New Zealand Banking Group Limited
Level 16, 20 Martin Place
Sydney NSW 2000
Telephone: +61 2 9216 2200

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

Board of Directors

John W Farey (Non-Executive Chairman)
Alan Beasley (Managing Director)
John J Foley
Dr Cheng Fong Han
Warren Wen-Shih Choo (Alternate Director)

Joint Company Secretaries

Henry Kinstlinger
Mona Esapournoori

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.

HALF-YEAR ENDED 30 June 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$'000
Revenue from ordinary activities	Up	7.1%	to	511
Profit from ordinary activities after tax	Down	83.2%	to	501
Net Profit for the period attributable to members	Down	83.2%	to	501

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	\$Nil	N/A
Interim dividend	\$Nil	N/A

No dividends or distributions were declared or paid during the reporting period.

The decrease in the net profit from the previous corresponding period takes into account the change in the fair value of investment property \$1.2 million and change in fair value of one property project.

REVIEW OF OPERATIONS

Hudson Investment Group Limited (ASX: HGL) (Hudson) is an ASX-listed company focusing on industrial commercial property development, including its 44 ha of land at Warnervale on the Central Coast (Hudson Property).

Corporate

In April 2017 the Company announced that it had entered into a call option agreement for the proposed purchase of land adjacent to the Company's existing Warnervale property on Sparks Road Warnervale (Lot 3). During 2017 this call option was extended until 2018.

- On 6 April 2018 the Company announced that it had entered into a contract for the purchase of 15.7 hectares of general industrial zoned land at Lot 3, 143 Sparks Road Warnervale under the terms of the existing call option agreement.
- On 25 July 2018 the Company announced that the contract for the sale of Lot 3 157 Sparks Road Warnervale had been terminated as the vendor had failed to complete under the terms of the contract.
- On 28 May 2018 the shareholders in general meeting approved all resolutions by a show of hands.
- On 1 May 2018 the Company issued 18.18 million shares at 2.75 cents following the conversion of 3 unsecured convertible notes issued in 2016 for \$500,000.

Financial Highlights

The Company announced a net profit of \$0.50 million for the 6 months ending 30 June 2018, mainly due to the increase in a fair value of the Hudson Property to \$18.1 million. The Company's net assets are \$10.6 million as at 30 June 2018 an increase of 10%, compared to \$9.6 million as at 31 December 2017.

In addition, the Company has an unrecognised deferred tax asset of \$2.7 million which is not reflected in the Company's Statement of Financial Position as at 30 June 2018.

Changes to directors and officeholders

- On 5 June 2018 Mona Esapournoori was appointed joint company secretary.

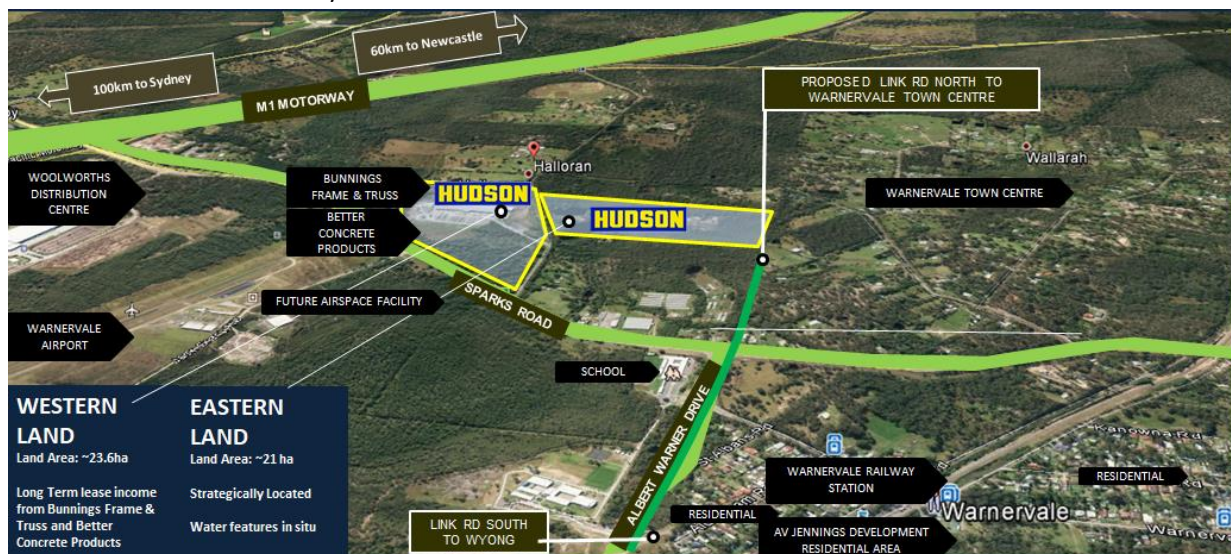
Company Focus

Hudson is focused on achieving the Company's vision of creating capital appreciation and shareholder value, through the development of the 44 hectares of land, the Company holds in the centre of the growth area of Warnervale. The Hudson Property is positioned within the Central Coast Council's Wyong Employment Zone (WEZ) where it is proposed that \$1.5 billion will be invested, generating 45,000 jobs over the next 20 years.

The Hudson Property

The Hudson Property comprises of a 44 hectare site including a 10,000m² factory and 500m² office complex occupying 5 hectares of land adjacent to Sparks and Mountain Roads, Warnervale, on the Central Coast. 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, and is within close proximity to:

1. Warnervale Airport;
2. Woolworths Wyong Distribution Warehouse;
3. Lakes Grammar Anglican School;
4. Mackillop Catholic College; and
5. Warnervale Railway Station.



Hudson Property Zoned Land (m²)

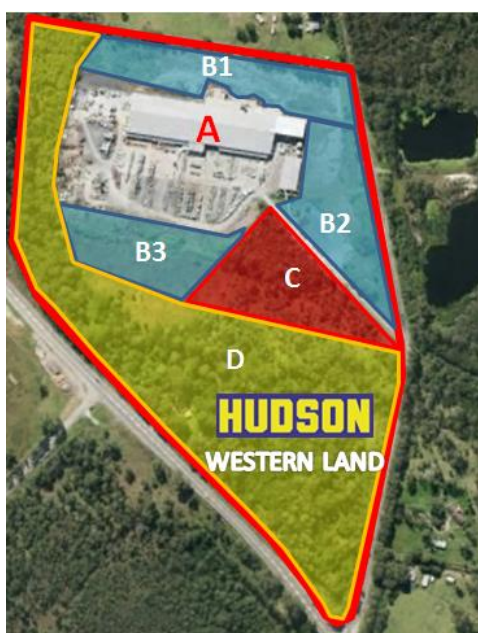
Zoning	Western Land				Eastern Land	Total
	Lot 74 in DP 755245	Lot 1 in DP 796730	Lot 7 in DP 239691	Lot 2 in DP 796730	Lot 67 in DP 755245	
IN1	87,066	26,600	-	-	50,850	164,516
E2	5,000	103,000	7,702	6,446	87,115	209,263
SP2	-	-	-	-	71,460	71,460
Total	92,066	129,600	7,702	6,446	209,425	445,239

IN1 – Light Industrial E2 – Environmental Conservation SP2 – Water Management

Overview of the Hudson Warnervale Property

1. Western Land – 23.6 ha on Sparks & Mountain Rd

- **A:** IN1 Leased Land with a lease income of ~\$0.9 million p.a. (CPI indexed) on 5.3 ha: 10,000m² warehouse and 300m² 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)



2. Eastern Land – 21 ha on the eastern side of Mountain Road

- **E:** 5.1 ha Industrial (IN1)
- **F:** 7.1 ha Water Management (SP2)
- **G:** 8.7 ha Environmental Conservation (E2)
- Discussions are underway with Council to rezone part of the E2 and SP2 land as IN1



Company Vision

Hudson's vision is to create an asset which provides shareholders with:

1. Sustainable revenue streams through leased income with long term blue chip tenants;
2. Further revenue and capital appreciation over currently light industrial zoned undeveloped land;
3. The opportunity for further potential capital appreciation through rezoning and development;
4. The unlocking of access to and potential development of the Eastern Land from Sparks Road.

Hudson further recognises the importance of working with the Central Coast Council to develop a better access to the WEZ and Mountain Road via the Sparks Road and the Albert Warner Drive intersection North. This has been proposed by the Central Coast Council as an access point to the new Warnervale Town Centre. The significance of Albert Warner Drive (Link Road South) is, that it proposes to link Wyong and Warnervale, through a direct route.

The Hudson Board is focussed on implementing its strategic plan to achieve the Company's vision of creating capital appreciation and shareholder value through the development of the Hudson Property.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Hudson Investment Group Limited (**Company**) (ASX: HGL) and the entities it controls for the period ended 30 June 2018 and the Auditor's Review Report thereon.

Principal activities The principal continuing activities of the Company during the reporting period were the investment and development of the commercial and industrial property at Warnervale, New South Wales.

The nature of the activities during the reporting period is covered in the Review of Operations.

Financial performance The consolidated entity recorded a net profit after tax for the six months ended 30 June 2018 of \$0.50 million (2017: Profit \$2.98 million). The profit was due to changes in the fair value of the investment property. Total shareholders' funds as at 30 June 2018 are \$10.6 million.

Review of operations Information on the operations and financial position of the consolidated entity and its business strategies and prospects is set out in the Review of Operations on pages 4 to 6 of this report.

Dividends The Directors of the Company do not recommend that any amount be paid by way of dividend. The Company has not paid or declared any amount by way of dividend since the commencement of the financial year.

Directors

The following persons were directors of the Company during the whole of the period and up to the date of this report, unless otherwise stated:

John W Farey	Non-Executive Chairman
Alan Beasley	Managing Director
John J Foley	Non-Executive Director
Dr Cheng Fong Han	Non-Executive Director
Warren Wen-Shih Choo	(Alternate Director)

Rounding

The amounts contained in the half year financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

Subsequent Events

At the date of this report there are no other matters or circumstances other than those already disclosed which arisen since 30 June 2018 that have significantly affected or may significantly affect:

- the operations, in financial half-year subsequent to 30 June 2018, of the Group;
- the results of those operations; or
- the state of affairs, in financial half-year subsequent to 30 June 2018, of the Group.

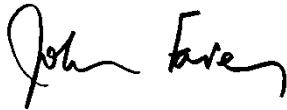
Likely Developments

The Company intends to identify and pursue further business opportunities offering additional prospects for growth in the longer term.

Auditor's Independence Declaration

A copy of the independence declaration by the auditor K.S. Black and Co. under section 307C is included on page 9 of this half year financial report.

Signed in accordance with a resolution of the Directors:



John W Farey
Chairman



Alan Beasley
Managing Director

Sydney
22 August 2018

AUDITOR'S INDEPENDENCE DECLARATION

Level 6
350 Kent Street
SYDNEY NSW 2000

75 Lyons Road
DRUMMOYNE NSW 2047

K.S. Black & Co.

ABN 48 117 520 358

20 Grose Street
North Parramatta NSW 2151

PO Box 2210
North Parramatta NSW 1750

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Directors of Hudson Investment Group Limited

Report on the Consolidated Interim Financial Report

We have reviewed the accompanying half-year Consolidated Interim Financial Report of Hudson Investment Group Limited, which comprises the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, statement in changes in equity and the statement of cash flows; for the half-year then ended, a summary of significant accounting policies, other selected explanatory notes and the declaration by those charged with governance.

The Director's Responsibility for 30 June 2018 Consolidated Interim Financial Report

The Directors of the Consolidated Group are responsible for the preparation and fair presentation of the half-year Consolidated Interim Financial Report in accordance with *Accounting Standard AASB 101* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Consolidated Interim Financial Report

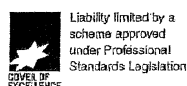
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, with the Corporations Law 2001. As the auditor of Hudson Investment Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of the person responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

Phone 02 8839 3000
Fax 02 8839 3055



INDEPENDENT AUDITOR'S REVIEW REPORT

Level 6
350 Kent Street
SYDNEY NSW 2000

75 Lyons Road
DRUMMOYNE NSW 2047

K.S. Black & Co.

ABN 49 117 820 559

20 Grose Street
North Parramatta NSW 2151

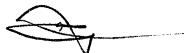
PO Box 2210
North Parramatta NSW 1750

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Hudson Investment Group Limited does not present fairly, in all material respects including:

- i. Giving a true and fair view of the entity's financial position as at 30 June 2018 and of its performance for the financial half-year ended on that date; and
- ii. Complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

KS Black & Co
Chartered Accountants



Scott Bennison
Partner

Dated: 27/8/18

Phone 02 8839 3000
Fax 02 8839 3055



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scheme approved
under Professional
Standards Legislation



INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Level 6
350 Kent Street
SYDNEY NSW 2000

75 Lyons Road
DRUMMOYNE NSW 2047

K.S. Black & Co.

ABN 48 117 620 556

20 Grose Street
North Parramatta NSW 2151

PO Box 2210
North Parramatta NSW 1750

Lead Auditors' Independence Declaration under Section 307C of the Corporations Act 2001

To the Director's of Hudson Investment Group Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2018 there has been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

The entities are in respect of The Hudson Investment Group Limited and the entities it controlled during the period.

KS Black & Co
Chartered Accountants




Scott Bennison
Partner

Dated in Sydney on this *27th* day of *August* 2018

Phone 02 8839 3000
Fax 02 8839 3055

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CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

DECLARATION BY DIRECTORS

The Directors of the Company declare that:

1. The financial statements and notes, set out on pages 13 to 20, are in accordance with the *Corporations Act 2001*, and:
 - i give a true and fair view of the financial position of the consolidated entity as at 30 June 2018 and of its performance for the half-year ended on that date; and
 - ii comply with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



John W Farey
Chairman



Alan Beasley
Managing Director

Sydney
22 August, 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 30 June 2018

		Consolidated	
	Notes	Half-Year ended 30 Jun 18 \$'000	Half-Year ended 30 Jun 17 \$'000
Revenue	2	511	477
Cost of providing services		(80)	(71)
Other income and expenses	2	542	3,106
Administration and operation expenses		(215)	(319)
Finance expenses	2	(257)	(208)
PROFIT / (LOSS) FROM OPERATIONS BEFORE INCOME TAX		501	2,985
Income tax (expense)/benefit		-	-
PROFIT/(LOSS) AFTER TAX		501	2,985
Other Comprehensive Income			
Other comprehensive income before income tax		-	-
Income tax expenses		-	-
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		501	2,985
Comprehensive income attributable to non-controlling interest		-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		501	2,985
		Cents	Cents
Basic earnings/(loss) per share		0.18	1.06
Diluted earnings/(loss) per share		0.18	1.06

This Statement is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2018

		Consolidated	
	Notes	30 Jun 2018	31 Dec 2017
		\$'000	\$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	3,099	82
Trade and other receivables		(103)	15
Other current assets		21	27
TOTAL CURRENT ASSETS		3,017	124
NON-CURRENT ASSETS			
Investment properties	4	18,125	16,821
Other assets		675	751
TOTAL NON-CURRENT ASSETS		18,800	17,572
TOTAL ASSETS		21,817	17,696
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		178	74
Financial liabilities		7,500	7,500
Deposit received		3,520	500
TOTAL CURRENT LIABILITIES		11,198	8,074
NON-CURRENT LIABILITIES			
Financial liabilities		-	-
Convertible Notes		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		11,198	8,074
NET ASSETS		10,619	9,622
EQUITY			
Issued Capital	5	53,094	52,598
Reserves		5,626	5,626
Accumulated losses		(48,101)	(48,602)
Total equity attributable to equity holders of the parent entity		10,619	9,622
Non-controlling interest		-	-
TOTAL EQUITY		10,619	9,622

This Statement is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 June 2018

	Notes	Issued Capital \$'000	Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
Consolidated					
Balance at 31 December 2016		52,598	5,626	(51,615)	6,609
Profit for the period		-	-	2,985	2,985
Movement for the period		-	-	-	-
Balance at 30 June 2017		52,598	5,626	(48,630)	9,594
Balance at 30 June 2017		52,598	5,626	(48,630)	9,594
Profit for the period		-	-	28	28
Movement for the period		-	-	-	-
Balance at 31 December 2017	5	52,598	5,626	(48,602)	9,622
Balance at 31 December 2017	5	52,598	5,626	(48,602)	9,622
Convertible note conversion		500	-	-	500
Share issuing cost		(4)	-	-	(4)
Profit for the period		-	-	501	501
Balance at 30 June 2018	5	53,094	5,626	(48,101)	10,619

This Statement is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASHFLOW

FOR THE HALF-YEAR ENDED 30 June 2018

	Notes	Consolidated	
		Half-year ended 30 Jun 18 \$'000	Half-year ended 30 Jun 17 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		511	505
Payments to suppliers and employees		(289)	(392)
Interest received		2	14
Interest paid		(242)	(198)
NET CASH (USED IN) /PROVIDED BY OPERATING ACTIVITIES		(18)	(71)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property improvements		(62)	(43)
Investment development costs		(629)	(207)
Repayment/Advance from other parties		210	59
NET CASH (USED IN)/ PROVIDED BY INVESTING ACTIVITIES		(481)	(191)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issuing cost		(4)	-
Deposit received		3,520	-
NET CASH PROVIDED BY/(USED IN) FROM FINANCING ACTIVITIES		3,516	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		3,017	(262)
Cash and cash equivalents at the beginning of the reporting period		82	306
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	3	3,099	44

This Statement is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 June 2018

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

a) Reporting Entity

Hudson Investment Group Limited (the "**Company**") is domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 30 June 2018 comprises the Company and its controlled entities (together referred to as the "**consolidated entity**").

The consolidated annual financial report of the consolidated entity as at and for the year ended 31 December 2017 is available upon request from the Company's registered office.

b) Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 31 December 2017.

This consolidated interim financial report was approved by your Board of Directors.

c) Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgement made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 December 2017.

d) Going Concern

The investment property is fully leased and generates positive cash flow to the group.

The directors believe the company will be able to pay its debts as and when they fall due and to fund near term anticipated activities.

NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE HALF-YEAR ENDED 30 June 2018

2. REVENUE AND EXPENSES

Specific Items

Profit before income tax expense includes the following revenues and expenses to which disclosure is relevant in explaining the performance of the entity.

	Consolidated	
	Half-Year ended	Half-Year ended
	30 Jun 18	30 Jun 17
	\$'000	\$'000
(i) Revenue		
Rental Income	511	477
	<u>511</u>	<u>477</u>
(ii) Other Income and expenses		
Change in fair value of investment properties	1,242	3,091
Change in fair value of investment project	(705)	-
Interest income	2	15
Other	3	-
	<u>542</u>	<u>3,106</u>
(iii) Financial Expenses		
Interest paid	(242)	(198)
Other	(15)	(10)
	<u>(257)</u>	<u>(208)</u>

3. CASH AND CASH EQUIVALENTS

	Consolidated	
	30 Jun 18	31 Dec 17
	\$'000	\$'000
Cash at bank and on hand	99	82
Cash held in trust account	3,000	-
	<u>3,099</u>	<u>82</u>

4. INVESTMENT PROPERTIES

	Consolidated	
	30 Jun 18	31 Dec 17
	\$'000	\$'000
Non-current		
Investment properties at fair value	18,125	16,821
	<u>18,125</u>	<u>16,821</u>

The Group hold investment property at Warnervale.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE HALF-YEAR ENDED 30 June 2018

4. INVESTMENT PROPERTIES continued

	Consolidated	
	30 Jun 18	31 Dec 17
	\$'000	\$'000
At fair value		
Carrying amount at beginning of year	16,821	13,673
Capital Works – property improvement	62	56
Change in fair value – external independent valuation	1,242	-
Change in fair value – director valuation	-	3,092
Carrying amount at end of the period	18,125	16,821

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 process in an active market for similar properties in the same location and condition and subject to similar leases. The revaluations were based on a combination of independent assessments made by a member of the Australian Property Institute and director's valuations.

5. ISSUED CAPITAL

	Consolidated		Consolidated	
	30 Jun 18	31 Dec 17	30 Jun 18	31 Dec 17
	Shares	Shares	\$'000	\$'000
Ordinary shares				
Issued	298,598,683	280,416,865	53,094	52,598
Movements during the period				
Balance at beginning of the period	280,416,865	280,416,865	52,598	52,598
Convertible note conversion	18,181,818	-	500	-
Share issuing cost	-	-	(4)	-
Balance at the end of the period	298,598,683	280,416,865	53,094	52,598

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.

6. CONTINGENT ASSETS AND LIABILITIES**Guarantees**

Cross guarantees under Class Order 98/1418 by Hudson Investment Group Limited, HTH Holding Pty Ltd, Hudson Property Group Ltd, HSC Property Pty Ltd, Halloran Property Unit Trust, Halloran Property Pty Ltd and Hudson Land Pty Ltd exist at reporting date.

There are no material contingent assets and liabilities as at the date of the report.

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE HALF-YEAR ENDED 30 June 2018

6. CONTINGENT ASSETS AND LIABILITIES continued**Service Agreement**

The Company has entered into a Corporate Service Agreement with Hudson Asset Management Pty Limited pursuant to which Hudson Asset Management Pty Limited has agreed to provide its office management, registered office, administrative, accounting, compliance and secretarial services.

The term of the Corporate Services Agreement has no fixed expiry term and the fee payable is that amount agreed between the parties from time to time. The terms of the Services Agreement provide that Hudson Asset Management Pty Limited shall act in accordance with the Directions of the Board.

7. SEGMENT INFORMATION**Business segments**

The consolidated entity is organised into the following divisions by product and service type:

- **Property investment & development in Australia**
Development of commercial and industrial property in eastern Australia.
- **Geographical segments**
All business segments operate principally within Australia.

	Property investment & development in Australia	Unallocated/ eliminated	Consolidated
	\$'000	\$'000	\$'000
Primary reporting business segments Half Year 2018			
Total segment revenue	511	-	511
Segment result			
Profit/(loss) from operations before income tax expense	501	-	501
Primary reporting business segments Half Year 2017			
Total segment revenue	477	-	477
Segment result			
Profit/(loss) from operations before income tax expense	2,985	-	2,985

8. EVENTS SUBSEQUENT TO BALANCE DATE

At the date of this report there are no other matters or circumstances, other than noted above, which have arisen since 30 June 2018 that have significantly affected or may significantly affect:

the operations, in the half financial year subsequent to 30 June 2018, of the Group;

the results of those operations; or

the state of affairs, in the half financial year subsequent to 30 June 2018, of the Group.

SUPPLEMENTARY APPENDIX 4D INFORMATION

NTA Backing

	30.06.2018	31.12.2017
Net tangible asset backing per ordinary share	3.70 Cents	3.43 cents

Controlled Entities Acquired

HSC Property 1 Pty Ltd, Halloran Properties 1 Pty Ltd and Halloran Properties 1 Unit Trust were 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 Company. Please refer to Note 8 to the financial statements.

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.

Associated and Joint Venture Entities

None during the reporting period.

Audit Alert

The Auditor's Review Report is included in the financial statements.