



## **HUDSON INVESTMENT GROUP LIMITED**

**ACN 004 683 729**

### **APPENDIX 4E**

**ASX PRELIMINARY UNAUDITED FINAL REPORT– 31 DECEMBER 2015**

**(CORRESPONDING PERIOD – YEAR ENDED 31 DECEMBER 2014)**

**LODGED WITH THE ASX UNDER LISTING RULE 4.3A**

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The 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 2014 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](http://www.higl.com.au)

### Auditors

K.S. Black & Co  
Level 6  
350 Kent 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  
Alan Beasley (Managing Director)  
John J Foley

### Company Secretary

Julian Rockett

### 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 2015**  
**(PREVIOUS CORRESPONDING PERIOD: YEAR ENDED 31 December 2014)**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

				<b>\$'000</b>
<b>Revenue</b> from continuing operations	Down	63.5%	to	4,782
<b>(Loss)/Profit</b> after income tax from continuing operations	Down	110.5%	to	1,590
<b>(Net Loss)/Net profit</b> for the period attributable to members	Down	66.5%	to	(5,036)

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

**Explanation of Profit after Tax from Ordinary Activities**

The Company has recorded a consolidated net loss after tax of \$5.03 million for the year ended 31 December 2015 compared to a net loss of \$15.0 million in the previous corresponding period. The loss was attributable to corporate re-structuring.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

		<b>Consolidated</b>	
	Notes	<b>2015 \$'000</b>	<b>2014 \$'000</b>
<b>Revenue from continuing operations</b>	2	<b>4,782</b>	13,125
Cost of sales of goods		<b>(2,858)</b>	(7,760)
Other income and expenses	2	<b>3,839</b>	(3,696)
Cost of providing services and administration expenses	3	<b>(3,247)</b>	(3,962)
Finance income	3	<b>847</b>	1,647
Finance expenses	3	<b>(1,823)</b>	(14,965)
Share of profit of equity accounted investee		<b>50</b>	62
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>		<b>1,590</b>	(15,549)
Income tax (expense)/benefit		-	490
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>1,590</b>	(15,059)
<b>OTHER COMPREHENSIVE INCOME</b>			
Demerger and distribution in specie	3	<b>(6,626)</b>	-
Tax expenses		-	-
		<b>(6,626)</b>	-
Total comprehensive income for the year		<b>(5,036)</b>	(15,059)
Non-controlling interest		-	-
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE COMPANY</b>		<b>(5,036)</b>	(15,059)
		<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share (cents)	6	<b>(1.94)</b>	(5.84)
Diluted earnings/(loss) per share (cents)	6	<b>(1.94)</b>	(5.84)

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

		<b>Consolidated</b>	
	Notes	<b>2015</b>	2014
		<b>\$'000</b>	\$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	93	140
Trade and other receivables		(97)	1,644
Financial assets		-	1,637
Inventories		-	2,197
Other current assets		13	223
<b>TOTAL CURRENT ASSETS</b>		<b>9</b>	<b>5,841</b>
<b>NON-CURRENT ASSETS</b>			
Receivables		-	3,028
Property, plant and equipment		-	2,892
Investment properties		10,554	32,489
Financial assets		-	5,032
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,554</b>	<b>43,441</b>
<b>TOTAL ASSETS</b>		<b>10,563</b>	<b>49,282</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		108	1,174
Financial liabilities		-	1,385
Employee benefits provision		1	420
Other liabilities		-	337
<b>TOTAL CURRENT LIABILITIES</b>		<b>109</b>	<b>3,316</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables		1,520	13,236
Financial liabilities		5,818	20,825
Deferred tax liability		-	-
Other liabilities		-	3,409
Provisions		3	388
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,341</b>	<b>37,858</b>
<b>TOTAL LIABILITIES</b>		<b>7,450</b>	<b>41,174</b>
<b>NET ASSETS</b>		<b>3,113</b>	<b>8,108</b>
<b>EQUITY</b>			
Issued Capital		52,110	52,069
Reserves		5,626	5,626
Accumulated losses		(54,623)	(49,587)
Total equity attributable to equity holders of the parent entity		3,113	8,108
Non-controlling interest		-	-
<b>TOTAL EQUITY</b>		<b>3,113</b>	<b>8,108</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

<b>CONSOLIDATED</b>	<b>Issued Capital</b>	<b>Reserves</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 January 2015</b>	<b>52,069</b>	<b>5,626</b>	<b>(49,587)</b>	<b>8,108</b>
Share issued	43	-	-	43
Share issuing costs	(2)	-	-	(2)
Profit/(loss) for the year	-	-	(5,036)	(5,036)
<b>Balance at 31 December 2015</b>	<b>52,110</b>	<b>5,626</b>	<b>(54,623)</b>	<b>3,113</b>
<b>Balance at 1 January 2014</b>	52,040	5,627	(34,528)	23,139
Profit/(loss) for the year	-	-	(15,059)	(15,059)
Currency translation	29	(1)	-	28
<b>Balance at 31 December 2014</b>	<b>52,069</b>	<b>5,626</b>	<b>(49,587)</b>	<b>8,108</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	<b>Consolidated</b>	
		<b>2015</b>	<b>2014</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		4,869	12,834
Payments to suppliers and employees		(5,332)	(9,846)
Interest paid		(334)	(1,229)
Interest received		2	9
<b>Net cash (outflow)/ inflow from operating activities</b>		<b>(795)</b>	<b>1,768</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		-	12,758
Advance from/(to) other parties		651	(1,362)
Payments for investment properties improvements		-	(20)
Payments for purchase of investments		-	(14,090)
Payments for property, plant and equipment		-	(525)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>651</b>	<b>(3,239)</b>
<b>Cash flows from financing activities</b>			
Proceed from share placement		43	29
Share issuing cost		(2)	(2)
Drawdown from borrowings		56	1,841
Repayment of borrowings		-	(701)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>97</b>	<b>1,167</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(47)</b>	<b>(304)</b>
Cash and cash equivalents at the beginning of the year		140	444
<b>Cash and cash equivalents at the end of the year</b>	5	<b>93</b>	<b>140</b>

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



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 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	
		2015	2014
		\$'000	\$'000
<b>a</b>	<b>Revenue</b>		
	Sale of goods	2,222	6,276
	Rendering of services	872	1,957
	Rent	1,144	1,131
	Fee income	544	3,761
		<u>4,782</u>	<u>13,125</u>
<b>b</b>	<b>Other Income and expenses</b>		
	Net gain/(loss) on disposal of investments	(2,434)	2,141
	Change in fair value of investment properties	-	371
	Change in fair value of financial asset	6,273	(7,415)
	Others	-	1,207
		<u>3,839</u>	<u>(3,696)</u>

#### 3. PROFIT/ (LOSS) FROM ORDINARY ACTIVITIES

**Profit/(loss) before income tax is arrived after  
(charging)/crediting the following specific expenses**

<b>a</b>	<b>Administration expenses</b>		
	Consulting and professional fee	(169)	(539)
	Employee benefits	(1,011)	(2,122)
	Superannuation expenses	(121)	(267)
	Lease payment	(5)	(10)
	Legal expenses	(1,487)	(337)
<b>b</b>	<b>Finance income</b>		
	Interest income	<u>847</u>	<u>1,647</u>
<b>c</b>	<b>Finance expenses</b>		
	Interest paid	(793)	(2,221)
	Depreciation and amortisation	(154)	(363)
	Doubtful debts provision	(820)	(12,265)
	Others	(56)	(116)
		<u>(1,823)</u>	<u>(14,965)</u>
<b>d</b>	<b>Other Comprehensive Income</b>		
	Demerger and distribution in specie	<u>(6,626)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS continued

**4. DIVIDENDS**

The directors do not recommend a dividend relating to the year ended 31 December 2015(2014: Nil) to be paid.

**5. CASH AND CASH EQUIVALENTS**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and on hand	<b>93</b>	64
Cash held in trust accounts	-	76
	<b>93</b>	<b>140</b>

**6. EARNINGS PER SHARE**

	<b>2015</b>	<b>2014</b>
	<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share	<b>(1.94)</b>	(5.84)
Diluted earnings/(loss) per share	<b>(1.94)</b>	(5.84)
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Earnings used in calculating basic and diluted (loss) / earnings per share</b>	<b>(5,036)</b>	(15,059)

<b>Weighted average number of ordinary shares used as the denominator</b>	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share and diluted earnings per share	<b>259,283,873</b>	257,881,439

**7. CONTINGENT ASSETS AND LIABILITIES, COMMITMENTS****Guarantees**

Cross guarantees under Class Order 98/1418 by Hudson Investment Group Limited and its 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.

**Litigation**

On 9 April 2015 the Company's application for special leave in its action against Atanaskovic Hartnell, the company's formal solicitors was refused. Those legal costs are currently moving through the assessment procedure. As part of the re-structuring process Hudson Pacific Group Limited has provided an Indemnity to cover these cost.

**Commitments**

There are no material commitments as at the date of the report.

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**NOTES TO THE FINANCIAL STATEMENTS continued****8. EVENTS OCCURRING AFTER BALANCE DATE**

At the date of this report there are no other matters or circumstances, other than noted above, which have arisen since 31 December 2015 that have significantly affected or may significantly affect:

- The operations, in financial years subsequent to 31 December 2015 of the Group;
- The results of those operations; or
- The state of affairs, in financial years subsequent to 31 December 2015 of the Group.

**9. 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 administration of industrial property 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

## 9. SEGMENT INFORMATION continued

	Property investment & development in Australia	Investment Services	Mining, processing & exploration	Inter segment eliminations/ unallocated	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2015</b>					
Sales to external customers	2,015	544	2,223	-	4,782
Intersegment sales	161	227	-	(388)	-
Total sales revenue	2,176	771	2,223	(388)	4,782
Other revenue	-	845	-	-	845
<b>Total segment revenue</b>	<b>2,176</b>	<b>1,616</b>	<b>2,223</b>	<b>(388)</b>	<b>5,627</b>
<b>Segment result</b>					
Profit/(loss) before income tax	898	1,248	(556)	(6,626)	(5,036)
Income tax expense	-	-	-	-	-
<b>Net profit/(loss)</b>	<b>898</b>	<b>1,248</b>	<b>(556)</b>	<b>(6,626)</b>	<b>(5,036)</b>
Segment assets	10,764	-	-	(201)	10,563
Segment liabilities	7,422	-	-	28	7,450
Acquisition of non-current assets	65	-	-	-	65
Depreciation and amortisation expense	-	11	144	-	155
<b>2014</b>					
Sales to external customers	3,196	3,543	6,386	-	13,125
Intersegment sales	1,914	290	-	(2,204)	-
Total sales revenue	5,110	3,833	6,386	(2,204)	13,125
Other revenue	-	-	-	-	-
<b>Total segment revenue</b>	<b>5,110</b>	<b>3,833</b>	<b>6,386</b>	<b>(2,204)</b>	<b>13,125</b>
<b>Segment result</b>					
Profit/(loss) before income tax expense	2,648	(15,687)	(203)	-	(13,242)
Income tax expense	-	-	-	(1,817)	(1,817)
<b>Net profit/(loss)</b>	<b>2,648</b>	<b>(15,687)</b>	<b>(203)</b>	<b>(1,817)</b>	<b>(15,059)</b>
Segment assets	87,849	13,462	24,620	(76,649)	49,282
Segment liabilities	49,092	75,042	13,539	(96,499)	41,174
Acquisition of non-current assets	20	6	519	-	545
Depreciation and amortisation expense	-	26	337	-	363

## SUPPLEMENTARY APPENDIX 4E INFORMATION

### NTA Backing

	31/12/2015	31/12/2014
Net tangible asset backing per ordinary share	1.20 cents	3.10 cents

### Controlled Entities Acquired during the Period

No entities have been acquired during the reporting period

### Loss of Control of Entities during the Period

Hudson Imports Pty Ltd, Hudson Marketing Pty Ltd, Hudson Pacific Group Ltd, Raffles Equities Ltd, Hudson Property Trust, Bundaberg Coal Pty Ltd, HSC Property Pty Ltd, Hudson Underwriting Ltd, Hudson Corporate Ltd, Hudson Asset Management Pty Ltd, Hudson Capital Corporation Pty Ltd, Sorbent Minerals Pty Ltd, Ecofix Pty Ltd, EPC1262 Pty Ltd were disposed of under the corporate re-structuring distribution in specie during the reporting period.

### Subsequent Events

There have been no other events subsequent to reporting date which affects the results contained in this report or the continuing operations of the Group. Please refer to Note 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.

### Audit Report

This report is based on financial statements that are in the process of being audited; therefore no audit report has been attached.