



Appendix 4 E

Preliminary Final Report

Results for announcement to the market

For the year ended 30 June 2025

		2025 \$'000	2024 \$'000
RESULTS FOR ANNOUNCEMENT TO THE MARKET			
Income from ordinary activities	Down 217.6%	(3,031)	2,578
(Loss)/Profit from ordinary activities after tax attributable to members	Down 321.2%	(2,875)	1,300
Net (Loss)/Profit for the period attributable to members	Down 321.2%	(2,875)	1,300
		cents per share	cents per share
Earnings per share, basic and diluted (cents per share)	Down 334.6%	(12.2)	5.2
		30 June 2025 \$	30 June 2024 \$
Net tangible asset backing per share (NTA) as at 30 June 2025			
Post-tax net tangible assets per share	Down 98.8%	0.013	1.042
Pre-tax net tangible assets per share	Down 98.8%	0.013	1.073

DIVIDENDS

No dividend was declared for the financial year ended 30 June 2025.

The financial performance of the Company is set out in the attached Annual Report, under the Letter from the Chairman and the Review of Operations. This report is based on the Annual Report which has been audited by UHY Haines Norton. The audit report is included with the Company's Annual Report which accompanies this Appendix 4E. All documents comprise the information required by listing rule 4.3A.



H&G

HIGH CONVICTION

Annual Report

For the Year Ended 30 June 2025

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Corporate Governance Statement available at:

www.hancockandgore.com.au/governance

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Letter from the Chairman

Dear Fellow Shareholders,

The 2025 financial year has been a challenging and ultimately transformative period for H&G High Conviction Limited (“HCF” or “the Company”). The performance of the Company did not meet the expectations we set at the beginning of the year. While we entered the year with confidence in the long-term value of the investment portfolio and strategy, a combination of external market headwinds and internal structural constraints led the Board to pursue a fundamental strategic reset.

Performance and Market Conditions

Despite efforts from management and the Board, HCF’s investment performance was adversely affected by a persistent lack of investor appetite for micro-cap equities, compounded by broader market dynamics that disproportionately favoured large-cap stocks. The structural illiquidity and volatility in the micro-cap segment made it increasingly difficult to realise value for shareholders within our existing model.

As a result, the Company’s Net Tangible Asset (NTA) performance lagged expectations, and the share price traded at a persistent discount to underlying asset value. In such an environment, the continued operation of HCF in its current form was not sustainable or likely to deliver superior returns to shareholders.

Strategic Review and Asset Sale

Recognising these constraints, the Board initiated a comprehensive review of strategic options. In April 2025, following an approach by Hancock & Gore Limited (“HNG”), the Company divested substantially all of HCF’s investment portfolio to HNG in exchange for scrip consideration.

This transaction represented the most practical and attractive outcome for shareholders, delivering:

- a 31.5% premium to HCF’s last closing share price prior to the announcement;
- a 9.6% premium to HCF’s post-tax NTA per share as at 28 February 2025;
- exposure to a larger, more diversified and dividend-paying investment group;
- and the ability to exit illiquid micro-cap positions at a favorable valuation.

The transaction was unanimously recommended by the Independent Board Committee and supported by an Independent Expert as being fair and reasonable. Following shareholder approval in April 2025, the asset sale and in-specie distribution of H&G shares were completed.

Outlook

Post-completion, HCF is now a listed vehicle with no material operating assets or liabilities. The Board is actively considering the most appropriate structure for the Company's future, including the potential for re-purposing or winding up, subject to regulatory and shareholder considerations. Our priority remains the efficient deployment or return of any residual capital in a manner that best serves shareholders' interests.

Acknowledgements

On behalf of the Board, I extend our sincere thanks to our shareholders for their continued support and patience throughout this transitional year. I also acknowledge the work of my fellow Directors and our management partners in navigating this complex process with diligence and integrity.

While the first chapter of HCF's investment journey has drawn to a close, the outcomes achieved through the portfolio sale underscore our enduring commitment to delivering value to shareholders and pragmatic solutions.

Yours sincerely,



Alexander Beard
Chairman

H&G High Conviction Limited
27 August 2025

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Directors' Report

The directors submit the financial report of the Company for the year ended 30 June 2025.

REVIEW OF OPERATIONS

The directors of listed investment company H&G High Conviction Limited (ASX: HCF) (HCF or the Company) are pleased to present the Company's financial report for the financial year ended June 2025.

Principal Activity

Following the completion of the divestment on 17 April 2025 the principal activity of the Company was the management of cash and consideration of strategic alternatives for maximizing shareholder value.

Operating and financial review

HCF made a net loss after tax of \$2.9 million for the year driven by the significant fair value losses realised of \$3.7 million. No performance fees were incurred during the year due to the underperformance of the portfolio. Increased professional fees were mainly in relation to the divestment of the Company's portfolio following shareholder approval in April 2025. The Company held no material operating assets other than cash as at balance date as the Board is actively considering strategic options including the potential for re-purposing or winding up, subject to regulatory and shareholder considerations.

HCF's Net Tangible Asset (NTA) backing per share, as at 30 June 2025, was as follows:

- NTA per share after all taxes – \$0.013

HCF ended the year with \$270,840 in cash.

No performance fees were paid to the Manager for the year ending 30 June 2025 (2024: \$358,405).

DIVIDENDS

A final fully franked dividend of 2.0 cents per share declared by the Board during the last financial year was paid on 4 October 2024. No dividend was declared in relation to the current financial year 2025.

RETURN OF CAPITAL

On 30 April 2025, HCF distributed as return of capital 3.28 HNG shares in-specie to eligible HCF shareholders for every HCF share held on the record date 24 April 2025. Value of return of capital per HCF share is \$0.9189 based on the market value of in-specie HNG shares distributed on 30 April 2025.

OUTLOOK

Please refer to the Chairman's letter for commentary on the outlook.

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BOARD OF DIRECTORS AND COMPANY SECRETARY

The names of each person who has been a director during the financial year and to the date of this report are:

Alexander (Sandy) Beard

B.Com, FCA, MAICD

Executive Chair (appointed 30 April 2025)

Alexander (Sandy) Beard has been a director of numerous public and private companies over the past 25 years. He is the former Chief Executive Officer of CVC Limited (ASX:CVC). He is a professional investor and has extensive experience with investee businesses, both in providing advice, assisting in acquisitions and divestments, capital raisings and in direct management roles, especially bringing management expertise to small cap companies in driving shareholder returns.

Sandy is a Director and Chair of Hancock & Gore Limited (ASX:HNG), Anagenics Limited (ASX:AN1) and FOS Capital Ltd (ASX:FOS). Sandy was a director of Pure Foods Tasmania Limited (ASX:PFT) until May 2022 and Centrepont Alliance Ltd (ASX:CAF) until September 2023.

Angus Murnaghan

B.Com

Non-executive Director (appointed 30 April 2025)

Angus has almost 40 years of transactional experience in the Australian equities markets in senior roles. He has worked at leading finance and advisory groups including UBS, Ord Minnett, as Managing Director of Moelis & Company and Wentworth Securities. Angus has been responsible for the sales and distribution function for over 50 IPOs ranging from \$50 million to \$1 billion.

Angus is a director of Hancock & Gore Limited (ASX:HNG) and Veem Limited (ASX:VEE).

David Groves

B.Com, M.Com, CA ANZ

Non-Executive Chairman (26 August 2022 to 30 April 2025)

David resigned as chairman and non-executive director of HCF with effect from 30 April 2025. David has over 25 years' experience as a company director. He is Chairman of Pengana Capital Group Limited (ASX: PCG) and is a Non-Executive Director of Pengana International Equities Limited (ASX: PIA) and MA Redcape Hotel Fund RE Ltd as responsible entity of the MA Redcape Hotel Fund. David is also a member of the Audit and Risk Committee for Pengana Capital Group Limited and Pengana International Equities Limited. He is a member of the Council of the University of Wollongong. He is a former director of EQT Holdings Ltd, Tassal Group Ltd and GrainCorp Ltd and a former executive with Macquarie Bank Limited and its antecedent, Hill Samuel Australia.

Nicholas (Nick) Atkinson

MBA, B.Com, Graduate Diploma in Applied Investment and Finance

Executive Director (appointed 8 June 2022)

Nick has over 30 years' equity capital markets experience, that spans trading, research, sales, corporate finance and investment management. Nick has specialty expertise in the Energy, Healthcare/Life Sciences and Small Capitalisation sectors, garnered from working both in Australia as well as offshore in London and New York.

Nick has been an executive at Hancock & Gore since June 2021 to 30 June 2025. Nick held the position of Portfolio Manager for the Investment Manager, H&G Investment Management Ltd with effect from 30 April 2024 to 30 June 2025. Nick resigned as the Portfolio Manager with effect from 30 June 2025 and remains a non-executive director of HCF. Prior to joining Hancock & Gore, Nick spent 14 years at Morgans Financial Limited, where he was Executive Director of Institutional Equities. Nick oversaw rapid growth of the division's profitability over a 10+year period.

Dennison Hambling

M.Com (Hons), Economics, CFA

Non- Executive Director (27 February 2024 to 30 April 2025)

Dennison has over 24 years of investment experience. He was the Chief Investment Officer of First Samuel for 12 years (until 2019), then the head of Public and Private Equity at 360 Capital Group (2019-2021). Prior to First Samuel, he worked at Cooper Investors as a Portfolio Manager. Dennison is currently the Managing Director of Intelligent Monitoring Group (ASX:IMB) and currently serves as Non-Executive Director of several private companies in a board advisory capacity.

Nishantha Seneviratne

MBA, FCPA, FGIA, FCG, ACMA

Company Secretary (appointed 12 February 2024)

Nishantha was appointed the joint Company Secretary in February 2024 and became the sole Company Secretary with effect from 25 March 2024. He is the Chief Financial Officer and Company Secretary of Hancock & Gore Limited (ASX: HNG). He has over 20 years of senior managerial experience in diverse industries with 14+ years in ASX listed investment companies.

He was the former Chief Financial Officer and Company Secretary of Milton Corporation Limited (between 2012– 2022).

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of HCF during the financial year are shown below.

Director	Held Meetings	Attended Meetings
Alexander Beard	1	1
Angus Murnaghan	1	1
David Groves*	11	11
Nicholas Atkinson	9	9
Dennison Hambling**	11	11

*David resigned with effect from 30 April 2025.

**Dennison resigned with effect from 30 April 2025.

DIRECTORS' RELEVANT INTEREST

No director has or has had any interest in a contract entered into since the last Directors' Report or any contract or proposed contract with HCF or any subsidiary or any related entity other than as disclosed in note 21 to the financial statements.

Director	Number of Shares Held
Alexander Beard	1,113,806
David Groves	98,835
Nicholas Atkinson	75,869
Dennison Hambling	39,886

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

Neither HCF nor any related entity has indemnified or agreed to indemnify, paid or agreed to pay any insurance premium which would be prohibited under Section 199A or Section 199B of the Corporations Act 2001 during or since the financial year ended 30 June 2025.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contracts.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes include the sale of substantially all assets to HNG, buy-back and cancellation of shares held by HNG, and the in-specie distribution of consideration shares in HNG to all remaining HCF shareholders as return of capital.

EVENTS SUBSEQUENT TO REPORTING DATE

Apart from the information contained in note 25 to the financial statements, no matter or circumstance has arisen since the end of the financial year that has affected or may significantly affect the operations, results or state of affairs of HCF in subsequent financial years.

LIKELY DEVELOPMENTS

Following the sale of its entire investment portfolio in April 2025, the Company no longer has active operations. The Board is reviewing strategic options, including reactivation as a listed investment vehicle, or winding up. No decision has been made as at the date of this report.

ENVIRONMENTAL REGULATIONS

There are no significant environmental regulations that apply directly to HCF.

NON-AUDIT SERVICES

During the year, UHY Haines Norton, HCF's auditor, was not engaged to perform any non-audit services in addition to its statutory duties. Details of the amounts paid to the auditors and related practices of the auditor are disclosed in note 22 of the financial statements.

If the auditor is engaged to perform any non-audit services, the Board will ensure that the provision of those non-audit services is compatible with, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by HCF and have been reviewed and approved by the Board of Directors to ensure they do not impact on the integrity and objectivity of the auditor, and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in Professional Statement APES110 Code of Ethics for Professional Accountants (including Independence Standards), as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for HCF, acting as an advocate for HCF or jointly sharing risks and rewards.

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 10.

Remuneration Report

This report, which is audited, details the policy for determining the remuneration of directors and executives and provides specific details of their remuneration.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

Non-executive directors are paid base fees and superannuation contributions.

Fees are not linked to HCF's performance, and no bonuses are paid, or options issued.

Each year directors' fees are determined by the board of directors who take into account the demands made on directors and the remuneration of non-executive directors of comparable Australian companies.

In accordance with the Constitution, the Directors as a whole (other than any Executive Directors) may be provided with remuneration for their services, the total amount of which must not exceed the maximum amount determined from time to time by the Company in a general meeting.

The Company's non-executive Directors are entitled to, at present, aggregate director fees up to \$125,000 per annum.

Directors' fees paid and accrued during the year ended 30 June 2025 are shown in the table below.

	Salary/Fees	Superannuation	Total
	\$	\$	\$
30 June 2025			
Directors			
David Groves**	33,484	-	33,484
Dennison Hambling**	28,422	4,856	33,278
Total directors	61,906	4,856	66,762

**resigned with effect from 30 April 2025.

30 June 2024			
Directors			
David Groves	39,185	995	40,180
Dennison Hambling*	12,498	1,312	13,810
Total directors	51,683	2,307	53,990

*Joined 27 February 2024.

Additional remuneration may be paid in accordance with the Constitution, which permits the Board to remunerate Directors for any special or extra services for or at the request of the Company (for example, executive tasks outside the scope of the Management Agreement). The Board will only exercise its discretion after compliance with applicable laws relating to directors' duties and the provision of financial benefits to related parties and, where appropriate, conflict management protocols.

DIRECTOR RELATED ENTITIES REMUNERATION

HCF has an investment management agreement with H&G Investment Management Limited (HGIM) which has been appointed to manage the investment portfolio of HCF. Nicholas Atkinson who is a director of HCF was also an executive director of the investment management entity HGIM upto 30 June 2025.

The Manager, HGIM is entitled to be paid a management fee equal to 1.0% (plus GST) per annum of the value of the Company's Gross Portfolio Value, which is calculated on the last business day of each calendar month and paid monthly in arrears within five business days of the end of each calendar month. Gross Portfolio Value means, on any given date, the net asset value of the Company excluding any Performance Fee or Tax liabilities. From the date of completion of the asset sale transaction on 17 April 2025, until the date on which HCF has at least \$1 million in net assets, HGIM is not required to provide services under the management agreement and no fees payable to the Manager. Management fees paid and payable to the Manager for the year ended 30 June 2025 total \$208,694.

In addition, the Manager is entitled to be paid a performance fee equal to 20.0% (plus GST) of the amount by which the return of the Company exceeds a hurdle return of 5.0% per annum. The return of the Company means an amount expressed in dollars which is equal to the accumulated profit before tax of the Company since the Highwater Mark Date. The Highwater Mark Date means the end of the last period where a Performance Fee has been paid. Any Performance Fee accrues on the Performance Testing Date, which is each 31 December and each 30 June, and is payable within five business days.

No performance fees was paid to the Manager for the year ended 30 June 2025.

REMUNERATION OF EXECUTIVES

There are no executives that are paid by the Company. All day-to-day management of the Company is carried out by H&G Investment Management Limited (HGIM), which is remunerated as per the investment management agreement outlined above.

SHARE HOLDINGS OF DIRECTORS AND THEIR RELATED PARTIES

Number of shares held

Directors	Year	Opening balance shares	Acquisitions shares	Disposal shares	Closing balance shares
Alexander Beard	2025	1,113,806	-	-	1,113,806
Nicholas Atkinson	2025	75,869	-	-	75,869
David Groves	2025	48,835	50,000	-	98,835
Dennison Hambling	2025	-	39,886	-	39,886

End of Audited Remuneration Report.

Signed in accordance with a resolution of the directors.



Alexander Beard

Chairman

27 August 2025

Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

To the Directors of H&G High Conviction Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2025, there have been:

- (i) No contraventions of the auditor independence requirements of 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.



Matthew Pope
Partner
Sydney
Dated 27 August 2025



UHY Haines Norton
Chartered Accountants

Audit | Tax | Advisory

The Firm: UHY Haines Norton ABN 85 140 758 156 in Sydney ("the Firm") is an independent member of UHY Haines Norton ("the Association"), an association of independent firms in Australia and New Zealand. The Association is an independent member of Urbach Hacker Young International ("UHY International"), a UK company, and is part of the UHY International network of legally independent accounting and consulting firms. Any engagement you have with the Firm and any services are provided by the Firm and not by the Association or UHY International or any other member firm of the Association or UHY International.

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FINANCIAL STATEMENTS

For the year ended 30 June 2025

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	30 June 2025	30 June 2024
		\$	\$
Revenue from continuing operations		602,319	702,655
Fair value (loss)/gains on financial instruments at fair value through profit and loss	5(a)	(3,710,602)	1,644,165
Other income	5(b)	76,957	231,627
Income from Ordinary Activities		(3,031,326)	2,578,447
Performance fees expense		-	(358,405)
Management expense		(208,694)	(286,859)
Professional fees expense		(216,956)	(28,551)
Directors' fees		(66,762)	(54,431)
Other expenses		(134,773)	(175,606)
Operating Expenses		(627,185)	(903,582)
(Loss) Profit before income tax		(3,658,511)	1,674,865
Income tax benefit/ (expense)	6	783,176	(374,979)
(Loss)/Profit after income tax for the period		(2,875,335)	1,299,886
Other comprehensive income		-	-
Total comprehensive income for the period		(2,875,335)	1,299,886

	Note	30 June 2025	30 June 2024
		Cents	Cents
Earnings per share for profit attributable to the shareholders of H&G High Conviction Limited			
Basic diluted earnings per share	7	(12.2)	5.2

Statement of Financial Position

As at 30 June 2025

	Note	30 June 2025	30 June 2024
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	8	270,840	2,474,943
Trade and other receivables	9	902	152,611
Financial assets held at fair value through profit and loss	10	53	25,050,810
Other assets	11	-	469,977
Total current assets		271,795	28,148,341
Non-Current Assets			
Deferred tax asset	13	-	16,926
Total non-current assets		-	16,926
Total assets		271,795	28,165,267
Liabilities			
Current Liabilities			
Trade and other payables	15	21,923	246,042
Income tax payable	12	-	1,016,256
Total current liabilities		21,923	1,262,298
Non-Current Liabilities			
Deferred tax liability	14	-	792,526
Total non-current liabilities		-	792,526
Total liabilities		21,923	2,054,824
Net Assets		249,872	26,110,443
Equity			
Issued capital	16	2,055,860	24,540,935
Retained earnings		(1,805,988)	1,569,508
Total equity		249,872	26,110,443

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Statement of changes in Equity

For the year ended 30 June 2025

	Issued Capital	Retained Earnings	Total Equity
	\$	\$	\$
Balance at 30 June 2024	24,540,935	1,569,508	26,110,443
(Loss) for the period	-	(2,875,335)	(2,875,335)
Other comprehensive income	-	-	-
Total comprehensive income	-	(2,875,335)	(2,875,335)
Share Issues/cancelled	(4,652,415)	-	(4,652,415)
Return of Capital	(17,832,660)	-	(17,832,660)
Dividends Paid	-	(500,161)	(500,161)
Balance at 30 June 2025	2,055,860	(1,805,988)	249,872
Balance at 30 June 2023	24,540,935	1,271,999	25,812,934
Profit for the period	-	1,299,886	1,299,886
Other comprehensive income	-	-	-
Total comprehensive income	-	1,299,886	1,299,886
Shares issues	-	-	-
Dividends Paid	-	(1,002,377)	(1,002,377)
Balance at 30 June 2024	24,540,935	1,569,508	26,110,443

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Statement of Cash Flows

For the year ended 30 June 2025

	Note	30 June 2025	30 June 2024
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		744,788	701,056
Interest received		72,400	225,509
Other revenue		43,835	6118
Management fees		(208,694)	(286,589)
Performance fees		-	(513,314)
Income tax paid		(1,008,682)	(335,918)
Other operating expenses		(672,646)	(292,873)
Net cash (outflow) from operating activities	24	(1,028,999)	(496,011)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(10,447,508)	(17,751,888)
Sale of investments		13,804,287	15,784,183
Net cash (outflow) from investing activities		3,356,779	(1,967,705)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares bought back		(4,031,722)	-
Ordinary dividends paid		(500,161)	(1,002,377)
Net cash (outflow) inflow from financing activities		(4,531,883)	(1,002,377)
Net (decrease) increase in cash and cash equivalents		(2,204,103)	(3,466,093)
Cash and cash equivalents at the beginning of the period		2,474,943	5,941,036
Cash and cash equivalents at end of financial year	8	270,840	2,474,943

Notes to the Financial Statements

For the year ended 30 June 2025

1. BASIS OF PREPARATION

The financial report covers H&G High Conviction Limited (“HCF” or “the Company”) as an individual entity. The Company has no subsidiaries and is not required to prepare consolidated financial statements. H&G High Conviction Limited is a for profit Company limited by shares, incorporated and domiciled in Australia.

Following the sale of substantially all its assets on 17 April 2025, the Company’s principal activity was holding cash and considering options to return value to its shareholders. The financial report has been prepared on a going concern basis while strategic options are being reviewed by the Directors.

The Directors have considered the Company’s financial position and the following mitigating factors in forming the view that the going concern basis of preparation remains appropriate:

- The Company retains sufficient cash reserves relative to its ongoing administrative and compliance costs, which are expected to remain at a low and manageable level.
- The Company continues to maintain its ASX listing and is actively reviewing a range of strategic alternatives, including potential new investment opportunities, corporate transactions, or capital management initiatives, to maximise value for shareholders.

Notwithstanding the above, there can be no certainty that suitable new investments or transactions will be identified or completed within an acceptable timeframe. Should this occur, the Company may ultimately resolve to return surplus capital to shareholders and be wound up.

Based on the current cash position and planned expenditure profile, the Directors are satisfied that the Company will have sufficient resources to meet its obligations as and when they fall due for at least twelve months from the date of this report, and accordingly the financial statements have been prepared on a going concern basis.

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1. BASIS OF PREPARATION (continued)

These financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of financial assets.

New and amended standards adopted:

There are no other new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2024 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

New and amended standards not adopted:

New standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2025 have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of HCF.

Significant accounting policies adopted in the preparation of these financial statements are presented below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Fair value gains on financial instruments at fair value through profit and loss and other income

Fair value gains on financial instruments at fair value through profit and loss

The Company has been classified under AASB 10 as an Investment Entity whose business purpose is to invest funds solely for returns via capital appreciation and/or investment returns. As the Company has been classified as an Investment Entity, the portfolio investments have been accounted for at fair value through profit and loss and shown as Financial Assets in the Statement of Financial Position.

Investments held at fair value through profit and loss are initially recognised at cost. Transaction costs related to acquisitions are expensed to profit and loss immediately. Subsequent to initial recognition, all financial instruments held at fair value are accounted for at fair value, with changes to such values recognised in the profit and loss. Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market based measure, the closest equivalent observable market pricing information is used to determine fair value Level 1 in the fair value hierarchy. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

Financial assets are de-recognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted for each jurisdiction.

Deferred tax assets and liabilities are recognised for differences between the purchase price and tax cost base of assets and liabilities acquired in asset swap arrangements. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred income tax is provided on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss – FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short term, highly liquid financial instruments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There are no key assumptions or sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

4. DISINVESTMENT OF INVESTMENT OPERATIONS

On 17 April 2025, HCF completed the sale of its entire investment portfolio (comprising of listed and unlisted equity securities, cash and receivables) to Hancock & Gore Limited (“HNG”) in consideration for cancellation of all shares in HCF held by HNG (4,974,756 HCF ordinary shares) and receipt of 63,688,260 scrip of HNG ordinary shares. HNG consideration shares received by HCF were pro-rata distributed in-specie to its shareholders (excluding H&G whose shares were bought back and cancelled) as return a of capital.

Following the divestment, the Company no longer holds any operational assets nor undertakes investment management activities. However, the Company continues to operate as a going concern and remains compliant with its statutory obligations, maintaining its corporate structure and capacity for future business opportunities.

In accordance with the relevant accounting guidance, the results of divested operations have not been presented separately as discontinued operations on the face of the Statement of Profit or Loss and Other Comprehensive Income. Although the Company had continuing operations in the comparative period, it no longer has any continuing operations following the divestment. Accordingly, the full-year results for the current period have been presented on a standard basis without a separate discontinued operations line.

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5. FAIR VALUE GAINS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT & LOSS AND OTHER INCOME

(a) Fair value gains on financial instruments at fair value through profit and loss

	30 June 2025	30 June 2024
	\$	\$
Realised (loss) gain on disposal of investments	(3,710,592)	1,425,314
Unrealised (loss) gain on revaluation of investments	(10)	218,851
	(3,710,602)	1,644,165

(b) Other Income

	30 June 2025	30 June 2024
	\$	\$
Interest income	72,400	225,509
Other Revenue	4,557	6,118
	76,957	231,627

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6. INCOME TAX EXPENSE

	30 June 2025	30 June 2024
	\$	\$
Current income tax (benefit)/payable	-	665,359
Income tax paid	-	335,918
Prior year over-provision	(7,574)	-
Other differences	-	1,599
Deferred tax – origination and reversal of temporary differences	(775,602)	(627,897)
Aggregate income tax expense	(783,176)	374,979
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets (note 11)	16,924	9,401
(Decrease) increase in deferred tax liabilities (note 12)	(792,526)	(637,298)
Deferred tax – origination and (reversal) of temporary differences	(775,602)	(627,897)
Numerical reconciliation of income tax expense and tax at the statutory rate		
(Loss)/Profit before income tax expense	(3,658,511)	1,674,865
Tax at the statutory tax rate of 30%	(1,097,553)	502,460
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent	1,280	-
Prior year under/(over)-provision	(7,574)	-
Timing differences on losses not recognised	561,241	-
Tax offset for franked dividends	(240,570)	(127,480)
Income tax (benefit)/expense	(783,176)	374,979
Effective Tax Rate	-	22.40%

7. EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. For the current period diluted EPS is the same as basic EPS.

	30 June 2025	30 June 2024
	\$	\$
(Loss) profit after income tax attributable to the shareholders of H&G High Conviction Limited	(2,875,335)	1,299,886
The basic earnings per share for the reporting period were as follows:		
	Cents	Cents
Basic and diluted earnings per share	(12.2)	5.2
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	23,582,466	25,059,428

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8. CASH AND CASH EQUIVALENTS

	30 June 2025	30 June 2024
	\$	\$
Cash at bank and in hand	270,840	2,474,943

9. TRADE AND OTHER RECEIVABLES

	30 June 2025	30 June 2024
	\$	\$
CURRENT		
Account Receivable	2	152,559
Other Receivable	900	52
	902	152,611

10. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT & LOSS

	30 June 2025	30 June 2024
	\$	\$
CURRENT		
Investment in listed entities	53	25,050,810
	53	25,050,810

Fair value hierarchy		
Level 1 (Fair value measurement using Quoted prices in active markets)	53	25,050,810
Level 2 (Significant observable inputs)	-	-
Level 3 (Significant unobservable inputs)	-	-
	53	25,050,810

There were no transfers between levels during the reporting period.

Level 1 instruments comprise securities quoted on the ASX where values are based on quoted market prices.

Level 2 instruments comprise securities yet to be quoted on the ASX where values are determined based on significant observable inputs.

Level 3 instruments include certain private equity type investments of which valuations are not based on market inputs or securities valued using models and internal data.

Investments may be adjusted to reflect illiquidity.

Investments are currently held at fair value via a mark to market valuation approach.

As per AASB13, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3).

As fair value is a market based measure, the closest equivalent observable market pricing information is used to determine fair value of all assets held – Level 1 in the fair value hierarchy. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability.

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11. OTHER ASSETS

	30 June 2025	30 June 2024
	\$	\$
Options	-	469,977

12. INCOME TAX PAYABLE

	30 June 2025	30 June 2024
	\$	\$
Balance at beginning of the year	1,016,256	350,897
Other adjustments	-	(1,599)
Income tax paid	(1,008,682)	(335,918)
Current year income tax (benefit) expense on operating (loss) profit	(1,338,121)	374,979
Transferred from (to) deferred tax	775,602	627,897
Transferred to income tax expense	554,947	-
Balance at year end	-	1,016,256

The income tax payable balance is included in the deferred tax asset as a deductible temporary difference, reflecting timing differences expected to reverse in future periods.

13. DEFERRED TAX ASSETS

	30 June 2025	30 June 2024
	\$	\$
<i>Temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Accruals	3,330	13,538
Amounts recognised in equity:		
Transaction costs on share issue	2,257	3,388
<i>Permanent Differences attributable to:</i>		
Amounts recognised in profit or loss:		
De-recognition of DTA	(5,587)	-
Deferred tax asset	-	16,926
<i>Movements:</i>		
Opening balance	16,926	26,327
Credited (charged) to profit or loss	(16,926)	(9,401)
Closing balance	-	16,926

The Company has unrecognised deferred tax assets consisting of approximately \$1.07 million in capital losses.

14. DEFERRED TAX LIABILITIES

	30 June 2025	30 June 2024
	\$	\$
<i>Temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Revaluation of investment at fair value through P&L	-	792,526
Deferred tax Liability	-	792,526
<i>Movements:</i>		
Opening balance	792,526	1,429,825
Credited (charged) to profit or loss	(792,526)	(637,299)
Closing balance	-	792,526

15. TRADE AND OTHER PAYABLES

	30 June 2025	30 June 2024
	\$	\$
Trade payables	11,139	186,222
Accrued expenses	10,784	58,936
Other payables	-	884
	21,923	246,042

16. ISSUED CAPITAL

	30 June 2025	30 June 2025	30 June 2024	30 June 2024
	No of shares	\$	No of shares	\$
Ordinary shares issued at Company inception	25,059,428	24,540,935	25,059,428	24,540,935
Shares bought back via on market buyback	(678,194)	(597,989)	-	-
Return of capital	-	(17,832,660)		
Cancellation of HNG's shareholding via off-market buyback and HCF restructure	(4,974,756)	(4,054,426)	-	-
Ordinary fully paid ordinary shares closing balance	19,406,478	2,055,860	25,059,428	24,540,935

16. ISSUED CAPITAL (CONTINUED)

Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company bought back 678,194 shares during the 6 months ended 31 December 2024 via the On Market Buy Back program announced to ASX on 30 April 2024.

On 17 April 2025, as part of the HCF asset sale transaction to HNG, the Company bought back and cancelled 4,974,756 HCF shares held by HNG and distributed, via an in-specie distribution, 63,688,260 HNG shares received as consideration to all remaining HCF shareholders.

No new shares were issued during the year ended 30 June 2025.

17. DIVIDENDS

a) Recognised in current year:

	30 June 2025	30 June 2024
	\$	\$
Final fully franked dividend in relation to 2024 financial year end of 2 cents per share was paid on 4 October 2024 (2024: Final dividend in relation to 2023 financial year was paid on 6 October 2023)	500,161	501,188
No interim dividend in relation to 2025 financial year was declared (2024: Interim ordinary fully franked dividend paid for the half year ended 31 December 2023 of 2 cents per share on 25 March 2024)	-	501,189
	500,161	1,002,377

b) Not recognised in current year:

	30 June 2025	30 June 2024
	\$	\$
No final dividend has been declared for the 2025 financial year end. (2024: Directors declared a fully franked final dividend of 2.0 cents per share payable on 4 October 2024)	-	501,189
	-	501,189

No LIC capital gain was included in the above dividends.

18. DIVIDEND FRANKING ACCOUNT

	30 June 2025	30 June 2024
	\$	\$
Franking credits available for subsequent financial years based on a tax rate of 30%.	1,194,407	1,176,208
	1,194,407	1,176,208

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of income tax payable at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

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19. RISK MANAGEMENT

Governance Risk

The Company's corporate governance policies, including the Board Charter, Code of Conduct and Securities Trading Policy, contain provisions for conflict risk management. The Chairman has oversight of the implementation of these policies.

In addition, if an actual or real risk of conflict arises, the Company will also adopt and implement specific conflict risk management protocols. For example, if a Director is also a director of a Portfolio Company (or another ASX listed company), the protocols would include establishing information barriers to restrict the flow of confidential information by prohibiting the conflicted person from sharing with the Portfolio Company information regarding the Company which is not generally available (and vice versa), excluding the conflicted person from participating in decisions of the Manager or the Company involving the Portfolio Company (including attendance at Board meetings) and, if these measures are inadequate, requiring the conflicted person to avoid their conflict entirely (e.g. by resigning as a director of the Portfolio Company or the Company).

Financial risk

The risks associated with the financial instruments, such as investments and cash, include credit, market and liquidity risks, which could affect HCF's future financial performance.

Credit risk exposures

HCF's principal credit risk exposures arise from the investment in liquid assets, such as cash, bank term deposits and income receivable.

The risk that financial loss will occur because a counterparty to a financial instrument fails to discharge an obligation is known as credit risk. The credit risk on HCF's financial assets, excluding investments, is the carrying amount of those assets.

There are no financial instruments overdue.

All financial assets and their recoverability are continually monitored by the investment manager.

Market and Liquidity risk

Market risk is the risk that changes in market prices will affect the fair value of the financial instrument. The fair value of the quoted investments is determined by the unadjusted last sale price quoted on the Australian Securities Exchange at the measurement date.

HCF is exposed to market risk through the movement of the security prices of the companies and trusts in which it is invested.

The market value of individual companies fluctuates daily and the fair value of the portfolio changes continuously, with this change in the fair value recognised through the profit & loss statement.

Investment manager continuously monitors the performance of the companies within its portfolio and reports this to the Board at each Board Meeting.

Due to HCF's strategy of investing in microcapitalisation companies, there is liquidity risk in our portfolio holdings. As such, some of the holdings in the portfolio may take more than 30 days to sell on market. We believe that no liquidity discount to the market value of our shareholdings is required given there are three strategies we have historically used for liquidity outside of selling on the market: (i) selling our shareholding in a block trade; (ii) selling our shares in a company buyback; (ii) selling our shares in a company takeover.

Interest rate risk

The Company's interest-bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing level of market interest rates. As the Company's exposure to interest rate risk is not significant, interest rate sensitivities have not been performed.

20. CONTINGENT LIABILITIES

In the opinion of the Directors, the Company did not have any contingent liabilities at 30 June 2025.

21. RELATED PARTIES

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

In its capacity as Investment Manager, the Manager is entitled to be paid a management fee equal to 1.0% (plus GST) per annum of the value of the Company's Gross Portfolio Value. Gross Portfolio Value means, on any given date, the net asset value of the Company excluding any Performance Fee or Tax liabilities.

Management fees paid and payable to the Manager for the year ended, 30 June 2025, amounted to \$208,694. In addition, the Manager is entitled to be paid a performance fee equal to 20.0% (plus GST) of the amount by which the return of the Company exceeds a hurdle return of 5.0% per annum. The return of the Company means an amount expressed in dollars which is equal to the accumulated profit before tax of the Company since the Highwater Mark Date (the Highwater Mark Date is the end of the last period where a Performance Fee has been paid). Any Performance Fee accrues on the Performance Testing Date, which is each 31 December and each 30 June, and is payable within five business days. No performance fees were paid to the Manager for the year ended 30 June 2025 (2024: \$358,405). From the date of completion of the asset sale transaction on 17 April 2025, until the date on which HCF has at least \$1 million in net assets, HGIM is not required to provide services under the management agreement and no fees payable to the manager.

Nicholas Atkinson, who was the Portfolio Manager of the Company, was also an executive of Hancock & Gore, an executive director of the Investment Manager during the 2025 financial year. Nick resigned as the Portfolio Manager of HCF and as an executive director of Hancock & Gore with effect from 30 June 2025. Nick has a relevant interest in 11,600,000 shares in Hancock & Gore. Nick was eligible to receive short term incentive, long term incentive and Hancock & Gore performance rights, which were subject to various performance hurdles based on the performance of Hancock & Gore. By virtue of this interest, Nicholas Atkinson indirectly benefited from the Management Fee and Performance Fee being payable to the Manager (which is a wholly owned subsidiary of Hancock & Gore) in accordance with the Management Agreement. Nicholas Atkinson does not control Hancock & Gore or the Investment Manager.

David Groves has a relevant interest in 378,077 shares in Hancock & Gore. By virtue of this interest, David Groves indirectly benefited from the Management Fee and Performance Fee being payable to the Manager (which is a wholly owned subsidiary of Hancock & Gore) in accordance with the Management Agreement. David Groves does not control Hancock & Gore or the Investment Manager. David resigned as chairman and non-executive director of HCF with effect from 30 April 2025.

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21. RELATED PARTIES (CONTINUED)

On 17 April 2025, the Company completed the sale of substantially all its investments to Hancock & Gore (HNG) in consideration for the buy-back and cancellation of all HCF shares held by HNG (which represented 20.4% of HCF's issued capital) and was issued 63,688,260 HNG shares at an issue price of \$0.30 per share. Shareholder approval for the asset sale transaction was obtained at an Extraordinary General Meeting held on 11 April 2025. Following completion of the asset sale, on 30 April 2025, HCF distributed the HNG shares received as consideration to its shareholders on a pro rata basis by way of a return of capital. Refer to Note 4 of the financial statements for further details on this transaction.

HNG is the 100% owner of the investment Manager, H&G Investment Management Limited and was a significant shareholder of HCF for majority of the financial year. Accordingly, the asset transfer is disclosed as a related party transaction.

<i>Particulars</i>	<i>Amount/Description</i>
Purchaser	Hancock & Gore Limited
Nature of transaction	Transfer of substantially all investment assets of HCF
Consideration structure	HNG scrip and buyback and cancellation of HCF shares held by HNG.
Consideration	63,688,260 fully paid ordinary shares in HNG and cancellation of 4,974,756 HCF shares
Value of consideration	\$19,976,491
Fair value of HCF's assets exchanged	Listed equity valued at \$15,784,798 and cash of \$3,433,734
Method of distribution	In-specie distribution by HNG shares to HCF shareholders (excluding HNG)
Completion date	17 April 2025

The Board considers that the transaction was conducted on arm's length terms and was approved by shareholders at a General Meeting held on 11 April 2025.

22. AUDITORS REMUNERATION

	30 June 2025	30 June 2024
	\$	\$
<i>Auditors of the Company UHY Haines Norton:</i>		
Year-end audit and half-year review of the financial statements	40,600	55,500
<i>Related Practices of the Auditor:</i>		
Other services- Tax services	-	5,800
	40,600	61,300

23. Key Management Personnel Compensation

	30 June 2025	30 June 2024
	\$	\$
Short-term employee benefits	61,906	51,683
Superannuation	4,856	2,307
	66,762	53,990

24. RECONCILIATION OF PROFIT AFTER TAX TO NET CASH FROM OPERATING ACTIVITIES

	30 June 2025	30 June 2024
	\$	\$
(Loss)/profit after income tax expense for the year	(2,875,335)	1,299,886
<i>Adjustments for</i>		
Net (gain)/loss on disposal of investments	3,710,602	(1,425,314)
Net gain on revaluation of investments	-	(218,851)
<i>Change in operating assets and liabilities</i>		
(Decrease) in trade and other payables	(214,031)	(95,708)
(Decrease) in deferred tax liabilities	(792,526)	(637,299)
Decrease in deferred tax assets	16,926	9,402
Decrease (Increase) in receivables	141,621	(93,486)
(Decrease) Increase in tax liabilities	(1,016,256)	665,359
Net cash from operating activities	(1,028,999)	(496,011)

25. EVENTS OCCURRING AFTER THE REPORTING DATE

The financial report was authorised for issue on 27 August 2025 by the Board of Directors. No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Consolidated Entity Disclosure Statement

The Company has no subsidiaries as at the reporting date and is not required by Australian Accounting Standards to prepare consolidated financial statements. As a result, subsection 295(3A)(a) of the Corporations Act 2001 does not apply.

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Directors' Declaration

For the year ended 30 June 2025

The directors of the Company declare that:

- 1) The financial statements and notes, as set out on pages 11 to 31 and the remuneration report as set out on pages 8 to 9 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the year ended on that date
 - (c) the consolidated entity disclosure statement on page 32 is true and correct.
- 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.

This declaration is made in accordance with a resolution of the Board of Directors.



Alexander Beard
Director

27 August 2025

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Independent Auditor's Report

To the Shareholders of H&G High Conviction Limited

Opinion

We have audited the financial report of H&G High Conviction Limited (the Company) which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of material accounting policies, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial report, which discloses the Company's ability to continue as a going concern. The matters described in Note 1 of the Financial Report, indicate a material uncertainty that may cast doubt on the Company's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

SIGNIFICANT RELATED PARTY TRANSACTION

Why a key audit matter

As disclosed in Note 21 of the financial report, the Company completed a transfer of substantially all of its investment assets to Hancock & Gore Limited (“HNG”) in exchange for shares in HNG. HNG is a related party of the Company.

This transaction significantly impacted the Company’s results in the period and was a related party transaction outside the ordinary course of business.

How our audit addressed the risk

Our procedures included, amongst others:

- ▶ Evaluated management’s accounting treatment against relevant accounting standard requirements
- ▶ Re-performed the accounting for the transaction and compared the result to management’s original calculation
- ▶ Verified that relevant board and shareholder approvals had been obtained prior to transaction completion
- ▶ Inspected the underlying contracts and agreements to determine whether they had an appropriate business rationale and were consistent with the accounting for the transaction under the relevant financial reporting framework
- ▶ Assessed the adequacy of disclosures in the financial report using the understanding obtained from our testing and against the requirements of the accounting standards.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement); and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 9 of the annual report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of H&G High Conviction Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Matthew Pope
Partner
Sydney
Dated 27 August 2025



UHY Haines Norton
Chartered Accountants

ASX Information

As at 30 June 2025

TOP 20 SHAREHOLDERS

Name	Number of shares	%
HANCOCK AND GORE LIMITED	1,830,209	9.43%
Fayrsted Pty Ltd	1,712,562	8.82%
DR IDA CONSTABLE	1,637,457	8.44%
MR ALEXANDER DAMIEN BEARD + MRS PASCALE MARIE BEARD	1,012,194	5.22%
CITICORP NOMINEES PTY LIMITED	874,924	4.51%
DONUS AUSTRALIA FOUNDATION LIMITED	852,524	4.39%
GRETTA NOMINEES PTY LTD	758,853	3.91%
Jennifer Ann Hershon	742,435	3.83%
MOORGATE INVESTMENTS PTY LTD	571,082	2.94%
MR JAMIE PHEROUS	551,188	2.84%
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	523,035	2.70%
SHARESIES AUSTRALIA NOMINEE PTY LIMITED	514,627	2.65%
BLACKWOOD SUPER FUND PTY LIMITED	508,698	2.62%
TOTEM HOLDINGS PTY LTD	485,861	2.50%
MARANHAO 2 PTY LTD	480,770	2.48%
MR GABRIEL GOVINDA	414,636	2.14%
LOTUS RESEARCH PTY LTD	399,990	2.06%
MR VIJAY MOHANBHAI DOBARIYA	397,402	2.05%
CANNINGTON CORPORATION PTY LIMITED	315,352	1.62%
MR HOANG ANH NGUYEN	300,000	1.55%
Total	14,883,799	76.70%
Total shares on issue	19,406,487	100%

On 30 June 2025, there were 231 holders of ordinary shares in the capital of HCF. Holders of ordinary shares are entitled to one vote per share.

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Substantial Shareholders

Name	Number of shares	%
Hancock & Gore Limited	1,830,209	9.43%
Fayrsted Pty Ltd (Cooper Superannuation Fund)	1,712,562	8.82%
DR IDA CONSTABLE	1,637,457	8.44%
Regal Funds Management Pty Ltd and its associates	1,175,122	6.06%
MR ALEXANDER DAMIEN BEARD + MRS PASCALE MARIE BEARD	1,012,194	5.22%

Distribution of equity securities

Number of shares held	Number of shareholders
1-1,000	16
1,001-5,000	80
5,001-10,000	25
10,001-100,000	81
100,001 and over	29

The number of holders of less than a marketable parcel of \$500 (17,857 shares) is 146.

Other Information

HCF is taxed as a public company.

The total number of transactions in securities undertaken by HCF was 381 and the brokerage paid or accrued was \$98,966.

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Corporate Directory

DIRECTORS

Alexander (Sandy) Beard (Chairman) – appointed 30 April 2025

Angus Murnaghan (Non-executive director) – appointed 30 April 2025

David Groves (Non-executive Chairman) – resigned 30 April 2025

Nicholas (Nick) Atkinson (Director)

Dennison Hambling (Non-executive Director) – resigned 30 April 2025

MANAGEMENT

H&G Investment Management Limited

Level 11, 68 Pitt Street

Sydney NSW 2000

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 11, 68 Pitt Street

Sydney NSW 2000

Phone: +61 (02) 8267 4660

Email: info@hng.com.au

Website: www.hancockandgore.com.au

COUNTRY OF INCORPORATION

Australia

SHARE REGISTRY

Registry Direct

PO Box 572

Sandringham VIC 3191

Phone: 1300 556 635 or

+61 3 9909 9909 (outside Australia)

Email: registry@registrydirect.com.au

AUSTRALIAN SECURITIES EXCHANGE LISTING

H&G High Conviction Limited (ASX: HCF)

AUDITOR

UHY Haines Norton Sydney

Level 9, 1 York Street

Sydney NSW 2000

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