



**Chairman's Report**  
**General Update**  
**AGM – 21<sup>st</sup> October 2022**

**Parkhurst Town Centre**

AHC owns the very successful Parkhurst Town Centre, a great growth asset that did cost considerable money to build, including the soon-to-open KFC drive-thru restaurant. AHC must fund this with our cash income and debt. The Woolworths store is now in turnover rent, with turnover now at \$48 million. This is a great success in Rockhampton north. The whole of Rockhampton north is booming partly due to the area being flood-free unlike Rockhampton south which is flood prone. The Parkhurst Town Centre has increased in value, and it is a great growth asset that we are proud of.

**Dundowran Industrial Estate**

The Dundowran Industrial Estate has proved the cynics wrong, including local agents who predicted maybe two (2) sales per year. Every block we have developed is selling or under contract. The truth is, we are having trouble getting blocks developed quickly enough to meet demand. The estate is the closest industrial estate to Boat Harbour Drive, which is the beating heart of Hervey Bay. The estate is connected to Urraween Road, which is a link road to Maryborough, Hervey Bay Hospital and soon the new Hervey Bay Airport link. Rod has been able to gradually increase the price of new blocks as they are developed. This estate is now the prime industrial land in Hervey Bay given the old Maryborough Road estate is sold out. As we have previously raised in meetings, this asset has needed cash to achieve growth. This very contentious link road, built at great expense, will be the catalyst for this very profitable venture over the coming years.

This is a growth asset that we are especially proud of because it is proving to be a great investment. To get this land developed has come at a cost and this money again had to come from debt and company cash flow. This is the cost of growth in the long term.

**Howard**

Good Life Over 50's Resort is in the township of Howard but importantly is in the Burrum District which gives the resort some 'wow' factor. The Directors went into this only after extensive research and more importantly very hard work. Rod and his small team are working 7 days a week to get this up and running. Remember that there is a building cost blow out that has sent much bigger developers than ours to the wall. AHC Directors have carefully managed debt and cash to keep banks happy, a juggling dealing with nervous bank lenders. This is an asset that many cannot get into as it is very

expensive to get the first RV resort going with the need to build infrastructure up front like Community Centres, swimming pools and the like. The Directors were able to source a block of land during a previous downturn (Global Financial Crisis) for a fraction of its market value today. We are proud of this astute purchase that is probably the only reason we could attempt an over 50's RV resort. This venture was ambitious, but we believe will be a huge success area of growth for AHC and its shareholders.

I, as Chairman, can tell you that AHC is focused on growth in all our business ventures.

AHC will pay dividends when the Directors are sure that any cash paid out will not adversely impact our Board's focus on growth.

We don't have a fixation on dividends. Having said that, we are very aware of the great tax benefits of franking credits and especially in the tax breaks in self-managed superannuation industry.

So, our focus is on growth for AHC assets and to not leave the Company struggling for cash flow that may restrict growth and loss of faith in our bankers.

Rod is working 7 days a week and driving to Hervey Bay every week. He is doing this so he can get AHC growth to a point where a dividend can be paid on a regular basis without dividends impacting on the growth of its core assets.

A handwritten signature in black ink, appearing to read 'Ian MacLeod', written in a cursive style.

Ian MacLeod  
AHC Chairman