

EAST 72 HOLDINGS LIMITED

ACN 099 912 044



INTERIM FINANCIAL STATEMENTS

**for the half year ended
31 December 2016**

CONTENTS

Directors' Report	2
Auditor's Independence Declaration	4

Financial Statements

Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to Financial Statements	9
Directors' Declaration	17
Independent Auditor's Report	18

In these Interim Financial Statements Report a reference to "Group", "we", "us" "E72" or "our" is a reference to East 72 Holdings Limited ABN 85 099 912 044 and the entity that it controls unless otherwise stated.

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2016.

Directors

The names of directors who held office during or since the end of the half-year:

Wayne Adsett
Richard Charles Ochojski
Andrew John Brown

Principal Activities

During the financial half-year, the principal activities of the consolidated entity consisted of investment in listed corporations, contracts for difference, other derivatives and other financial assets.

Review of Operations

East 72 Holdings Limited (**E72**) posted a profit after provision for income tax of \$124,410 for the period compared to a loss of \$24,161 in the comparative period. As a result of the profit and raising of new equity capital, net tangible asset backing per share increased from 22.0c per share at 30 June 2016 to 32.1c per share at 31 December 2016.

A full review of the Company's activities during the latest quarter and half year to 31 December 2016 was lodged with National Stock Exchange of Australia on 9 January 2017.

Significant Changes in the State of Affairs

On 17 August 2016, the Company placed 217,414 new shares to sophisticated investors at a price of \$0.35 per share. On 6 December 2016, the Company placed 333,000 new shares to sophisticated investors at a price of \$0.35 per share as approved by General Meeting held on 29 November 2016. On 8 December 2016, the Company placed a further 300,000 new shares to sophisticated investors at a price of \$0.35 per share.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's Declaration

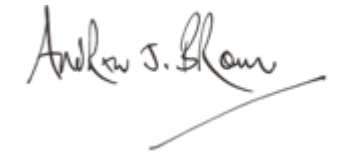
The auditor's independence declaration is set out on page 4 for the half year ended 31 December 2016.

The report is made in accordance with a resolution of the Board of Directors pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed on behalf of the Directors:



Richard Ochojski
Director



Andrew Brown
Director

Dated: 21 February 2017



**East 72 Holdings Limited
ACN: 099 912 044**

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2016, there have been:

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

PKF
Chartered Accountants

Newcastle, NSW

Dated: 21 February 2017

MARTIN MATTHEWS
Partner

PKF(NS) Audit & Assurance Limited
Partnership
ABN 91 850 861 839

Liability limited by a scheme
approved under Professional
Standards Legislation

Sydney
Level 8, 1 O'Connell Street
Sydney NSW 2000 Australia
GPO Box 5446 Sydney NSW 2001

p +61 2 8346 6000
f +61 2 8346 6099

Newcastle
755 Hunter Street
Newcastle West NSW 2302 Australia
PO Box 2368 Dangar NSW 2309

p +61 2 4962 2688
f +61 2 4962 3245

PKF(NS) Audit & Assurance Limited Partnership is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.
For office locations visit www.pkf.com.au

4

Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2016

Continuing Operations	Note	31 Dec 2016 \$	31 Dec 2015 \$
Revenue	2	210,927	-
Other expenses	3	(45,876)	(24,161)
Finance costs	4	(19,931)	-
Profit/(loss) before income tax		145,120	(24,161)
Income tax expense		(20,710)	-
Profit/(loss) after income tax for the half-year		124,410	(24,161)
Other comprehensive income for the half year, net of tax		-	-
Total comprehensive income attributable to members of East 72 Holdings Limited		124,410	(24,161)
Basic earnings/(loss) per share (cents per share)		7.3c	(14.5c)
Diluted earnings/(loss) per share (cents per share)		7.3c	(14.5c)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached notes.

Statement of Financial Position

As at 31 December 2016

	Note	Economic Entity	
		31 Dec 2016	30 June 2016
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	37,880	54,135
Trade and other receivables		-	681
Prepayments		4,812	-
Financial assets	7	2,244,041	712,021
TOTAL CURRENT ASSETS		2,286,733	766,837
TOTAL ASSETS		2,286,733	766,837
CURRENT LIABILITIES			
Financial liabilities – derivative securities sold short for future repurchase	10	1,386,644	395,232
Financial liabilities – margin loan	6	128,478	-
Trade creditors		4,106	43,946
Accruals		9,348	8,250
Provision for income tax		20,710	-
TOTAL CURRENT LIABILITIES		1,549,286	447,428
TOTAL LIABILITIES		1,549,286	447,428
NET ASSETS		737,447	319,409
EQUITY			
Issued capital	13	925,378	631,750
Reserves – share based payments		43,280	43,280
Accumulated losses		(231,211)	(355,621)
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF EAST 72 HOLDINGS LIMITED		737,447	319,409

The Statement of Financial Position is to be read in conjunction with the attached notes.

Statement of Changes in Equity

For the half year ended 31 December 2016

	Issued Capital \$	Share based payments \$	Accumulated Losses \$	Total Equity \$
At 30 June 2015	182,700	-	(244,550)	(61,850)
Total comprehensive income for the period	-	-	(24,161)	(24,161)
At 31 December 2015	182,700	-	(268,711)	(86,011)
Total comprehensive income for the period	-	-	(86,910)	(86,910)
Share based payments	-	43,280	-	43,280
Issue of equity (net of issuance costs)	449,050	-	-	449,050
At 30 June 2016	631,750	43,280	(355,621)	319,409
Total comprehensive income for the period	-	-	124,410	124,410
Issue of equity (net of issuance costs)	293,628	-	-	293,628
At 31 December 2016	925,378	43,280	(231,211)	737,447

The Statement of Changes in Equity is to be read in conjunction with the attached notes.

Statement of Cash Flows
For the half year ended 31 December 2016

	Note	Economic Entity	
		31 Dec 2016	31 Dec 2015
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(28,348)	-
Purchases of equity investments		(507,435)	-
Proceeds from sale of equity investments		138,324	-
Net investment in derivatives account [†]		(43,000)	-
Dividends received from equity investments		1,589	-
Finance costs paid		(2,065)	-
Net cash used in operating activities		(440,935)	-
Cash flows from investing activities			
Net cash used in investing activities		-	-
Cash flows from financing activities			
Proceeds from equity issuance		297,645	-
Cost of equity issuance		(1,443)	-
Net cash provided by financing activities		296,202	-
Net decrease in cash		(144,733)	-
Cash at beginning of period		54,135	-
Cash at end of period	6	(90,598)	-

† Dividends earned, dividends paid away, interest costs, fees, charges and commissions related to investments in derivatives are capitalised to the derivatives account.

The Statement of Cash Flows is to be read in conjunction with the attached notes.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial report was approved by the Board of Directors on 21 February 2017.

This interim consolidated financial report has been prepared in accordance with Accounting Standard AASB 134 and is to be read in conjunction with the annual financial report for the financial year ended 30 June 2016 ("**2016 Annual Report**"). The 2016 Annual Report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and the Corporations Act 2001, as appropriate for for-profit oriented entities.

The half yearly report does not include full disclosures of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the economic entity as the full financial report. Accordingly, it is recommended that this financial report be read in conjunction with the 2016 Annual Report and any public announcements made by East 72 Holdings Limited ("**E72**") during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The same accounting policies have been followed as those applied and discussed in the 2016 Annual Report.

Economic Entity	
31 Dec 2016	31 Dec 2015
\$	\$

NOTE 2: REVENUES

Revenues are comprised as follows:

Profit from sale of derivative instruments	48,535	-
Profit from sale of equity investments (a)	16,405	-
Interest revenue	29	-
Dividend income	10,432	-
Change in fair value of derivative instruments retained	91,814	-
Change in fair value of equity investments retained	43,712	-
Total revenues	210,927	-

(a) Net gain from sale of equity investments is composed of:

Proceeds of sale of equity investments	138,324	-
Cost of sales of equity investments	(121,919)	-
Net gain from sale of equity investments	16,405	-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Economic Entity	
	31 Dec 2016	31 Dec 2015
	\$	\$

NOTE 3: EXPENSES

Expenses excluding finance costs are comprised as follows:

Dividends paid away on derivative instruments	7,502	-
Fees, charges and commissions on derivative positions	4,589	-
Directors fees and costs	-	-
Loss on sale of derivative instruments	9,831	-
Other expenses	23,954	24,161
Total expenses excluding finance costs	45,876	24,161

NOTE 4: FINANCE COSTS

Cost of finance attributable to derivative instruments	17,866	-
Cost of finance attributable to loans from other entities	2,065	-
Total finance costs	19,931	-

At 30 June 2016 and 31 December 2016, E72 had an undrawn line of credit facility of up to \$500,000 with Andrew Brown, a Director of the Company, with an expiry date of 30 June 2017.

At 30 June 2016 and 31 December 2016, a controlled entity, East 72 Investments Pty. Limited (**E72IPL**) had a margin lending facility with a subsidiary of an Australian banking institution of up to \$175,000. This facility grants the bank a mortgage charge against the Australian equity investments held by the Company, and is guaranteed by Andrew Brown, the sole Director of E72IPL and a Director of the Company.

NOTE 5: DIVIDENDS PAID OR PROPOSED

Declared and paid during the period

Total dividends paid	-	-
----------------------	---	---

Proposed and not recognised as a liability (fully franked at 30%)

Interim franked dividend for period to 31 December 2016: nil (30 June 2016: nil)	-	-
---	---	---

The current balance of the franking account, prior to accounting for any taxation paid in relation to the result for the latest period or payment of the proposed interim dividend is \$245,863.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Economic Entity
31 Dec 2016 **30 June 2016**
\$ **\$**

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand and at bank	24,412	39,970
Cash in broking accounts	13,468	-
Net cash & cash equivalents as per statement of financial position	37,880	39,970
Margin lending account balance	(128,478)	14,165
Net cash and cash equivalents as per statement of cash flows	(90,598)	54,135

NOTE 7: FINANCIAL ASSETS**Fair value through profit and loss:**

Listed investments at fair value		
– shares in listed corporations (note 8)	587,800	199,243
Derivative securities held at fair value (notes 9 and 12)	1,356,365	512,778
Net assets in derivative account (note 12)	299,876	-
TOTAL	2,244,041	712,021

NOTE 8: FINANCIAL ASSETS – SHARES IN LISTED CORPORATIONS

The Economic Entity's shares in listed corporations comprise the following interests:

Company	Industry	Value	Value
Alterra Limited	Agricultural development	10,500	-
Ansell Limited	Healthcare/protection	-	23,696
Associated Capital Group Inc	Investment	36,495	-
Cabcharge Limited	Taxi management systems	-	31,900
Ellerston Asian Investments	Investment company	52,200	-
Greencross Limited	Pet retail & veterinary	-	27,040
Henderson Group PLC	Funds management	-	14,995
Matrix Composites Limited	Floation technology	21,549	14,067
McGrath Holdings Ltd	Real estate broking	15,910	-
Medical Australia Limited	Medical device distribution	18,400	-
News Corporation	Media conglomerate	16,760	-
Nine Entertainment Group Ltd	Broadcast media	34,639	-
Pacific Current Group Ltd	Investment management holdings	29,470	-
PM Capital Global Opportunities	Investment company	50,546	-
Prime Financial Group Limited	Wealth management & planning	20,503	26,086
Scottish Pacific Group Limited	Non-bank lending	39,750	-
Shriro Group Limited	Consumer product distribution	-	12,037
Spotless Group Limited	Catering, laundry & services	24,750	-
Simonds Group Limited	Housebuilding	35,100	-
Treasure ASA	Investment	40,238	-
Vealls Limited (capital shares)	Investment	77,000	23,250
Webster Limited	Agribusiness, water	32,185	26,172
Wilh. Wilhelmsen Holding	Shipping holding co.	31,805	-
		587,800	199,243

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Economic Entity	
31 Dec 2016	30 June 2016
\$	\$

NOTE 9: FINANCIAL ASSETS – DERIVATIVE SECURITIES HELD

The Economic Entity's derivative securities held comprise the following long exposures held through contracts for difference at fair value:

Company	Industry	Value	Value
AerCap Holdings BV	Aircraft leasing	40,449	31,288
Akorn Inc	Generic pharmaceuticals	36,378	-
American Express Inc	Consumer credit	66,868	52,170
AMP Limited	Financial services	50,400	-
ASTM SpA	Motorways & construction	50,691	-
Autoliv (SE)	Motor vehicle safety systems	31,381	-
Banco Sabadell SA	Banking	19,328	-
Bank of America	Banking	15,345	-
Barclays PLC	Banking	34,465	19,967
British Empire Securities	Investment trust	21,782	-
Credit Suisse Group	Financial services	27,882	-
Dell Inc	VM Ware tracker stock	53,436	-
EasyJet PLC	Airline	17,224	-
EuroStoxx 50 index	European large cap index	-	33,713
Exor SpA	Holding company/reinsurance	35,926	28,950
Fiat Chrysler	Automotive	50,643	-
Fairfax Media	Newspaper & digital content,	35,600	-
Fairpoint Communications Inc	Network ownership	-	19,376
Fortress Investment Group	Investment management	67,491	26,640
Grand City Properties	Residential real estate	35,368	-
Greenlight Capital Re	Reinsurance	47,493	26,332
HRG Group	Holding company	36,734	21,539
Henderson Group	Funds management	50,125	37,800
Hornbach Baumarkt	Hardware retail	-	23,471
IG Group Holdings PLC	CFD & derivative supplier	25,404	-
ING Groep	Banking	33,210	22,907
KKR and Co LP	Private equity	34,195	26,868
Liberty Global C (LBTYC)	European cable ownership	-	25,529
Liberty LiLAC	Caribbean/Sth America cable	-	3,573
Lloyds Banking Group	Banking	32,139	16,072
Madison Square Garden Co	Venue/team ownership	23,818	-
Man Group PLC	Alternative inv. management	-	16,313
AP Moller Maersk	Shipping & oil services	66,464	-
News Corporation	Media conglomerate	16,387	-
NOS SGPS	Cable and telephony networks	28,833	-
Pershing Square Holdings	Hedge fund investment co.	60,575	-
Shire PLC	Pharmaceuticals	32,110	-
SMI 20 index	Swiss equity index	-	43,579
St James Place PLC	Wealth management	-	14,212
Tanker Investments Ltd	Oil tanker ownership	28,913	-
Twitter Inc.	Social media	33,912	-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Economic Entity
31 Dec 2016 **30 June 2016**
\$ **\$**

NOTE 9: FINANCIAL ASSETS – DERIVATIVE SECURITIES HELD (continued)

Company	Industry	Value	Value
Virgin Australia Holdings	Airline	23,500	-
Wells Fargo	Banking	42,100	-
WPP PLC	Advertising & marketing	49,796	22,479
		1,356,365	512,778

NOTE 10: FINANCIAL LIABILITIES - DERIVATIVE SECURITIES SOLD SHORT FOR FUTURE PURCHASE

Derivative securities sold short for future purchase at fair value (note 11, 12)	1,386,644	249,835
Derivative account liabilities (note 12)	-	145,397
	1,386,644	395,232

NOTE 11. FINANCIAL LIABILITIES – DERIVATIVE SECURITIES SOLD SHORT FOR FUTURE PURCHASE

The Economic Entity's derivative securities sold short comprise the following short exposures held through contracts for difference at fair value:

Company	Industry	Value	Value
Amazon Inc	Online/cloud supply chain	-	67,495
Apple Inc	Consumer electronics	64,297	50,780
Blue Sky Alternative Investments	Alternative investment manager	32,200	-
Caterpillar Inc	Machinery manufacture	45,076	-
Corporate Travel Management	Travel services	37,009	-
EuroStoxx 50 index	European large cap index	86,094	-
Hanesbrands Inc	Apparel	22,485	-
Hormel Foods	SPAM & other processed foods	24,170	-
Lululemon Athletica	Designer spandex	36,101	31,332
Marubeni Corp	Conglomerate	23,217	17,859
McCormick & Co	Spices, foods	19,441	-
Myer Holdings	Department store retailing	34,500	-
NASDAQ 100 index	US equity index	68,102	-
Perpetual Limited	Wealth management	24,380	-
Pioneer Natural Resources	Oil and gas producer	37,509	30,603
S&P/ASX 200 index	Australian equity index	333,621	-
S&P500 index	US equity index	223,824	51,766
Simon Property Group	Shopping mall REIT	24,673	-
SS&C Technologies	Investment management software	19,858	-
Wall Street index	Dow Jones Industrial Av. derivative	197,639	-
WD-40 Company	Lubricant	32,468	-
		1,386,644	249,835

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Economic Entity	
31 Dec 2016	30 June 2016
\$	\$

NOTE 12: DERIVATIVE ACCOUNT COMPOSITION

Andrew Brown, a Director of the Company, is the guarantor of E72IPL's derivative trading account. Derivative account liabilities arise from the composition of the derivative trading account at any given time, and are limited only by the composition of security exposures held or sold short, gearing capacity on individual exposures, and margin available within the account. The derivative account composition at the reporting dates was:

Derivative securities – long exposure (notes 7 & 9)	1,356,365	512,778
Derivative securities – sold short exposure (notes 10 & 11)	(1,386,644)	(249,835)
Net exposure to derivative account	(30,279)	262,943
Funded by:		
Equity within derivative account	269,597	117,546
Derivative account borrowings (note 10)	-	145,397
Derivative account assets (note 7)	(299,876)	-
	(30,279)	262,943

NOTE 13. EQUITY – ISSUED CAPITAL

	31 Dec 2016	30 June 2016
	\$	\$
2,300,000 fully paid authorised ordinary shares (30 June 2016: 1,449,566)	925,378	631,750

MOVEMENT IN ISSUED SHARES OF THE PARENT ENTITY FOR THE PERIOD

Date	Details	Number of shares	\$
30 June 2016	Opening balance	1,449,566	631,750
17 August 2016	Placement at \$0.35/share	217,414	76,095
6 December 2016	Placement at \$0.35/share	333,000	116,550
8 December 2016	Placement at \$0.35/share	300,000	105,000
	Costs of equity issuance	-	(4,017)
31 December 2016	Closing balance	2,300,000	925,378

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned	
		31 Dec 2016	30 June 2016
Parent Entity:			
East 72 Holdings Limited	Australia	-	-
Controlled Entities of East 72 Holdings Limited:			
East 72 Investments Pty. Limited	Australia	100%	100%

NOTE 15. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the fair value measurement being:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

31 December 2016	Level 1 \$	Level 2 \$	Level 3 \$	TOTAL \$
Financial assets at fair value through profit or loss:				
Shares in other corporations	587,800	-	-	587,800
Long derivative exposures	-	1,356,365	-	1,356,365
Short derivative exposures	-	(1,386,644)	-	(1,386,644)
TOTAL	587,800	(30,279)	-	557,521
30 June 2016	Level 1 \$	Level 2 \$	Level 3 \$	TOTAL \$
Financial assets at fair value through profit or loss:				
Shares in other corporations	199,243	-	-	199,243
Long derivative exposures	-	512,778	-	512,778
Short derivative exposures	-	(249,835)	-	(249,835)
TOTAL	199,243	262,943	-	462,186

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16: SEGMENT INFORMATION

The Economic Entity operates in only one segment being investment.

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

The Company has convened an Extraordinary General Meeting to be held at 10.00am on 23rd February 2017 for the purpose of ratifying the placement of 300,000 shares at \$0.35 made on 8 December 2016, making a change to section 14.1 of the Company's Constitution, approving a proposed placement of up to 5,000,000 shares at \$0.35 to raise up to \$1,750,000 and approving a proposed placement to interests associated with Andrew Brown, a Director of E72, of 1,000,000 shares at \$0.35 to raise \$350,000.


DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



Andrew Brown
Executive Director

21 February 2017



Independent Review Report to the Members of East 72 Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying interim financial report of East 72 Holdings Limited and controlled entities (the 'Company') which comprises the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of East 72 Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PKF(NS) Audit & Assurance Limited
Partnership
ABN 91 850 861 839

Liability limited by a scheme
approved under Professional
Standards Legislation

Sydney
Level B, 1 O'Connell Street
Sydney NSW 2000 Australia
GPO Box 5446 Sydney NSW 2001
p +61 2 8346 6000
f +61 2 8346 6099

Newcastle
755 Hunter Street
Newcastle West NSW 2302 Australia
PO Box 2368 Dangar NSW 2309
p +61 2 4962 2688
f +61 2 4962 3245

PKF(NS) Audit & Assurance Limited Partnership is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm of firms.
For office locations visit www.pkf.com.au

18



Independent Review Report to the members of East 72 Holdings Limited

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of East 72 Holdings Limited is not in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The PKF logo is displayed in a stylized, black, handwritten-style font.

PKF
Chartered Accountants

Newcastle, NSW

Dated: 21 February 2017

A handwritten signature in black ink that reads "Matthews".

MARTIN MATTHEWS
Partner