

EAST 72 HOLDINGS LIMITED

ACN 099 912 044



**INTERIM
FINANCIAL STATEMENTS**

**for the half year ended
31 December 2018**

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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 entities that it controls (East 72 Investments Pty. Limited and Stiletto Investments Pty. Limited) unless otherwise stated.

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2018.

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 loss after provision for income tax of \$759,236 for the period compared to a loss of \$883,378 in the comparative period. As a result of the loss, net tangible asset backing per share decreased from 29.0c per share at 30 June 2018 to 26.2c per share at 31 December 2018.

A full review of the Company's activities during the latest quarter was lodged via Quarterly Report #10 with National Stock Exchange of Australia on 8 January 2019; the first quarter of the 2019 financial year's activities were covered in Quarterly Report #9 lodged with National Stock Exchange of Australia on 4 October 2018.

Significant Changes in the State of Affairs

On 18 July 2018, the Company placed 450,000 new shares to sophisticated investors at a price of \$0.30 per share. On 13 August 2018, the Company placed a further 1,832,000 new shares to sophisticated investors at a price of \$0.30 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 2018.

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: 18 February 2019

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 2018, there have been:

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



PKF



MARTIN MATTHEWS
PARTNER

18 FEBRUARY 2019
NEWCASTLE, NSW

Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2018

Continuing Operations	Note	31 Dec 2018 \$	31 Dec 2017 \$
Revenue	2	653,045	914,363
Other expenses	3	(1,605,159)	(2,051,333)
Finance costs	4	(137,297)	(154,312)
Loss/(profit) before income tax		(1,089,411)	(1,291,282)
Income tax benefit/(expense)		330,175	407,904
Loss/(profit) after income tax for the half-year		(759,236)	(883,378)
Other comprehensive income for the half year, net of tax		-	-
Total comprehensive income attributable to members of East 72 Holdings Limited		(759,236)	(883,378)
Basic (loss)/earnings per share (cents per share)		(4.1c)	(7.2c)
Diluted (loss)/earnings per share (cents per share)		(4.1c)	(7.2c)

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 2018

	Note	Economic Entity	
		31 Dec 2018	30 June 2018
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	<i>6</i>	863,268	1,135,481
Trade and other receivables		2,358	13,023
Prepayments		22,093	7,649
Financial assets	<i>7, 15, 16</i>	9,506,862	11,440,376
TOTAL CURRENT ASSETS		10,394,581	12,596,529
NON CURRENT ASSETS			
Deferred tax assets		556,927	296,374
TOTAL NON CURRENT ASSETS		556,927	296,374
TOTAL ASSETS		10,951,508	12,892,903
CURRENT LIABILITIES			
Financial liabilities – derivative securities sold short for future repurchase	<i>8, 17</i>	1,083,127	4,486,523
Financial liabilities – equity securities sold short for future repurchase	<i>8, 18</i>	214,334	319,272
Financial liabilities – derivative account liabilities	<i>9</i>	2,592,995	-
Financial liabilities – margin loan	<i>6</i>	780,321	1,362,593
Financial liabilities – foreign exchange broker loans	<i>6</i>	1,240,461	1,512,472
Trade creditors		12,390	5,465
Accruals		14,940	20,112
Provision for income tax		-	13,461
TOTAL CURRENT LIABILITIES		5,938,568	7,719,898
NON CURRENT LIABILITIES			
Deferred tax liabilities		-	77,475
TOTAL NON CURRENT LIABILITIES		-	77,475
TOTAL LIABILITIES		5,938,568	7,797,373
NET ASSETS		5,012,940	5,095,530
EQUITY			
Issued capital	<i>10</i>	6,551,795	5,875,149
Reserves – share based payments		43,280	43,280
Accumulated losses		(1,582,135)	(822,899)
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF EAST 72 HOLDINGS LIMITED		5,012,940	5,095,530

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 2018

	Issued Capital \$	Share based payments \$	Accumulated Losses \$	Total Equity \$
At 31 December 2016	925,378	43,280	(231,211)	737,447
Total comprehensive income for the period	-	-	73,027	73,027
Issue of equity (net of issuance costs)	2,359,446	-	-	2,359,446
At 30 June 2017	3,284,824	43,280	(158,184)	3,169,920
Total comprehensive income for the period	-	-	(883,378)	(883,378)
Issue of equity (net of issuance costs)	2,173,754	-	-	2,173,754
Cancellation of equity	(136,682)	-	-	(136,682)
At 31 December 2017	5,321,896	43,280	(1,041,562)	4,323,614
Total comprehensive income for the period	-	-	218,663	218,663
Issue of equity (net of issuance costs)	553,253	-	-	553,253
At 30 June 2018	5,875,149	43,280	(822,899)	5,095,530
Total comprehensive income for the period	-	-	(759,236)	(759,236)
Issue of equity (net of issuance costs)	676,646	-	-	676,646
At 31 December 2018	6,551,795	43,280	(1,582,135)	5,012,940

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 2018

	Note	Economic Entity	
		31 Dec 2018	31 Dec 2017
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(87,098)	(82,236)
Purchases of equity investments		(2,410,778)	(1,844,404)
Proceeds from sale of equity investments		2,819,872	2,138,497
Net investment in derivatives account [†]		(366,500)	(1,274,102)
Dividends received from equity investments		71,865	58,328
Dividends paid away on short sale equity investments		(85)	(663)
Interest received		8,786	4,296
Finance costs paid		(60,766)	(22,704)
Foreign exchange movement		(48,618)	7,087
Tax paid		(20,455)	-
Net cash used in operating activities		(93,777)	(1,051,900)
Cash flows from investing activities			
Loans from related entities		-	105,000
Repayment of loans to related entities		-	(55,000)
Payment for business, net of cash acquired	13	-	(591,679)
Net cash used in investing activities		-	(541,679)
Cash flows from financing activities			
Proceeds from equity issuance		684,630	-
Cost of equity issuance		(8,783)	-
Net cash provided by financing activities		675,847	-
Net increase/(decrease) in cash		582,070	(1,557,579)
Cash at beginning of period		(1,739,584)	646,653
Cash at end of period	6	(1,157,514)	(910,926)

† 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 18 February 2019.

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 2018 ("**2018 Annual Report**"). The 2018 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 2018 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 2018 Annual Report, other than new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The main new Accounting Standards and Interpretations that became effective during the current reporting period are as follows:

AASB 9 Financial Instruments

The Group has adopted AASB 9 from 1 July 2018 which replaces AASB 139 Financial Instruments: Recognition and Measurement.

The standard introduced new classification and measurement models for financial assets. With respect to E72, financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). All of E72's financial assets and financial liabilities are classified and measured at fair value through profit and loss, and as a consequence, AASB 9 presents no material impact to the accounts prepared under AASB 139.

In accordance with the transitional provisions in AASB 9, comparatives have not been restated and no differences were required to be recognised to the opening balance of accumulated losses at 1 July 2018 as a result of the adoption of AASB 9. Consequently, no further disclosures have been included in this interim financial report.

AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 from 1 July 2018 which replaces AASB 118 which had no material impact on the Company's financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Economic Entity
31 Dec 2018 **31 Dec 2017**
\$ **\$**

NOTE 2: REVENUES

Revenues are comprised as follows:

Profit from sale of derivative instruments	347,697	542,214
Profit from sale of equity investments (a)	198,732	275,592
Interest revenue	8,880	4,554
Dividend income	97,736	71,537
Foreign exchange gains on loans	-	7,087
Gain on bargain purchase	-	13,300
Other	-	79
Total revenues	653,045	914,363

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

Proceeds of sale and short sales of equity investments	2,760,047	1,873,428
Cost of sales and short sales of equity investments	(2,561,315)	(1,597,836)
Net gain from sale of equity investments	198,732	275,592

NOTE 3: EXPENSES

Expenses excluding finance costs are comprised as follows:

Change in fair value of derivative instruments retained	143,130	858,197
Change in fair value of equity investments retained	902,154	11,926
Dividends paid away on derivative instruments	36,332	110,684
Dividends paid away on equities sold short	85	1,863
Fees, charges and commissions on derivative positions	16,490	16,364
Directors fees and costs	30,000	30,000
Loss on sale of derivative instruments	384,130	973,460
Other expenses	92,838	48,839
Total expenses excluding finance costs	1,605,159	2,051,333

NOTE 4: FINANCE COSTS

Cost of finance attributable to derivative instruments	76,531	131,608
Cost of finance attributable to loans from other entities	60,766	22,704
Total finance costs	137,297	154,312

At 31 December 2018, the two controlled entities of E72 had combined margin lending facilities with a subsidiary of an Australian banking institution of up to \$2,500,000 (2017: \$2,500,000). These facilities grant the bank a mortgage charge against the Australian equity investments held by the Company, and are guaranteed by Andrew Brown, the sole Director of the two controlled entities and a Director of the Company.

At 31 December 2017 only, the Company had an outstanding balance of \$50,000 in respect of a short term, nil interest bearing loan provided by Andrew Brown, repayable on demand. This loan was repaid on 7 February 2018.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Economic Entity	
	31 Dec 2018	30 June 2018
	\$	\$

NOTE 5: DIVIDENDS PAID OR PROPOSED

Declared and paid during the period

Total dividends paid	-	-
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Proposed and not recognised as a liability (fully franked at 30%)

Interim franked dividend for period to 31 December 2018: nil (30 June 2018: nil)	-	-
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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 \$404,607.

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand and at bank	15,761	4,635
Cash in broking accounts	847,507	1,130,846
Net cash & cash equivalents as per statement of financial position	863,268	1,135,481
Broking account foreign currency loans	(1,240,461)	(1,512,472)
Margin lending account balance	(780,321)	(1,362,593)
Net cash and cash equivalents as per statement of cash flows	(1,157,514)	(1,739,584)

NOTE 7: FINANCIAL ASSETS

Fair value through profit and loss:

Listed investments at fair value		
– shares in listed corporations (note 15)	5,227,826	6,429,382
Derivative securities held at fair value (notes 9 and 16)	4,279,036	2,343,808
Net assets in derivative account (note 9)	-	2,667,185
TOTAL	9,506,862	11,440,375

NOTE 8: FINANCIAL LIABILITIES – SECURITIES SOLD SHORT FOR FUTURE PURCHASE

Derivative securities sold short for future purchase at fair value (note 17)	1,083,127	4,486,523
Equity securities sold short for future purchase at fair value (note 18)	214,334	319,272
Net liabilities in derivative account (note 9)	2,592,995	-
	3,890,456	4,534,004

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Economic Entity	
	31 Dec 2018	30 June 2018
	\$	\$

NOTE 9: 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 & 16)	4,279,036	2,348,808
Derivative securities – sold short exposure (notes 8 & 17)	(1,083,127)	(4,486,523)
Net exposure to derivative account	3,195,909	(2,142,715)
Funded by:		
Equity within derivative account	602,914	524,470
Derivative account borrowings (note 8)	2,592,995	-
Derivative account assets (note 7)	-	(2,667,185)
	3,195,909	(2,142,715)

NOTE 10. EQUITY – ISSUED CAPITAL

19,150,000 fully paid authorised ordinary shares (30 June 2018: 16,867,900)	6,551,795	5,875,149
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MOVEMENT IN ISSUED SHARES OF THE PARENT ENTITY FOR THE PERIOD

Date	Details	Number of shares	\$
30 June 2018	Opening balance	16,867,900	5,875,149
18 July 2018	Placement at \$0.30/share	450,000	135,000
13 August 2018	Placement at \$0.30/share	1,832,100	549,630
	Costs of equity issuance	-	(7,984)
31 December 2018	Closing balance	19,150,000	6,551,795

NOTE 11. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned	
		31 Dec 2018	30 June 2018
Parent Entity:			
East 72 Holdings Limited	Australia	-	-
Controlled Entities of East 72 Holdings Limited:			
East 72 Investments Pty. Limited	Australia	100%	100%
Stiletto Investments Pty. Limited	Australia	100%	100%

NOTE 12: SEGMENT INFORMATION

The Economic Entity operates in only one segment being investment (listed securities and derivative and derivative financial assets).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13. 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 2018	Level 1 \$	Level 2 \$	Level 3 \$	TOTAL \$
Financial assets at fair value through profit or loss:				
Shares in other corporations	5,227,826	-	-	5,227,826
Shares in other corporations sold short	(214,334)	-	-	(214,334)
Long derivative exposures	-	4,279,036	-	4,279,036
Short derivative exposures	-	(1,083,127)	-	(1,083,127)
TOTAL	5,013,492	3,195,909	-	8,209,401
30 June 2018	Level 1 \$	Level 2 \$	Level 3 \$	TOTAL \$
Financial assets at fair value through profit or loss:				
Shares in other corporations	6,429,382	-	-	6,429,382
Shares in other corporations sold short	(319,272)	-	-	(319,272)
Long derivative exposures	-	2,343,808	-	2,343,808
Short derivative exposures	-	(4,486,523)	-	(4,486,523)
TOTAL	6,110,110	(2,142,715)	-	3,967,395

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

Economic Entity	
31 Dec 2018	30 June 2018
\$	\$

NOTE 14. FINANCIAL ASSETS – SHARES IN LISTED CORPORATIONS

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

Company	Industry	Value	Value
8IP Emerging Companies	Small company closed end LIC	164,625	130,200
A2B Limited	Personal transport systems	235,400	256,800
Adams Natural Resources Fund	Resource based closed end fund	32,706	-
Allergan	Pharmaceutical	-	45,053
ANZ Banking Group	Banking	-	56,480
Associated Capital Group	Investment/funds management	122,652	256,384
Australian Rural Capital	Agribusiness investment	312,543	336,982
Bank of Georgia PLC	Banking	37,385	-
Bollore	Conglomerate	68,315	-
Commonwealth Bank	Financial services	-	51,009
Consolidated Comms	Broadband provider	70,141	83,502
DHT Holdings	Oil tanker owner	-	95,055
Dreamscape Networks	Domain name sales & hosting	182,774	87,500
E-L Financial Corp	Financial services	69,282	75,839
Freedom Insurance Group	Run-off insurance trail	33,600	-
Fujitsu Frontech	Financial machines	-	36,762
Gowings Limited	Investment	221,000	173,400
Greenlight Capital Re	Reinsurance/hedge fund	110,152	-
IDT Australia	Pharmaceutical	-	240,120
Investsmart Group	Financial services	-	34,200
Janus Henderson Group PLC	Funds management	116,200	166,560
Jeffries Financial	Conglomerate	73,946	92,177
Joban Kaihatsu	Construction	79,132	45,221
Lancashire Holdings PLC	Reinsurance	-	50,553
Lend Lease Corporation	Property Development	87,225	-
McGrath Holdings	Real estate agency sales	209,450	150,000
Michael Hill International	Jewellery	-	116,400
Monash Absolute	Small company closed end LIC	178,750	205,000
Namoi Cotton Limited	Cotton ginning & related	216,677	280,800
National Aust Bank	Banking	-	59,206
News Corp	Media conglomerate	105,755	137,150
NZME Limited	NZ based media	111,600	149,150
Perpetual Limited	Wealth management & trustee	129,920	-
Pershing Square Holdings	Closed end global investment	156,169	167,680
PM Capital Global Opp Fund	Global equity closed end LIC	245,250	299,250
Prime Financial Group	Wealth management & planning	-	237,500
Prime Media Group	Regional media	118,250	145,000
Ramelius Resources	Gold mining	-	116,000
Rights and Issues Inv Trust PLC	Closed end UK investment trust	71,312	80,956
Sandstorm Gold	Mineral royalties	32,688	-
Schouw & Co	Conglomerate	42,315	-
Seven West Media	Australian media	-	231,000
Shire PLC	Pharmaceutical	-	98,868

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Economic Entity	
	31 Dec 2018	30 June 2018
	\$	\$

NOTE 14. FINANCIAL ASSETS – SHARES IN LISTED CORPORATIONS (continued)

Company	Industry	Value	Value
Treasure ASA	Investment	57,200	64,635
Twenty-First Century Fox	Media, films	102,485	-
vanEck Gold Miners ETF	Gold mining Investment	119,892	60,289
vanEck Junior Gold Miners ETF	Gold mining Investment	85,731	44,183
Virtu Financial	Market making	328,388	289,781
Vulcan International	Rubber products/investment	70,992	46,007
Watermark Global Leaders	Global equity closed end LIC	-	155,550
Webster Limited	Agribusiness, water	209,586	239,800
Wells Fargo	Financial services	108,150	142,327
Westaim	Insurance holding company	-	49,635
Westgold Resources	Gold & copper mining	132,000	249,750
Wm. Wilhelmsen Holding	Shipping based holding co.	74,189	67,618
Yellow Brick Road	Financial services franchisor	304,000	232,050
TOTAL		5,227,826	6,429,382

NOTE 15. 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
AP Moller Maersk	Shipping	160,460	151,464
AerCap Holdings	Aircraft leasing	253,017	248,764
Alphabet Inc	Technology	294,082	-
AMP Limited	Financial Services	220,500	178,000
Bank of America	Financial Services	34,985	95,224
Barclays	Banking	136,217	121,327
Blackstone Group	Alternative Investments	169,303	-
Bollore	Conglomerate	-	75,419
CK Asset Holdings	Property/infrastructure	51,945	-
Credit Suisse Group	Financial services	62,401	-
Crude Oil (Brent)	commodity contract	64,992	-
DAX Index	German 20 stock index contract	159,723	-
Exor SpA	Holding company/reinsurance	326,703	291,276
Financiere de L'Odet	Intermediate holding co.	220,104	220,445
Flow Traders	ETF market making	90,566	-
Foxtons PLC	real estate agency	-	57,311
FTSE Index	UK 100 stock index contract	67,303	-
Goldman Sachs	Investment Banking	189,749	-
Greenlight Capital Re	Reinsurance	-	143,899
Hang Seng Index	HK 50nstock index contract	93,380	-
Hansa Trust PLC	Investment trust	-	113,580
ING Groep	Banking	137,752	122,522
KKR and Co LP	Alternative Investments	139,358	-
Lloyds Banking Group	Banking	126,692	151,779
Nikkei Index	Japanese 225 Stock Index	196,790	-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

		Economic Entity	
		31 Dec 2018	30 June 2018
		\$	\$
NOTE 15. FINANCIAL ASSETS – DERIVATIVE SECURITIES HELD (continued)			
Company	Industry	Value	Value
OneMarket Limited	Retail platform	28,500	-
Pact Group Holdings	Speciality packaging	190,850	-
Radisson Hospitality AB	Hotel management	-	108,427
Sandstorm Gold	Precious metal royalties	-	60,803
Sberbank of Russia	Banking	93,369	-
Seven West Media	Media	110,000	-
S&P/ASX 200 Index	Australian 200 Stock Index	393,505	-
S&P 500 Index	US 500 Stock Index	37,553	-
Third Point Offshore Investors	Closed end fund	79,512	-
Third Point Re	Reinsurance	-	33,779
Vornado Realty Trust	Real estate ownership	149,725	169,793
TOTAL		4,279,036	2,343,808

NOTE 16. 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	106,629	114,836
Afterpay Touch	Consumer credit	-	46,750
Apple	Consumer electronics	-	250,115
BHP Billiton	Diversified resources	119,805	118,685
Caterpillar	Capital equipment	-	128,319
Computershare	Registry & mortgage servs	-	27,645
Corporate Travel Management	Travel services	-	221,130
Equinix	Data Storage REIT	50,058	-
Macquarie Group	Financial services	108,650	105,103
NASDAQ 100 index	US equity index	63,259	845,700
Nine Entertainment	FTA television network	-	49,600
Ralph Lauren Corp	Designer fashion	44,069	50,961
S&P500 index	US equity index	-	1,931,534
S&P/ASX 200	Australian equity index	-	199,328
Shopify	Online shopping	-	49,281
Tesla Inc	Solar/electrical vehicles	590,657	347,536
TOTAL		1,083,127	4,486,523

NOTE 17. FINANCIAL LIABILITIES – LISTED SECURITIES SOLD SHORT FOR FUTURE PURCHASE

The Economic Entity, via stock borrowing arrangements, has sold short the following listed securities:

Company	Industry	Value	Value
Energous Corp	Battery technology	-	30,056
Herbalife	MLM for speciality products	-	145,170
Intelsat SA	LEO satellites/spectrum	51,630	38,268
Netflix Inc	Subscription entertainment	76,008	105,778
Smart & Final Stores	Retailing	33,650	-
World Wrestling Entertainment	Sports ownership rights	53,046	-
TOTAL		214,334	319,272

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 4 February 2019, the Company released its unaudited monthly portfolio report for January 2019, noting that the value of the investment portfolio had increased by 8.8% after expenses and before tax in the month.

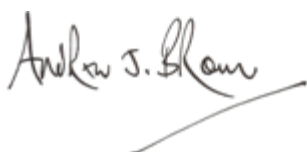
DIRECTORS' DECLARATION

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 2018 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

A handwritten signature in black ink that reads "Andrew J. Brown". The signature is written in a cursive style and is positioned above a horizontal line that extends to the right.

Andrew Brown
Executive Director

18 February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF EAST 72 HOLDINGS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of East 72 Holdings Limited (the "company") and its controlled entities (collectively the "consolidated entity"), which comprises the statement of financial position as at 31 December 2018, 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 statement of accounting policies, other selected explanatory notes, and the directors' declaration.

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:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year 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 the Australian Accounting Standards and the Corporations Regulations 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, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Australian 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.



PKF



MARTIN MATTHEWS
PARTNER

18 FEBRUARY 2019
NEWCASTLE, NSW