EASTERN HOLDINGS LIMITED

(Registration Number: 198105390C)

2016 FIRST HALF-YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

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1(a)(i) Consolidated Statements of Comprehensive Income

For the financial period ended 30 September 2015

	GROUP					
	2QFY 2016 $'000	2QFY 2015 $'000	Change %	1HFY 2016 $'000	1HFY 2015 $'000	Change %
Revenue	1,738	11,167	(84.4)	3,835	14,415	(73.4)
Cost of sales	(158)	(8,028)	(98.0)	(351)	(8,851)	(96.0)
Gross profit	1,580	3,139	(49.7)	3,484	5,564	(37.4)
Other income	814	372	118.7	1,608	953	68.7
Expenses:						
Selling and distribution	(74)	(103)	(27.8)	(154)	(176)	(12.5)
Administrative and others	(3,811)	(2,677)	42.4	(5,842)	(4,853)	20.4
Finance Costs	(11)	(5)	119.1	(17)	(9)	88.4
	(3,896)	(2,785)	39.9	(6,013)	(5,038)	19.3
(Loss)/profit before income tax	(1,502)	726	(306.9)	(921)	1,479	(162.3)
Income tax credit / (expense)	414	(317)	(230.7)	410	(371)	(210.6)
(Loss)/profit for the financial period	(1,088)	409	(366.0)	(511)	1,108	(146.1)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Financial assets, available-for-sale:						
- Fair value (loss)/gain	(1,319)	441	(399.1)	(1,000)	788	(226.9)
- Transfer to profit or loss	(228)	(14)	N.M	(792)	(221)	258.4
Exchange differences on translating foreign operations	184	(251)	(173.3)	53	172	(69.2)
Other comprehensive income for the financial period	(1,363)	176	(874.4)	(1,739)	739	(335.3)
Total comprehensive income for the financial period	(2,451)	585	(518.9)	(2,250)	1,847	(221.8)
(Loss)/profit attributable to:						
Owners of the parent	(1,088)	409	(366.0)	(511)	1,108	(146.1)
Total comprehensive income attributable to:						
Owners of the parent	(2,451)	585	(518.9)	(2,250)	1,847	(221.8)

NM = Not meaningful; and 2QFY = second quarter, 1HFY = first half year.

1(a)(ii) Explanatory Notes to the Consolidated Statements of Comprehensive Income

For the financial period ended 30 September 2015

	GROUP					
	2QFY 2016 $'000	2QFY 2015 $'000	Change %	1HFY 2016 $'000	1HFY 2015 $'000	Change %
Revenue						
Publishing	1,104	1,228	(10.1)	2,427	3,682	(34.1)
Sales and rental of properties	634	9,939	(93.6)	1,408	10,733	(86.9)
Total revenue	1,738	11,167	(84.4)	3,835	14,415	(73.4)
Cost of sales						
Publishing	(158)	(271)	(41.6)	(351)	(934)	(62.4)
Sales and rental of properties	-	(7,757)	NM	-	(7,917)	NM
Total cost of sales	(158)	(8,028)	(98.0)	(351)	(8,851)	(96.0)
Gross profit						
Publishing	946	957	(1.1)	2,076	2,748	(24.4)
Sales and rental of properties	634	2,182	(70.9)	1,408	2,816	(50.0)
Total gross profit	1,580	3,139	(49.7)	3,484	5,564	(37.4)

1(a)(ii) Explanatory Notes to the Consolidated Statements of Comprehensive Income Continued)

For the financial period ended 30 September 2015 (Continued)

	GROUP					
	2QFY 2016 $'000	2QFY 2015 $'000	Change %	1HFY 2016 $'000	1HFY 2015 $'000	Change %
Other information:						
(A) Investment income						
- Dividend income	(56)	(121)	(53.7)	(197)	(310)	(36.5)
(B) Other income						
- Interest income	(13)	(119)	(89.1)	(30)	(229)	(86.9)
(C) Interest on borrowings	11	5	120.0	17	9	88.9
(D) Depreciation						
- Investment properties	159	155	2.6	316	312	1.3
- Property, plant and equipment	125	122	2.5	249	221	12.7
(E) Allowance for doubtful debts and bad debts written off						
- Allowance for doubtful debts	51	123	(58.5)	71	152	(53.3)
(F) Fair value adjustments of investments						
- Financial assets, at fair value through profit and loss, fair value loss	1	2	(50.0)	2	2	NM
(G) Foreign exchange gain, net	(431)	(128)	236.7	(406)	(56)	625.0
(H) (Gain)/Loss on sale of investments, properties and/or plant and equipment						
- Gain on disposal of financial assets, available for sale	(228)	(14)	NM	(792)	(221)	258.4
(I) Adjustments for over-provision of tax in respect of prior years	228	14	NM	277	14	NM
(J) Write-down of development properties to net realisable value	1,312	-	NM	1,312	-	NM

1(b)(i) Statements of Financial Position

Statements of Financial Position as at 30 September 2015

	GROUP			COMPANY		
	30/09/15 $'000	31/03/15 $'000	Change %	30/09/15 $'000	31/03/15 $'000	Change %
ASSETS						
Current assets						
Cash and cash equivalents	9,506	8,397	13.2	7,387	5,433	36.0
Financial assets, available-for-sale	2,001	1,755	14.0	575	696	(17.4)
Financial assets, at fair value through profit or loss	16	18	(11.1)	16	18	(11.1)
Trade and other receivables	7,699	7,184	7.2	37,199	42,551	(12.6)
Income tax recoverable	268	162	65.4	-	-	-
Development properties	11,557	13,663	(15.4)	-	-	-
Inventories	128	154	(16.9)	-	-	-
	31,175	31,333	(0.5)	45,177	48,698	(7.2)
Non-current assets						
Financial assets, available-for-sale	6,548	8,970	(27)	182	1,275	(85.7)
Club membership	56	56	-	56	56	-
Investments in subsidiaries	-	-	-	7,813	7,913	(1.3)
Investment properties	18,351	17,864	2.7	2,315	2,399	(3.5)
Property, plant and equipment	1,925	2,148	(10.4)	1,492	1,622	(8.0)
Intangible assets	1,361	1,361	-	-	-	-
Deferred tax assets	223	-	NM	-	-	-
	28,464	30,399	(6.4)	11,858	13,265	(10.6)
Total assets	59,639	61,732	(3.4)	57,035	61,963	(8.0)
LIABILITIES						
Current liabilities						
Trade and other payables	2,499	2,793	(10.5)	37,044	40,277	(8.0)
Borrowings	341	171	99.4	341	171	99.4
Current income tax payable	1,077	1,498	(28.1)	690	889	(22.4)
	3,917	4,462	(12.2)	38,075	41,337	(7.9)
Non-current liabilities						
Borrowings	1,526	824	85.2	1,526	824	85.2
	1,526	824	85.2	1,526	824	85.2
Total liabilities	5,443	5,286	3.0	39,601	42,161	(6.1)
EQUITY						
Share capital	13,942	13,942	-	13,942	13,942	-
Other reserves	80	1,819	(95.6)	176	629	(72.0)
Equity reserve	(3,477)	(3,477)	-	-	-	-
Retained profits	43,651	44,162	(1.2)	3,316	5,231	(36.6)
Total equity attributable to owners of the Parent	54,196	56,446	(4.0)	17,434	19,802	(12.0)
Total liabilities and equity	59,639	61,732	(3.4)	57,035	61,963	(8.0)

1(b)(ii) Group's Borrowings (including finance leases)

		GROUP		COMPANY	
		30/09/15	31/03/15	30/09/15	31/03/15
	Note	$'000	$'000	$'000	$'000
Amount repayable within one year or less, or on demand:					
Term loan 1 - secured	(1)	171	171	171	171
Term loan 2 - secured	(1)	170	-	170	-
		341	171	341	171
Amount repayable after one year:					
Term loan 1 - secured	(1)	739	824	739	824
Term loan 2 - secured	(1)	787	-	787	-
		1,526	824	1,526	824
Total Debt		**1,867**	**995**	**1,867**	**995**
Total Cash		9,506	8,397	7,387	5,433
Total Cash less Debt		7,639	7,402	5,520	4,438

Note (1): Details of any collateral

The Group's secured borrowings as at 30 September 2015 of $1,867,000 (31 March 2015: $995,000) are secured by the following properties:

		GROUP	
		Net Carrying Amount	
		30/09/15	31/03/15
Property Description	Tenure	$'000	$'000
Investment property and property, plant and equipment:			
4 storey JTC Industrial Building at 1100 Lower Delta Road, Singapore 169206	60 years from 1 August 1969	3,659	3,791
Development properties:			
Semi-detached houses at 87 & 99 Grove Drive, Singapore 279139 & 275758	Estate in perpetuity	11,100	12,412
Investment properties:			
18 Evelyn Road #05-04 D'Evelyn, Singapore 309307	Estate in fee simple	801	804
6 storey light industrial factory at 12 Hoy Fatt Road, Singapore 159506	99 years from 1 January 1958	12,829	12,983
		28,389	29,990

1(c) Consolidated Statements of Cash Flows

For the financial period ended 30 September 2015

	GROUP			
	2QFY 2016 $'000	2QFY 2015 $'000	1HFY 2016 $'000	1HFY 2015 $'000
Operating activities				
(Loss)/profit before income tax	(1,502)	726	(921)	1,479
Adjustments for:				
Allowance for doubtful trade receivables	51	123	71	152
Write down of development properties	1,312	-	1,312	-
Depreciation of investment properties	159	155	316	312
Depreciation of property, plant and equipment	125	122	249	221
Dividend income	(56)	(121)	(197)	(310)
Fair value loss on financial assets, at fair value through profit or loss	1	2	2	2
Gain on disposal of financial assets, available-for-sale	(228)	(14)	(792)	(221)
Interest expenses	11	5	17	9
Interest income	(13)	(119)	(30)	(229)
Unrealised foreign exchange loss/(gain)	250	(250)	116	172
Operating cash flows before movements in working capital	110	629	143	1,587
Working capital changes:				
Trade and other receivables	1,304	847	(587)	(2,015)
Development properties	-	5,642	-	4,642
Inventories	11	(5)	26	36
Trade and other payables	298	(2,376)	(366)	(925)
Cash from/(used in) operating activities	1,723	4,737	(784)	3,325
Income tax paid	(130)	(89)	(352)	(89)
Income tax refund	(2)	-	11	-
Interest received	13	119	30	229
Net cash from/(used in) operating activities	1,604	4,767	(1,095)	3,465
Investing activities				
Additions to property, plant and equipment	(12)	(191)	(25)	(422)
Purchases of financial assets, available-for-sale	(395)	(752)	(1,494)	(1,270)
Proceeds from disposal of financial assets, available-for-sale	685	100	2,671	1,047
Dividends received	56	121	197	310
Net cash from/(used in) investing activities	334	(722)	1,349	(335)

1(c) Consolidated Statements of Cash Flows (Continued)

For the financial period ended 30 September 2015 (Continued)

	GROUP			
	2QFY 2016 $'000	**2QFY Y2015 $'000**	**1HFY 2016 $'000**	**1HFY 2015 $'000**
Financing activities				
Dividends paid to shareholders	-	(1,500)	-	(1,500)
Proceed of borrowings	-	-	1,000	-
Repayments of borrowings	(85)	(1,346)	(128)	(1,532)
Interest expenses	(11)	(5)	(17)	(9)
Net cash (used in)/from financing activities	(96)	(2,851)	855	(3,041)
Net change in cash and cash equivalents	1,842	1,194	1,109	89
Cash and cash equivalents at beginning of financial year	7,664	55,523	8,397	56,628
Effects of currency translation on cash and cash equivalents	-	36	-	36
Cash and cash equivalents at end of financial year	9,506	56,753	9,506	56,753

Cash and Cash Equivalents at end of the financial period

Cash and cash equivalents at 30 September 2015 comprise:

	GROUP			
	2QFY 2016 $'000	**2QFY 2015 $'000**	**1HFY 2016 $'000**	**1HFY 2015 $'000**
Cash at banks	6,230	14,389	6,230	14,389
Fixed deposits placed with financial institutions	3,064	37,138	3,064	37,138
	9,294	51,527	9,294	51,527
Add: Project Accounts (Note (1) below)				
Cash at bank	212	425	212	425
Fixed deposits placed with financial institutions	-	4,801	-	4,801
	212	5,226	212	5,226
	9,506	56,753	9,506	56,753

Note (1): Withdrawal from the Project Account is restricted to qualifying development project expenditure settlement.

1(d) (i) Statements of Changes in Equity

For the financial period ended 30 September 2015 and 30 September 2014

GROUP	Share capital	Fair value reserve	Currency translation reserve	Equity reserve	Retained earnings	Total equity attributable to owners of the Parent
	$'000	$'000	$'000	$'000	$'000	$'000
1HFY2016						
Balance at 1 April 2015	13,942	1,958	(139)	(3,477)	44,162	56,446
Profit for the financial period						
Other comprehensive income for the financial period:	-	-	-	-	(511)	(511)
Financial assets, available-for-sale:						
- Fair value loss	-	(1,000)	-	-	-	(1,000)
- Transfer to profit or loss	-	(792)	-	-	-	(792)
Exchange differences on translating foreign operations	-	-	53	-	-	53
Total other comprehensive income for the financial period		(1,792)	53	-	-	(1,739)
Total comprehensive income for the financial period	-	(1,792)	53	-	(511)	(2,250)
- Dividend paid	-	-	-	-	-	-
Balance at 30 September 2015	13,942	166	(86)	(3,477)	43,651	54,196
1HFY2015						
Balance at 1 April 2014	13,942	(184)	(206)	(3,477)	83,298	93,373
Profit for the financial period	-	-	-	-	1,108	1,108
Other comprehensive income for the financial period:						
Financial assets, available-for-sale:						
- Fair value gain	-	788	-	-	-	788
- Transfer to profit or loss	-	(221)	-	-	-	(221)
Exchange differences on translating foreign operations	-	-	172	-	-	172
Total other comprehensive income for the financial period	-	567	172	-	-	739
Total comprehensive income for the financial period	-	567	172	-	1,108	1,847
- Dividend paid	-	-	-	-	(1,500)	(1,500)
Balance at 30 September 2014	13,942	383	(34)	(3,477)	82,906	93,720

1(d) (i) Statements of Changes in Equity (Continued)

For the financial period ended 30 September 2015 and 30 September 2014 (Continued)

COMPANY	Share capital $'000	Fair value reserve $'000	Retained profits $'000	Total equity $'000
1HFY2016				
Balance at 1 April 2015	13,942	629	5,231	19,802
Loss for the financial period	-	-	(1,915)	(1,915)
Other comprehensive income for the financial period:				
Financial assets, available-for-sale:				
- Fair value loss	-	(425)	-	(425)
- Transfer to profit or loss	-	(28)	-	(28)
Total other comprehensive income for the financial period	-	(453)	-	(453)
Dividend paid	-	-	-	-
Total comprehensive income for the financial period	-	(453)	(1,915)	(2,368)
Balance at 30 September 2015	13,942	176	3,316	17,434
1HFY2015				
Balance at 1 April 2014	13,942	17	40,999	54,958
Loss for the financial period	-	-	(89)	(89)
Other comprehensive income for the financial period:				
Financial assets, available-for-sale:				
- Fair value gain	-	179	-	179
- Transfer to profit or loss	-	-	-	-
Total other comprehensive income for the financial period	-	179	-	179
Dividend paid	-	-	(1,500)	(1,500)
Total comprehensive income for the financial period	-	179	(1,589)	(1,410)
Balance at 30 September 2014	13,942	196	39,410	53,548

1(d) (ii) Changes in the Company's Issued Share Capital

There was no change in the Company's issued and fully paid-up share capital during the financial period ended 30 September 2015, except for consolidation of every two (2) existing ordinary shares in the capital of the Company into one (1) ordinary share was completed on 31 August 2015.

There were no outstanding options, convertibles or treasury shares as at 30 September 2015, 31 March 2015 and 30 September 2014.

1(d) (iii) To show the total number of *issued shares* excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	COMPANY	
	At 30/09/15	**At 31/3/15**
Ordinary shares	149,999,999	300,000,000

On 31 August 2015, consolidation of every two (2) existing ordinary shares in the capital of the Company into one (1) ordinary share was completed.

1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

The Company did not hold any treasury shares as at 30 September 2015, 31 March 2015 and 30 September 2014.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for the six months ended 30 September 2015.

2 Whether the figures have been audited or reviewed, and in accordance with auditing standard or practice

The consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2015, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the six-month period from 1 April 2015 to 30 September 2015 are presented in accordance with Singapore Financial Reporting Standard 34 "Interim Financial Reporting" ("FRS 34") and have not been audited, but have been reviewed by the auditors of the Company, in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("SSRE 2410").

3 Where the figures have been audited or reviewed, the auditor's report (including any qualification or emphasis of matter)

Please refer to the attached independent auditor's review report for the six months ended 30 September 2015.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those for the audited financial statements for the year ended 31 March 2015, except for the adoption of all the applicable new/revised Financial Reporting Standards ("FRSs") and INT FRS, including its consequential amendments and interpretations, which become effective for the current financial period beginning 1 April 2015. There is no material impact on the Group's financial statements upon adoption of these FRS and INT FRS.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Please refer to Item 4 above.

6 Earnings Per Ordinary Share

Earnings per ordinary share ("EPS") based on profit after tax and non-controlling interests ("NCI") attributable to the owners of the Company for the financial period ended 30 September 2015

	GROUP			
	2QFY 2016	Restated 2QFY 2015	1HFY 2016	Restated 1HFY 2015
Net (loss)/profit attributable to the owners of the parent ($'000)	(1,088)	409	(511)	1,108
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	149,999,999	149,999,999	149,999,999	149,999,999
Basic earnings per share (cents)	(0.72)	0.27	(0.34)	0.74
Diluted earnings per share (cents)	(0.72)	0.27	(0.34)	0.74

The comparative figures are restated due to the share consolidation of every two (2) ordinary shares into one (1) ordinary share in the Capital of the Company, fractional entitlements to be disregarded, from 300,000,000 to 149,999,999 which was completed on 31 August 2015.

7 Net Asset Value and Net Tangible Assets Per Ordinary Share

Net asset value ("NAV") and Net Tangible Assets ("NTA") per ordinary share based on issued share capital (excluding treasury shares) as at 30 September 2015

	GROUP		COMPANY	
	30/09/15	Restated 31/03/15	30/09/15	Restated 31/03/15
NAV per ordinary share (cents)	36.13	37.63	11.62	13.20
NTA per ordinary share (cents)	35.08	36.72	11.62	13.20

The comparative figures are restated due to the share consolidation of every two (2) ordinary shares into one (1) ordinary share in the Capital of the Company, fractional entitlements to be disregarded, from 300,000,000 to 149,999,999 which was completed on 31 August 2015.

8 Review of the Group's Performance

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion on the following:

(a) any significant factors that affected turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

8 Review of the Group's Performance (Continued)

For the financial period ended 30 September 2015

	Note	GROUP					
		2QFY 2016 $'000	2QFY 2015 $'000	Change %	1HFY 2016 $'000	1HFY 2015 $'000	Change %
Revenue		1,738	11,167	(84.4)	3,835	14,415	(73.4)
Cost of sales		(158)	(8,028)	(98.0)	(351)	(8,851)	(96.0)
Gross profit		1,580	3,139	(49.7)	3,484	5,564	(37.4)
		90.91%	*28.11%*		*90.84%*	*38.60%*	
Gain on sale of financial assets, available-for-sale		228	14	NM	792	221	258.4
Other Income - Others		573	239	139.7	785	503	56.1
Other income		801	253	216.5	1,577	724	117.8
Operating Expenses		(3,601)	(2,503)	(43.9)	(5,430)	(4,496)	(20.8)
Earnings before interest, tax and depreciation		(1,220)	889	(237.2)	(369)	1,792	(120.6)
Depreciation for investment properties		(159)	(155)	2.9	(316)	(312)	1.4
Depreciation for property, plant and equipment		(125)	(122)	2.6	(249)	(221)	12.7
Earnings before interest and tax		(1,504)	612	(345.8)	(934)	1,259	(174.2)
Finance costs		(11)	(5)	120.0	(17)	(9)	88.9
Interest income		13	119	(89.1)	30	229	(86.9)
(Loss)/profit before income tax		(1,502)	726	(306.9)	(921)	1,479	(162.3)
Income tax credit/(expense)		414	(317)	(230.7)	410	(371)	(210.6)
(Loss)/profit for the financial period ("PAT") attributable to the owners of the Parent		(1,088)	409	(366.0)	(511)	1,108	(146.1)

Consolidated Statements of Comprehensive Income

2QFY2016 vs 2QFY2015 and 1HFY2016 vs 1HFY2015

The Group's revenue declined by 84% from $11.2 million to $1.7 million for the second quarter and declined by 73% from $14.4 million to $3.8 million for the first half-year mainly due to revenue recognition of the sale of four units of Grove Residence amounting to $9.1 million in the previous corresponding period.

The cost of sales declined by 98% to $0.2 million from $8.0 million for the second quarter and by 96% from $8.9 million to $0.4million for the first half-year mainly due to the abovementioned sale of residential units.

Other income include gain on disposals of financial assets, foreign exchange gain, and dividend income, but excluding interest income increased from $0.3 million to $0.8 million for the second quarter and from $0.7 million to $1.6 million for the first half-year.

8 Review of the Group's Performance (Continued)

Consolidated Statements of Comprehensive Income (Continued)

2QFY2016 vs 2QFY2015 and 1HFY2016 vs 1HFY2015 (Continued)

The increase in operating expenses to $3.6 million from $2.5 million for the second quarter and $5.4 million from $4.5 million for the first half-year mainly due to an impairment of $1.3 million based on valuation done by an independent valuer for the semi-detached houses at 87 and 99 Grove Drive, Singapore.

Loss for the financial period attributable to the owners of the parent is $0.5 million as compared to profit attributable to the owners of the parent of $1.1 million in the corresponding half-year.

Consolidated Statements of Financial Position

30 September 2015 vs 31 March 2015

Cash as at 30 September 2015 was $9.5 million, an increase of $1.1 million as compared to $8.4 million as at 31 March 2015. The increase was attributed mainly to drawdown of term loan of $1.0 million, progressive billings from Grove Residence amounting to $1.3 million, and proceeds from sale of financial assets of $2.7 million, which are partially offset by purchases of financial assets of $1.5 million, additional progressive payments of $2.8 million towards investment properties in Hengqin, China and settlement of legal disputes amounting to $0.4 million during the first half-year period.

Financial assets, available-for-sale amounted to $8.5 million as at 30 September 2015, compared to $10.7 million as at 31 March 2015 which is in line with net decrease in fair value reserve of $1.8 million and disposals of financial assets during this half-year.

Development properties as at 30 September 2015 was $11.6 million, compared to $13.7 million as at 31 March 2015 mainly due to reclassification 18 Evelyn Road #05-04 D'Evelyn, Singapore of $0.8 million to investment properties and an impairment of $1.3 million based on valuation done by the independent valuer for semi-detached houses at 87 and 99 Grove Drive, Singapore.

9 Variance from Forecast or Prospect Statement Previously Disclosed

There has been no significant variance in the competitive conditions in the property and publishing sectors in which the Group operates, as compared to the disclosure in Paragraph 10 of results for the financial period ended 30 June 2015.

10 Commentary of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The Group expects the Singapore property market to remain subdued as the impact of prevailing cooling measures, including but not limiting to the Total Debt Servicing Ratio ("TDSR") and concerns over interest rate hikes that continue to weigh on the market. Singapore real estate may remain challenging in the foreseeable future, the Group is diversifying its risks by seeking new opportunities to capitalise on growth sectors in both local and overseas markets. External headwinds and continued uncertainties in global economic conditions result in challenging market conditions for both the property and publishing sectors.

10A The Singapore Code on Take-overs and Mergers

On 22 September 2015, the Company and MBT Enterprises Pte. Ltd. (the "**Offeror**") jointly announced ("**Announcement**") that the Offeror had presented to the directors of the Company ("**Directors**") the Delisting Proposal (as defined in the Announcement) to seek the voluntary delisting of the Company from the Official List of the Singapore Exchange Securities Trading Limited pursuant to Rules 1307 and 1309 of the Listing Manual. Under the terms of the Delisting Proposal, the Offeror will make the Exit Offer (as defined in the Announcement) at the Exit Offer Price (as defined in the Announcement).

As such, the Company is regarded to be in an "offer period" under the Singapore Code on Take-overs and Mergers ("**Code**"). In view of the Offer, this announcement has been reported on in accordance with Rule 25 of the Code with the following Annexures:

Annexure I - Report dated 11 November 2015 from BDO LLP ("**Independent Auditors**"), on their review of the interim financial information in this announcement

Annexure II - Report dated 11 November 2015 from Provenance Capital Pte. Ltd., the Independent Financial Adviser ("**IFA**") to the Directors who are considered independent for the purpose of making a recommendation to our shareholders in respect of the Exit Offer, on their examination of the interim financial information in this announcement

11 Dividend

11 (a) Any dividend declared for the current financial period reported on? No.

11 (b) Any dividend declared for the previous corresponding period? No.

11 (c) Date payable: Not applicable.

11 (d) Date of book closure: Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13 Interested Person Transaction ("IPT") mandate

No general mandate for IPT has been obtained from shareholders in the current reporting period.

14 Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of Eastern Holdings Limited which may render the unaudited interim financial statements for the Group and the Company as at 30 September 2015 and for the financial period ended on that date, to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Kenneth Tan Kay Soon
Executive Chairman and Group Managing Director

Lum Kum Kuen
Executive Director

11 November 2015