



ASX/Media Release

24 February 2016

AJA HALF YEAR RESULTS TO 31 DECEMBER 2015

Please find attached the following documents relating to Astro Japan Property Group's Half Year Results to 31 December 2015:

1. ASX Appendix 4D
2. Interim Financial Report for the half year ended 31 December 2015

ENDS

Investor & Media Enquiries:

Eric Lucas
Senior Advisor
Phone: +61 2 8987 3900 (Australia)
+81 3 3238 1671 (Japan)

John Pettigrew
Chief Financial Officer
Phone: +61 2 8987 3902

About Astro Japan Property Group (AJA)

Astro Japan Property Group is a listed property group which invests in the Japan real estate market. It currently holds interests in a portfolio comprising 30 retail, office and residential properties. Asset management services in Japan are generally undertaken by Spring Investment Co., Ltd.

AJA is a stapled entity comprising Astro Japan Property Trust (ARSN 112 799 854) and Astro Japan Property Group Limited (ABN 25 135 381 663). For further information please visit our website: www.astrojapanproperty.com.

Astro Japan Property Group

Astro Japan Property Group Limited ABN 25 135 381 663
Astro Japan Property Management Limited ABN 94 111 874 563 AFSL 283142
as responsible entity of the Astro Japan Property Trust ARSN 112 799 854

Suite 4, Level 10, 56 Pitt Street, Sydney NSW 2000, Australia
T +61 2 8987 3900 F +61 2 8987 3999
W www.astrojapanproperty.com

Appendix 4D Half Year Report

ASTRO JAPAN PROPERTY GROUP

[The financial information in this Appendix 4D represents the consolidated financial information of Astro Japan Property Trust (ARSN 112 799 854), Astro Japan Property Group Limited (ABN 25 135 381 663) and its controlled entity.]

1. Details of the reporting period

Current Period:	1 July 2015 – 31 December 2015
Previous Corresponding Period:	1 July 2014 – 31 December 2014

2. Results for announcement to the market

				\$A'000	
2.1	Revenue from ordinary activities ¹	up	168.5%	to	14,766
2.2	Net profit for the period attributable to stapled securityholders	up	793.2%	to	54,220
2.3	Underlying profit ²	up	29.3%	to	17,716
2.4	Distributions	Amount per security		Franked amount per security	
<i>Current Period:</i>					
Final distribution		N/A		N/A	
Interim distribution		18.00¢ ³		N/A	
<i>Previous Corresponding Period:</i>					
Final distribution		N/A		N/A	
Interim distribution		12.50¢		N/A	
2.5	Record date for determining entitlements to the interim distribution	<div>31 December 2015</div>			
2.6	Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood:				
Refer to Section 3 below and to the associated ASX results announcement					

¹ Revenues from ordinary activities comprise financing income and distribution income.

² Net profit for the half year after tax before fair value adjustments to the unlisted investments, foreign currency translation impact on the fair value of the TKs, TK operator share of TK distributions, fair value adjustments to investment property, fair value adjustments to interest bearing debt, gain on disposal of investment properties, expenses associated with TK refinancings, net foreign exchange gain, impairment of goodwill and deferred tax on fair value adjustments.

³ There is no foreign conduit income attributed to this distribution.

3. Analysis of financial performance

The Group's statutory profit after tax for the half year ended 31 December 2015 was \$54.2 million. The following table summarises key reconciling items between the Group's statutory result and underlying profit⁴.

3.1 Reconciliation between the Group's statutory result and underlying profit:	31 December 2015 \$A'000	31 December 2014 \$A'000
Net profit attributable to stapled securityholders⁵	54,220	6,070
Fair value adjustment to the unlisted investments	1,352	(458)
Foreign currency translation impact on the fair value of the TKs	(23,959)	10,716
TK operator share of TK distributions	44	24
Fair value adjustments to investment property	(10,656)	(3,828)
Fair value adjustments to interest bearing debt	2,843	-
Gain on disposal of investment properties	-	(4,576)
Expenses associated with TK refinancings	779	3,494
Net foreign exchange gain	(2,489)	(9)
Impairment of goodwill	-	400
Deferred tax on fair value adjustments	(4,958)	1,451
Underlying profit after tax	17,176	13,284

4. Net tangible asset backing per security

	31 December 2015	30 June 2015
Net tangible asset backing per ordinary security	\$7.15	\$6.44

5. Control gained or lost over entities during the period

N/A

6. Details of distributions

Refer to the attached financial statements Note 2 Distributions paid and payable and the attached Directors' Report.

7. Details of distribution reinvestment plan

The Distribution Reinvestment Plan will not be activated for the distribution for the half year ended 31 December 2015.

⁴ Underlying profit is used to provide a better understanding of the Astro Group's financial performance and comparison of performance between the different financial periods. It is a non-IFRS measure which adjusts the balances that are unrelated to the underlying performance of the business to reflect the Directors' assessment of the Astro Group's underlying business activities having regard to the guidance from ASIC's RG 230 Disclosing Non-IFRS information. These principles include providing a clear reconciliation between statutory profit/(loss) and underlying profit in the Directors' Report, including both positive and negative adjustments and maintaining consistency between reporting periods. The adjustments are non-cash fair value movements within the financial assets at fair value through profit and loss (representing investments in the TKs), and each item reconciles to the segment reporting disclosure in Note 7. The reconciliation between statutory profit/(loss) after income tax and underlying profit has not been reviewed in accordance with Australian Auditing Standards.

⁵ All items below are included in the underlying TKs' fair value determination as set out in Note 7 Segment reporting.

8. Details of associates and joint venture entities

N/A

9. Accounting standards used by foreign entities

Refer to the attached Financial Statements Note 1 Basis of Preparation of the Interim Financial Report.

10. Independent audit review

The auditor's review report is attached to the interim financial report which accompanies this appendix, and is not subject to a modified opinion, emphasis of matter or other matter paragraph.

Astro Japan Property Group

**Interim Financial Report
31 December 2015**

The Astro Japan Property Group (Astro Group) comprises Astro Japan Property Trust (ARSN 112 799 854) (AJT), and Astro Japan Property Group Limited (ABN 25 135 381 663) (AJCo) and its controlled entity. Astro Japan Property Management Limited (ABN 94 111 874 563) is the Responsible Entity of AJT.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by the Astro Group during the interim reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules and the *Corporations Act 2001* (Cth).

Through our website, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Astro Group. All press releases, financial reports and other information are available on our website: www.astrojapanproperty.com

CONTENTS

Directors' Report	1
Auditor's Independence Declaration	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Cash Flows	7
Consolidated Statement of Changes in Equity	8
Notes to the Financial Statements	9
1 Statement of significant accounting policies	10
2 Distribution payable	10
3 Earnings per stapled security	11
4 Financial assets carried at fair value through profit or loss (FVTPL)	11
5 Contributed equity	11
6 Fair value measurement of financial instruments	12
7 Segment reporting	13
8 Commitments and contingencies	17
9 Events occurring after the reporting period	17
Directors' Declaration	18
Independent Auditor's Review Report	19

The Directors of Astro Japan Property Management Limited (ABN 94 111 874 563) ("Responsible Entity"), in its capacity as the Responsible Entity of Astro Japan Property Trust (ARSN 112 799 854) ("AJT"), present their report together with the consolidated financial statements of the Astro Japan Property Group ("Astro Group"), for the half year ended 31 December 2015. The Astro Group comprises Astro Japan Property Trust (ARSN 112 799 854), Astro Japan Property Group Limited (ABN 25 135 381 663) ("AJCo") and its controlled entity.

For the purposes of this Directors' Report:

- references to 'TK Operator' means each or any of the eight Japanese special purpose companies through which the Astro Group invests in Japan, namely JPT Co. Ltd. (JPT), JPT Corporate Co. Ltd. (JPTC), JPT Scarlett Co. Ltd. (JPTS), JPT Newton Co. Ltd. (JPTN), JPT Omega Co. Ltd. (JPTO), JPT Direct Co. Ltd. (JPTD), JPT August Co. Ltd. (JPTA), and Arabesque S Godo Kaisya (JPTGK); and
- references to 'TK' means the contractual relationship between a TK Operator and AJT, which is documented in a 'TK Agreement'.

The Astro Japan Property Group

The stapled securities of the Astro Group are quoted on the Australian Securities Exchange under the code AJA and each stapled security comprises one unit in AJT and one share in AJCo. AJT and AJCo are separate legal entities under the *Corporations Act 2001* (Cth) so are therefore required to separately comply with the reporting and disclosure requirements under the *Corporations Act 2001* (Cth), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The registered office and principal place of business of the Responsible Entity, AJT and AJCo is Suite 4 Level 10, 56 Pitt Street, Sydney NSW 2000.

Principal activities

The principal activity of AJT is investment in interests in investment properties. The principal activities of AJCo are ownership of Astro Japan Property Management Limited, the Responsible Entity of AJT and ownership of a 25% economic interest in Spring Investment Co., Ltd. ("Japan Asset Manager" or "Spring"), which is the manager of AJT's Japanese property interests.

Financial and operating review

The following provides a summary of the Astro Group's performance for the half year ended 31 December 2015.

Financial results

During the half year ended 31 December 2015 the Astro Group made a profit after income tax of \$54,220,000 (31 December 2014: \$6,070,000).

Underlying profit is used to provide a better understanding of the Astro Group's financial performance and comparison of performance between the different financial periods. It is a non-IFRS measure which adjusts the balances that are unrelated to the underlying performance of the business to reflect the Directors' assessment of the Astro Group's underlying business activities having regard to the guidance from ASIC's RG 230 Disclosing Non-IFRS information. These principles include providing a clear reconciliation between statutory profit and underlying profit in the Directors' Report, including both positive and negative adjustments and maintaining consistency between reporting periods. The adjustments are non-cash fair value movements within the financial assets at fair value through profit and loss (representing investments in the TKs), and each item reconciles to the segment reporting disclosure in Note 7. The adjustments between statutory profit after income tax and underlying profit are set out below (this reconciliation has not been audited in accordance with Australian Auditing Standards):

	Half year ended	
	31/12/2015	31/12/2014
	\$'000	\$'000
Profit after tax for the half year¹	54,220	6,070
Fair value adjustment to unlisted investments	1,352	(458)
Foreign currency translation impact on the fair value of the TKs	(23,959)	10,716
TK operator share of TK distributions	44	24
Fair value adjustments to investment properties	(10,656)	(3,828)
Fair value adjustments to interest bearing debt	2,843	-
Gain on disposal of investment properties	-	(4,576)
Expenses associated with TK refinancings	779	3,494
Net foreign exchange gain	(2,489)	(9)
Impairment of goodwill	-	400
Deferred tax on fair value adjustments	(4,958)	1,451
Underlying profit after tax	17,176	13,284

¹All items below are included in the underlying TKs' fair value determination as set out in Note 7 Segment reporting.

Financial results - portfolio performance and highlights

The Astro Group had interests in 31 investment properties at 31 December 2015 (31 December 2014: 31).

Net property income from interests in investment properties is set out below:

	Half year ended	
	31/12/2015	31/12/2014
	\$'000	\$'000
Retail	14,780	12,691
Office	8,765	7,679
Residential	2,971	2,708
Total net property income from interests in investment properties	26,516	23,078

On 4 August 2015, the Astro Group further increased its economic interest in Arabesque S Godo Kaisya (JPTGK), an entity which owns the Musashino Towers property, from approximately 53% to 64% with an additional equity investment of approximately ¥281 million (\$3,067,000 at \$1=¥91.65). The property comprises the lower floor retail and commercial sections of two high-rise residential towers – Skygate Tower and Skycross Tower - located close to Mitaka station, in western Tokyo. From 1 July 2015 JPTGK has been included as a separate segment for segment reporting purposes, please refer to Note 7 Segment reporting.

Subsequent to the period end, on 19 February 2016, Sun Ace Tokugawa, an office property owned by JPTS, was sold for ¥1.37 billion (\$16,914,000 at \$1=¥81). The sales price represented a 4.58% premium to the ¥1.31 billion Astro Group book value of the asset as at 31 December 2015. After making repayment of approximately ¥742 million (\$9,160,000) of debt principal, and sale related costs, net proceeds available to the Astro Group are approximately ¥474 million (\$5,852,000).

Fair value of investment properties

In accordance with the Astro Group's investment property valuation policy, the Astro Group assessed the fair value of investment properties in the underlying TKs during the period which resulted in a revaluation upward of \$10,656,000 to \$988,988,000 (Half year ended 31 December 2014: revaluation upward of \$3,828,000 to \$822,540,000). The investment properties are incorporated in the financial assets carried at fair value through profit and loss in the statement of financial position.

Capital management

On 4 December 2015, the refinancing of the existing ¥2.575 billion (\$28,668,000 at \$1=¥89.82) loan to JPTGK with a new, ten year, senior loan of ¥3.4 billion (\$37,853,000) was completed. The previous loan was scheduled to mature in May 2018. The Astro Group has a 64% economic interest in JPTGK, which owns the Musashino Towers property.

The new all-in interest rate is a fixed rate of 1.20%, compared to 1.27% under the previous loan. The level of annual amortisation decreases from approximately 1.85% of the old loan to 1% of the new loan, or for the Astro Group's 64% interest to approximately 0.40 cents per security (cps) compared to 0.58 cps under the previous loan. Following the refinance, a surplus of approximately ¥480 million (\$5,344,000) is available to the Astro Group after the payment of expenses and funding loan reserves.

Distributions

The Astro Group has announced an estimated distribution of 18.0 cents per security (\$10,917,000) for the half year ended 31 December 2015 (31 December 2014: 12.5 cents (\$8,366,000)). The expected distribution payment date is 29 February 2016.

Significant changes in the state of affairs

In the opinion of the Directors, other than the items already noted in the Directors' Report, there were no further changes in the state of affairs of the Astro Group that occurred during the half year under review.

Matters subsequent to the end of the half year period

The Directors are not aware of any matter or circumstance occurring since 31 December 2015 not otherwise dealt with in the half year financial report that has significantly or may significantly affect the operations of the Astro Group, the results of those operations, or the state of affairs of the Astro Group in subsequent financial years.

Directors

The Directors of the Responsible Entity at any time during and since the period end are:

Directors	Independence Status	Date of Appointment
Allan McDonald	Independent Non-Executive Chairman	19 February 2005
John Pettigrew	Executive Director, Chief Financial Officer	19 February 2005
Doug Clemson	Independent Non-Executive Director	31 December 2011
Kate McCann	Independent Non-Executive Director	31 December 2011

Auditor's independence declaration

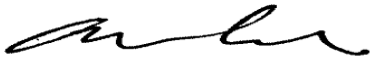
The auditor's independence declaration is included on the page following this Directors' Report.

Rounding

The Astro Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and the Directors' report have been rounded to the nearest thousand dollars unless otherwise stated.

Dated 24 February 2016.

Signed in accordance with a resolution of the Directors pursuant to s.306(3) of the *Corporations Act 2001* (Cth).



F A McDonald
Director

Astro Japan Property Management Limited in its capacity as Responsible Entity of the Astro Japan Property Trust

DECLARATION OF INDEPENDENCE BY IAN HOOPER TO THE DIRECTORS OF ASTRO JAPAN PROPERTY MANAGEMENT LIMITED AS RESPONSIBLE ENTITY OF ASTRO JAPAN PROPERTY TRUST

As lead auditor for the review of Astro Japan Property Trust for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Astro Japan Property Trust and the entities it controlled during the period, including Astro Japan Property Group Limited and its controlled entities.



Ian Hooper
Partner

BDO East Coast Partnership

Location, 24 February 2016

	Note	31 Dec 15 \$'000	31 Dec 14 \$'000
Revenue			
Financing income		46	72
Distribution income		14,720	5,427
		14,766	5,499
Other income			
Net gains on financial assets held at FVTPL		38,749	2,794
Net foreign exchange gain		2,489	9
		41,238	2,803
Total revenue and other income		56,004	8,302
Expenses			
Impairment of goodwill		-	(400)
Other operating expenses		(1,389)	(1,240)
Total expenses		(1,389)	(1,640)
Profit before tax		54,615	6,662
Income tax expense		(395)	(592)
Profit for the period		54,220	6,070
Profit/(loss) is attributable to:			
Securityholders of AJT		54,958	6,260
Securityholders of other entities stapled to AJT (non-controlling interests)		(738)	(190)
Profit for the half year		54,220	6,070
Other comprehensive income		-	-
Total comprehensive income for the period		54,220	6,070
Total comprehensive income/(expense) attributable to:			
Securityholders of AJT		54,958	6,260
Securityholders of other entities stapled to AJT (non-controlling interests)		(738)	(190)
		54,220	6,070
Basic and diluted earnings per ordinary Security available to securityholders of AJT	3	90.61¢	9.32¢

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

	Note	31 Dec 15 \$'000	30 Jun 15 \$'000
Current assets			
Cash and cash equivalents		31,921	3,199
Trade and other receivables		23,872	40,735
Other assets		198	326
Total current assets		55,991	44,260
Non-current assets			
Financial assets carried at fair value through profit and loss	4	389,513	357,004
Deferred tax asset		27	35
Property, plant and equipment		22	25
Intangible assets		2,600	2,600
Total non-current assets		392,162	359,664
Total assets		448,153	403,924
Current liabilities			
Payables		166	306
Provisions		63	74
Distribution payable	2	10,917	9,705
Current tax liabilities		656	412
Total current liabilities		11,802	10,497
Non-current liabilities			
Deferred tax liabilities		7	386
Total non-current liabilities		7	386
Total liabilities		11,809	10,883
Net assets		436,344	393,041
Equity			
Equity attributable to securityholders of AJT			
Contributed equity	5	601,854	601,854
Accumulated losses		(185,229)	(229,270)
Total equity of securityholders		416,625	372,584
Equity attributable to other stapled securityholders			
Contributed equity	5	26,952	26,952
Accumulated losses		(7,233)	(6,495)
Total equity of other stapled securityholders		19,719	20,457
Total Equity		436,344	393,041

The Consolidated Statements of Financial Position is to be read in conjunction with the Notes to the Financial Statements.

	Note	31 Dec 15 \$'000	31 Dec 14 \$'000
Cash flows from operating activities			
Realised foreign exchange (losses)/gains		1,363	(297)
Other operating expenses paid		(1,410)	(1,202)
Financing income		46	72
Japanese withholding and Australian income tax paid		(521)	(799)
Net cash outflows from operating activities		(522)	(2,226)
Cash flows from investing activities			
Investment in financial assets held at FVTPL		(3,195)	-
Distributions received		41,180	23,082
Net cash inflows from investing activities		37,985	23,082
Cash flows from financing activities			
Distributions paid		(9,704)	(6,721)
Payment for shares bought back		-	(2,443)
Net cash outflows from financing activities		(9,704)	(9,164)
Net increase/(decrease) in cash and cash equivalents		27,759	11,692
Cash and cash equivalents at the beginning of the period		3,199	7,672
Effect on exchange rate fluctuations on cash held		963	305
Cash and cash equivalents at the end of the period		31,921	19,669

The Consolidated Statements of Cash Flows are to be read in conjunction with the Notes of the Financial Statements.

	Note	Equity attributable to securityholders of AJT			Equity attributable to other stapled securityholders			Total equity \$'000
		Contributed equity \$'000	Accumulated losses \$'000	Total \$'000	Contributed equity \$'000	Accumulated losses \$'000	Total \$'000	
Balance at 1 July 2014		634,440	(254,122)	380,318	28,581	(7,164)	21,417	401,735
Profit/(loss) for the period		-	6,260	6,260	-	(190)	(190)	6,070
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the period		-	6,260	6,260	-	(190)	(190)	6,070
Transactions with Securityholders in their capacity as Securityholders:								
Distributions paid or provided for	2	-	(8,336)	(8,336)	-	-	-	(8,336)
Share buy-back, inclusive of cost		(2,328)	-	(2,328)	(115)	-	(115)	(2,443)
Balance at 31 December 2014		632,112	(256,198)	375,914	28,466	(7,354)	21,112	397,026
Balance at 1 July 2015		601,854	(229,270)	372,584	26,952	(6,495)	20,457	393,041
Profit/(loss) for the period		-	54,958	54,958	-	(738)	(738)	54,220
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the period		-	54,958	54,958	-	(738)	(738)	54,220
Transactions with Securityholders in their capacity as Securityholders:								
Distributions paid or provided for	2	-	(10,917)	(10,917)	-	-	-	(10,917)
Balance at 31 December 2015		601,854	(185,229)	416,625	26,952	(7,233)	19,719	436,344

The Consolidated Statements of Changes in Equity is to read in conjunction with the Notes to the Financial Statements.

1. Statement of significant accounting policies

On 12 November 2009, the units in AJT were stapled to the shares of AJCo (stapled securities) forming the Astro Japan Property Group ("Astro Group"). It is not possible to trade or deal separately in either the shares or units which comprise the stapled securities.

The entities forming the Astro Group are domiciled in Australia.

AJT has been deemed the parent entity of the Astro Group although it is not the legal parent or legal acquirer of AJCo. AJT has been deemed the parent entity of the Astro Group on the basis that it was in existence prior to AJCo and has greater net assets than AJCo.

The consolidated financial report of the Astro Group for the half year ended 31 December 2015 comprises AJT, AJCo and its controlled entity (together referred to as the "Astro Group"). AJT and AJCo are separate legal entities under the *Corporations Act 2001* (Cth) so are therefore required to separately comply with the reporting and disclosure requirements under the *Corporations Act 2001* (Cth), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. For the purposes of preparing the consolidated financial statements, the company is a for-profit entity.

The financial report was authorised for issue by the Directors on 24 February 2016. The Responsible Entity has the power to amend and reissue this financial report.

This general purpose consolidated financial report for the half year ended 31 December 2015 has been prepared in accordance with AJT's Constitution, Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by the Astro Group during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rule and the *Corporations Act 2001* (Cth). The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements, except for those as noted in note 1(b) below.

For the purposes of these Notes:

- references to 'TK Operator' means each or any of the eight Japanese special purpose companies through which the Astro Group invests in Japan, namely JPT Co. Ltd. (JPT), JPT Corporate Co. Ltd. (JPTC), JPT Scarlett Co. Ltd. (JPTS), JPT Newton Co. Ltd. (JPTN), JPT Omega Co. Ltd. (JPTO), JPT Direct Co. Ltd. (JPTD), JPT August Co. Ltd. (JPTA), and Arabesque S Godo Kaisya (JPTGK); and
- references to 'TK' means the contractual relationship between a TK Operator and AJT, which is documented in a 'TK Agreement'.

(a) Basis of preparation

The consolidated financial report for the Astro Group as at 31 December 2015 has been prepared on a going concern basis as the Directors of the Responsible Entity, after reviewing AJT's going concern status, have concluded that AJT has reasonable grounds to expect to be able to pay its debts as and when they become due and payable.

The consolidated financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

(b) Significant accounting policies

The accounting policies adopted are consistent with those of the financial report for the period ended 30 June 2015. No significant changes to the Astro Group's financial performance, position or accounting principles have occurred as a result of the application of the new and amended standards, mandatory for annual reporting periods beginning on or after 1 July 2015. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(c) Use of significant estimates and judgements

The Astro Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Critical accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Cash flow forecasting relating to going concern

The Astro Group has forecast future cash flows for the period of twelve months from the date of authorisation of this financial report in order to support the Astro Group's going concern status. This forecast required the use of assumptions and estimates. Future distributions from the TKs were based on forecasts provided by the Japan Asset Manager. An estimate has been made as to the JPY/A\$ exchange rate prevailing at the date which the distributions will be paid from the TKs.

ii) Financial assets held at fair value through profit or loss (FVTPL)

The Astro Group recognises economic interests in TKs as financial assets at FVTPL in accordance with the accounting policy stated in note 1(g) of the 30 June 2015 consolidated annual financial statements. The determination of fair value requires the Astro Group to apply judgement on significant estimates and assumptions. The valuation methodology has been described in note 6(b).

iii) Functional currency

Refer to note 1(f) of the 30 June 2015 consolidated annual financial statements.

Critical accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Astro Group and that are believed to be reasonable under the circumstances.

(d) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods. The Astro Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets and is likely to affect the Astro Group's accounting for its financial assets. The standard is not applicable until 1 January 2018 but is available for early adoption. The Astro Group is yet to assess its full impact.

AASB 15 Revenue from Contracts with Customers (effective from 1 January 2018)

AASB 15 outlines a single comprehensive model to use in accounting for revenue from contracts with customers. It supersedes current revenue recognition guidance including AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related Interpretations. The key principle of this Standard is that an entity will recognise revenue when it transfers promised goods or services to customers for an amount that reflects its expected consideration. The Standard introduces more prescriptive and detailed implementation guidance than was included in AASB 118, AASB 111 and the related Interpretations. The Standard is not applicable until 1 January 2018 but is available for early adoption. The Astro Group is yet to assess its full impact.

Other than as noted above, the adoption of the various Australian Accounting Standards and Interpretations in issue but not yet effective will not impact the Astro Group's accounting policies. However, the pronouncements will result in changes to information currently disclosed in the financial statements. The Astro Group does not intend to adopt any of these pronouncements before their effective dates.

(e) Rounding of amounts

The Astro Group is of a kind referred to in ASIC Class Order 98/100 (as amended) and in accordance with that Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

	31 Dec 15 \$'000	31 Dec 14 \$'000
2. Distribution payable		
Half year distribution payable	10,917	8,336

The Astro Group has announced an estimated distribution of 18.0 cents per security (\$10,917,000) for the half year ended 31 December 2015 (31 December 2014: 12.5 cents (\$8,336,000)). The expected distribution payment date is 29 February 2016.

	31 Dec 15 \$'000	31 Dec 14 \$'000
--	---------------------	---------------------

3. Earnings per stapled security

Basic and diluted	90.61¢	9.32¢
Profit attributable to Securityholders of AJT used in calculating basic and diluted earnings per security (\$'000)	54,958	6,260
Weighted average number of Securities used as denominator in calculating basic and diluted earnings per Security	60,652,466	67,198,642

The weighted average number of Securities used as denominator in calculating basic and diluted earnings per Securities shown above is based on the number of Securities on issue during the period.

The alternative earnings per stapled security measure shown below is based upon the profit/(loss) attributable to Securityholders of the Astro Group:

Basic and diluted	89.39¢	9.03¢
Profit attributable to Securityholders of the Astro Group used in calculating basic and diluted earnings per security (\$'000)	54,220	6,070
Weighted average number of Securities used as denominator in calculating basic and diluted earnings per Security	60,652,466	67,198,642

The weighted average number of Securities used as denominator in calculating basic and diluted earnings per Securities shown above is based on the number of Securities on issue during the period.

	31 Dec 15 \$'000	30 Jun 15 \$'000
--	---------------------	---------------------

4. Financial assets carried at fair value through profit or loss (FVTPL)

Financial assets carried at fair value through profit and loss	389,513	357,004
---	----------------	----------------

Astro Group's economic interest in various TKs in Japan are recognised as financial assets carried at fair value through profit and loss. An overview of the valuation methodology relating to financial assets carried at fair value through profit and loss is included in note 6(b).

	31 Dec 15 No.	30 Jun 15 No.
--	------------------	------------------

5. Contributed equity

Securities on issue	60,652,466	60,652,466
---------------------	-------------------	-------------------

	Number of securities
Movements in number of securities	
Number at 1 July 2014	67,211,752
Share buy-back	(6,559,286)
Number at 30 June 2015	60,652,466

Number at 1 July 2015	60,652,466
Number at 31 December 2015	60,652,466

	AJT \$'000	Other stapled securityholders' interest \$'000	Total \$'000
Movements in contributed equity			
Balance at 1 July 2014	634,440	28,581	663,021
Share buy-back, inclusive of cost	(32,586)	(1,629)	(34,215)
Balance at 30 June 2015	601,854	26,952	628,806
Balance at 1 July 2015	601,854	26,952	628,806
Balance at 31 December 2015	601,854	26,952	628,806

The Astro Group's securities are classified as equity and issue costs are recognised as a reduction of the proceeds of issues.

The Astro Group's securities have no par value and the Astro Group does not have a limited amount of authorised capital.

In accordance with the Constitution of each of AJT and AJCo, each securityholder is entitled to receive distributions as declared from time to time. In accordance with AJT's Constitution, each security in AJT represents a right to an individual security in AJT and does not extend to a right to the underlying assets of AJT.

It is generally expected that General Meetings of securityholders of AJT and General Meetings of securityholders of AJCo will be held concurrently where proposed resolutions relate to the two entities. Voting rights of securityholders at General Meetings are outlined below.

At General Meetings of securityholders of AJT:

- on a show of hands each securityholder who is present in person and each other person who is present as a proxy, attorney or duly appointed corporate representative of a securityholder has one vote; and
- on a poll, each securityholder who is present in person has one vote for each dollar of value of the securities in AJT held by the securityholder. Also, each person present as proxy, attorney or duly appointed corporate representative of a securityholder has one vote for each dollar of value of the securities in AJT held by the securityholder that the person represents.

At General Meetings of securityholders of AJCo:

- on a show of hands each securityholder who is present in person and each other person who is present as a proxy, attorney or duly appointed corporate representative of a securityholder has one vote; and
- on a poll, each securityholder who is present in person has one vote for each security they hold. Also, each person present as a proxy, attorney or duly appointed corporate representative of a securityholder has one vote for each security held by the securityholder that the person represents.

6. Fair value measurement of financial instruments

The Astro Group recognises the following financial assets and liabilities at fair value on a recurring basis:

- Financial assets and liabilities carried at fair value through profit and loss

(a) Fair Value Hierarchy

The Astro Group has adopted the classification of fair value measurements into the following hierarchy as required by AASB 13 *Fair Value Measurement* and AASB 7 *Financial Instruments: Disclosures*:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- 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 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Astro Group's interests in the TKs are recognised as financial assets at fair value through profit and loss, and represent the Astro Group's interest in the net assets of the TKs. The Astro Group has determined that the classes of financial assets are the underlying TKs. The information below aggregates the TKs into a single balance, as the fair value movements are materially consistent across the TKs. The following tables present the Astro Group's financial assets and liabilities measured and recognised at fair value at 31 December 2015 and 30 June 2015:

31 Dec 2015 - \$'000				
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets carried at fair value through profit and loss				
Unlisted investments	-	-	389,513	389,513
Total assets	-	-	389,513	389,513

30 Jun 2015 - \$'000				
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets carried at fair value through profit and loss				
Unlisted investments	-	-	357,004	357,004
Total assets	-	-	357,004	357,004

The Astro Group holds no Level 1 or Level 2 financial assets or liabilities. The carrying amounts of payables and other receivables are assumed to approximate their fair values due to their short-term nature.

(b) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in Level 3 instruments for the periods ending 31 December 2015 and 30 June 2015 for recurring fair value measurements:

	Unlisted investments ¹ \$'000	Total \$'000
Level 3 fair value movement		
Balance at 1 July 2014	390,526	390,526
Investments in TKs	8,819	8,819
Capital returns from TKs	(49,786)	(49,786)
Net fair value gain through profit and loss	7,445	7,445
Balance at 30 June 2015	357,004	357,004
Balance at 1 July 2015	357,004	357,004
Investments in TKs and unlisted investments	3,195	3,195
Capital returns from TKs	(9,435)	(9,435)
Net fair value gain through profit and loss	38,749	38,749
Balance at 31 December 2015	389,513	389,513

¹The fair value of the unlisted investments with investment properties has been determined by reference to the fair value of the underlying assets and liabilities of the TKs. There is no premium or discount allocated to the TK itself. The main driver of fair value is investment property where the fair value is determined by a discounted cash flow model. The key unobservable inputs of the model have been identified as discount rate and terminal yield. The fair value of the unlisted investment with no underlying investment properties is based on a discounted cash flow analysis. The fair value of the unlisted investments is determined in Japanese Yen and translated to Australian Dollar at the relevant period end foreign exchange rate. The sensitivity on changes to these key unobservable inputs is presented below. Other material drivers of the fair value of the unlisted investments include debt, tax and working capital balances. The fixed interest portion of debt is carried at fair value, determined by a discounted cash flow model, carrying value of floating rate debt is determined to be approximately equal to its fair value, as the TKs are financed at market rates. The carrying value of tax and working capital balances are a close approximate to fair value, given the nature of those balances.

Sensitivity on changes in fair value of Level 3 financial instruments

The table below summarises the impact of an increase/decrease in significant unobservable inputs on the Astro Group's profit for the period ending 31 December 2015 and 30 June 2015:

Description	Change in unobservable input	31 Dec 15 \$'000	30 Jun 15 \$'000
Fair value of Level 3 Unlisted investments		389,513	357,004
	Increase of 0.1% in Discount rate	(6,456)	(6,168)
	Decrease of 0.1% in Discount rate	7,971	5,966
	Increase of 0.1% in Terminal yield	(9,587)	(8,511)
	Decrease of 0.1% in Terminal yield	9,978	8,907
	Increase of 10% in AUD/JPY foreign exchange rate	(35,259)	(32,455)
	Decrease of 10% in AUD/JPY foreign exchange rate	43,430	39,667

7. Segment reporting

Management has determined the operating segments based on the reports reviewed by the 'chief operating decision maker' that are used to make strategic decisions. The chief operating decision maker has been determined to be the Board of the Responsible Entity. The chief operating decision maker considers the business from a business unit perspective and has identified seven reportable segments. The individual TK's are considered more appropriate segments than retail, office and residential as each of the TK's (which constitute the majority of the Astro Group results) are monitored on an TK-by-TK basis, (each TK contains investment properties that are secured against specific borrowings) and the residual business unit includes the operations of AJT, AJCo, the Responsible Entity, JPTA, and JPTD, as well as consolidation adjustments. These operating segments are consistent with the classes of unlisted investments as discussed in Note 6(b).

The chief operating decision maker assesses the performance of each operating segment based on an adjusted operating cash flow basis. This measure excludes non-operating and non-cash items such as unrealised fair value adjustments on investment properties and unrealised derivative & foreign exchange gains/losses, but includes items such as capital expenditure on investment properties. Gearing is considered within each of the business units due to the non-recourse nature of debt contained within each TK. This approach is considered more appropriate than the method used to reconcile operating profit to statutory profit set out in the Directors' Report.

The information presented in this segment reporting includes disclosures around the Astro Group's interests in unconsolidated structured entities, being the TKs.

The segment information provided to the chief operating decision maker for the reportable segments for the half year ended 31 December 2015, and reconciliation to the profit for the period, are as follows:

31 December 2015	JPT TK \$'000	JPTS TK \$'000	JPTC TK \$'000	JPTN TK \$'000	JPTO TK \$'000	JPTGK ¹ \$'000	Australia, Consolidation adjustments and JPTD & JPTA TKs \$'000	Total \$'000
Income statement:								
Revenue								
Property rental income	6,562	7,360	10,543	8,029	1,987	1,244	-	35,725
Financing income	1	1	1	4	1	-	46	54
Distribution income	-	-	-	-	-	-	347	347
Fair value adjustments to investment properties	3,748	743	6,095	(1,375)	-	1,445	-	10,656
Net foreign exchange gain	-	-	-	-	-	-	2,489	2,489
Other income	1	7	1	12	-	-	-	21
Total revenue	10,312	8,111	16,640	6,670	1,988	2,689	2,882	49,292
Expenses								
Property expenses	(858)	(2,435)	(2,665)	(2,710)	(332)	(209)	-	(9,209)
Asset management fees	(451)	(499)	(831)	(547)	(130)	(66)	-	(2,524)
Financing costs	(1,090)	(762)	(1,359)	(637)	(119)	(1,010)	(21)	(4,998)
Fair value adjustments to interest bearing debt	(1,078)	116	(1,358)	(417)	-	(106)	-	(2,843)
Impairment of goodwill	-	-	-	-	-	-	-	-
Other operating expenses	(80)	(192)	(323)	(152)	(67)	(10)	(1,433)	(2,257)
Total expenses	(3,557)	(3,772)	(6,536)	(4,463)	(648)	(1,401)	(1,454)	(21,831)
Segment profit before tax	6,755	4,339	10,104	2,207	1,340	1,288	1,428	27,461
Income tax benefit/(expense)	(746)	2,316	3,277	199	(142)	(314)	(394)	4,196
Segment profit after tax	6,009	6,655	13,381	2,406	1,198	974	1,034	31,657
Reconciliation to Astro Group PAT:								
Fair value adjustment to unlisted investments								(1,352)
Foreign currency translation impact on the fair value of the TKs								23,959
TK operator share of TK distributions								(44)
Profit for the period								54,220
Adjusted Operating Cashflow:								
Net operating cash flows from investment properties	5,784	4,832	7,739	5,044	1,621	985	-	26,005
Capital expenditure on investment properties	-	(634)	(495)	(1,952)	-	-	-	(3,081)
Asset management fees paid	(839)	(784)	(1,351)	(875)	(233)	(65)	-	(4,147)
Interest payment	(1,047)	(605)	(1,305)	(577)	(102)	(121)	-	(3,757)
Accounting and administration	(81)	(189)	(322)	(124)	(71)	(9)	(1,466)	(2,262)
Realised foreign exchange gains	-	-	-	-	-	-	1,363	1,363
Adjusted Operating Cashflow	3,817	2,620	4,266	1,516	1,215	790	(103)	14,121
Reconciliation to segment PBT:								
Adjusted Operating Cashflow	3,817	2,620	4,266	1,516	1,215	790	(103)	14,121
Fair value adjustment to investment properties	3,748	743	6,095	(1,375)	-	1,445	-	10,656
Fair value adjustments to interest bearing debt	(1,078)	116	(1,358)	(417)	-	(106)	-	(2,843)
Unrealised FX gain	-	-	-	-	-	-	1,126	1,126
Movements in accruals and prepayments	305	305	652	589	142	47	15	2,055
Amortisation of borrowing costs	(37)	(79)	(46)	(58)	(17)	(888)	-	(1,125)
Depreciation	-	-	-	-	-	-	(3)	(3)
Financing income	-	-	-	-	-	-	46	46
Capital expenditure on investment properties	-	634	495	1,952	-	-	-	3,081
Distribution income	-	-	-	-	-	-	347	347
Segment profit/(loss) before tax	6,755	4,339	10,104	2,207	1,340	1,288	1,428	27,461

31 December 2014	JPT TK \$'000	JPTS TK \$'000	JPTC TK \$'000	JPTN TK \$'000	JPTO TK \$'000	JPTD & JPTA TK \$'000	Australia and Consolidation adjustments \$'000	Total \$'000
Income statement:								
Revenue								
Property rental income	8,689	6,526	9,200	4,658	1,697	1,276	-	32,046
Financing income	2	1	1	-	-	-	72	76
Distribution income	-	-	-	-	-	-	721	721
Gain on disposal of investment property	-	1,793	-	-	-	2,783	-	4,576
Fair value adjustments to investment properties	179	(1,470)	7,326	(1,084)	22	(1,145)	-	3,828
Net foreign exchange gain	-	-	-	-	-	-	9	9
Other income	3	2	1	2	-	-	-	8
Total revenue	8,873	6,852	16,528	3,576	1,719	2,914	802	41,264
Expenses								
Property expenses	(1,940)	(1,799)	(2,908)	(1,240)	(214)	(867)	-	(8,968)
Asset management fees	(592)	(505)	(753)	(230)	(99)	(83)	-	(2,262)
Financing costs	(2,701)	(2,619)	(2,466)	(655)	(614)	-	(12)	(9,067)
Impairment of goodwill	-	-	-	-	-	-	(400)	(400)
Other operating expenses	(136)	(195)	(294)	(76)	(58)	(101)	(1,227)	(2,087)
Total expenses	(5,369)	(5,118)	(6,421)	(2,201)	(985)	(1,051)	(1,639)	(22,784)
Segment profit/(loss) before tax	3,504	1,734	10,107	1,375	734	1,863	(837)	18,480
Income tax benefit/(expense)	(302)	1,099	(1,305)	-	(134)	(894)	(592)	(2,128)
Segment profit/(loss) after tax	3,202	2,833	8,802	1,375	600	969	(1,429)	16,352
Reconciliation to Astro Group PAT:								
Fair value adjustment to the unlisted investments in Spring and JPTGK								458
Foreign currency translation impact on the fair value of the TKs								(10,716)
TK operator share of TK distributions								(24)
Profit for the period								6,070
Adjusted Operating Cashflow:								
Net operating cash flows from investment properties	6,830	3,869	6,484	3,425	2,061	65	-	22,734
Capital expenditure on investment properties	(285)	(180)	(25)	(311)	-	(5)	-	(806)
Asset management fees paid	(1,380)	(1,040)	(1,546)	(228)	(247)	(126)	-	(4,567)
Interest payment	(782)	(2,351)	(1,020)	(641)	(146)	-	-	(4,940)
Accounting and administration	(136)	(206)	(295)	(110)	(8)	(110)	(1,202)	(2,067)
Realised foreign exchange gains	-	-	-	-	-	-	(297)	(297)
Adjusted Operating Cashflow	4,247	92	3,598	2,135	1,660	(176)	(1,499)	10,057
Reconciliation to segment PBT:								
Adjusted Operating Cashflow	4,247	92	3,598	2,135	1,660	(176)	(1,499)	10,057
Fair value adjustment to investment properties	179	(1,470)	7,326	(1,084)	22	(1,145)	-	3,828
Unrealised gain on derivatives	-	-	-	-	-	-	-	-
Unrealised FX loss	-	-	-	-	-	-	306	306
Movements in accruals and prepayments	654	1,642	533	39	(451)	396	(34)	2,779
Amortisation of borrowing costs	(1,861)	(503)	(1,375)	(26)	(497)	-	-	(4,262)
Depreciation	-	-	-	-	-	-	(3)	(3)
Financing income	-	-	-	-	-	-	72	72
Debt forgiveness	-	-	-	-	-	-	-	-
Capital expenditure on investment properties	285	180	25	311	-	5	-	806
Gain on disposal of investment property	-	1,793	-	-	-	2,783	-	4,576
Impairment of goodwill	-	-	-	-	-	-	(400)	(400)
Distribution income	-	-	-	-	-	-	721	721
Segment profit/(loss) before tax	3,504	1,734	10,107	1,375	734	1,863	(837)	18,480

The amounts provided to the chief operating decision maker with respect to the total assets and liabilities are consistent with that of the financial statements at a net asset level and as such no reconciliation is required.

31 December 2015	JPT TK \$'000	JPTS TK \$'000	JPTC TK \$'000	JPTN TK \$'000	JPTO TK \$'000	JPTGK ¹ \$'000	Australia, Consolidation adjustments and JPTD & JPTA TKs \$'000	Total \$'000
Segment balance sheet:								
Segment assets								
Cash and cash equivalents	5,885	7,449	8,057	7,909	1,610	6,229	32,587	69,726
Restricted cash	8,646	2,338	9,113	13,639	5,561	2,472	-	41,769
Trade and other receivables	260	485	819	116	-	864	537	3,081
Financial assets at FVTPL	-	-	-	-	-	-	3,292	3,292
Investment properties	227,367	165,994	306,639	189,906	59,113	39,969	-	988,988
Deferred tax asset	-	6,227	3,150	322	-	-	27	9,726
Intangible assets	-	-	-	-	-	-	2,600	2,600
Other assets	19	87	167	314	9	34	220	850
Total segment assets	242,177	182,580	327,945	212,206	66,293	49,568	39,263	1,120,032
Segment liabilities								
Payables and other liabilities	(5,220)	(5,258)	(7,327)	(6,948)	(2,001)	(6,247)	23,078	(9,923)
Tenant deposits	(9,001)	(9,477)	(7,890)	(12,095)	(5,185)	(2,332)	-	(45,980)
Distribution payable	-	-	-	-	-	-	(10,917)	(10,917)
Interest bearing debt at fair value	(149,393)	(95,660)	(186,187)	(108,193)	(35,230)	(24,358)	-	(599,021)
Current tax liabilities	-	-	-	-	-	-	(658)	(658)
Deferred tax liabilities	(8,045)	(1)	(4,738)	-	(1,263)	(3,135)	(7)	(17,189)
Total segment liabilities	(171,659)	(110,396)	(206,142)	(127,236)	(43,679)	(36,072)	11,496	(683,688)
Net segment assets	70,518	72,184	121,803	84,970	22,614	13,496	50,759	436,344

30 June 2015	JPT TK \$'000	JPTS TK \$'000	JPTC TK \$'000	JPTN TK \$'000	JPTO TK \$'000	JPTD & JPTA TKs \$'000	Australia and Consolidation adjustments \$'000	Total \$'000
Segment balance sheet:								
Segment assets								
Cash and cash equivalents	7,504	6,639	6,514	33,316	1,423	1,037	3,199	59,632
Restricted cash	8,010	2,652	8,524	13,701	5,391	-	-	38,278
Trade and other receivables	327	514	721	119	-	-	1,159	2,840
Financial assets at FVTPL	-	-	-	-	-	-	19,251	19,251
Investment properties	209,483	154,212	281,082	177,368	55,376	-	-	877,521
Deferred tax asset	252	3,658	-	116	-	-	35	4,061
Intangible assets	-	-	-	-	-	-	2,600	2,600
Other assets	14	99	177	300	2	8	352	952
Total segment assets	225,590	167,774	297,018	224,920	62,192	1,045	26,596	1,005,135
Segment liabilities								
Payables and other liabilities	(7,226)	(4,838)	(5,422)	(30,339)	(2,053)	(394)	39,196	(11,076)
Tenant deposits	(8,432)	(8,960)	(7,393)	(11,702)	(4,953)	-	-	(41,440)
Distribution payable	-	-	-	-	-	-	(9,705)	(9,705)
Interest bearing debt at fair value	(138,908)	(89,874)	(173,105)	(101,420)	(33,069)	-	-	(536,376)
Current tax liabilities	-	-	-	-	-	-	(412)	(412)
Deferred tax liabilities	(7,087)	-	(4,562)	-	(1,050)	-	(386)	(13,085)
Total segment liabilities	(161,653)	(103,672)	(190,482)	(143,461)	(41,125)	(394)	28,693	(612,094)
Net segment assets	63,937	64,102	106,536	81,459	21,067	651	55,289	393,041

¹The Astro Group's 64% economic interest in JPTGK has been included as a separate segment from 1 July 2015. JPTGK had previously been included as a financial asset held at fair value through profit or loss for segment reporting purposes with income from JPTGK being recognised as distribution income. As at 30 June 2015 the fair value of the Astro Group's 53% economic interest in JPTGK was \$14,707,000 and the Astro Group's interest in the investment property owned by JPTGK was valued at \$30,035,000.

31 Dec 15 30 Jun 15
\$'000 \$'000

8. Commitments and contingencies

Lease commitments: Astro Group as lessee

The Astro Group has a non-cancellable lease in respect of the office premises. The lease is for a duration of 5 years and is classified as an Operating Lease. The minimum lease payments are as follows:

No later than 1 year	123	120
Later than 1 year and no later than 5 years	366	429
Total lease commitments	489	549

Contingent assets

In the opinion of the Directors of the Responsible Entity there were no contingent assets at the end of the reporting period (30 June 2015: nil).

Contingent liabilities

In the opinion of the Directors of the Responsible Entity there were no contingent liabilities at the end of the reporting period other than in relation to the Parent Entity as disclosed below.

i) Contingent liabilities of the parent entity

At 31 December 2015, the total security deposit liability to tenants was \$46.0m (30 June 2015: \$41.4m). Of this amount, \$32.6m (30 June 2015: \$28.0m) is held as cash on trust by certain Trust Banks and lenders to each TK to partly collateralise this liability. AJT, the parent entity of the Astro Group, has an obligation arising under each TK Agreement entered into with each TK Operator, to make additional equity contributions to refund tenant security deposits where the TK Operator has insufficient cash to meet this obligation. AJT had contingent liabilities at 31 December 2015 arising from this obligation.

Generally, the deposit repayment obligation arises upon termination or expiry of a tenancy. In normal circumstances, the deposits from incoming tenants would fund the repayment of deposits to outgoing tenants and any deficiency would be funded from cash flow. In this situation it is unlikely that AJT would be required to inject cash into a TK to fund repayment of the tenant security deposits.

AJT has a contingent liability of \$10.2m (30 June 2015: \$10.1m) which relates to unfunded tenant security deposits, net of construction cost deposits. Details of the tenant security deposit liability in each TK are set out in Segment Reporting note 7.

There are no other recourse obligations to the parent entity in relation to the TK agreements or loans.

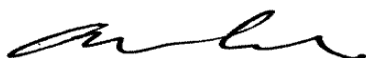
9. Events occurring after the reporting period

The Directors are not aware of any matter or circumstance occurring since 31 December 2015 not otherwise dealt with in the half year financial report that has significantly or may significantly affect the operations of the Astro Group, the results of those operations, or the state of affairs of the Astro Group in subsequent financial years.

- 1 In the opinion of the Directors of Astro Japan Property Management Limited in its capacity as Responsible Entity of Astro Japan Property Trust (AJT):
- a) the attached Financial Statements and Notes are in accordance with the *Corporations Act 2001* (Cth), including:
 - i) giving a true and fair view of the financial position of the Astro Japan Property Group as at 31 December 2015 and of its performance for the half year ended 31 December 2015; and
 - ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b) there are reasonable grounds to believe that AJT will be able to pay its debts as and when they become due and payable.

Dated 24 February 2016.

This declaration is made in accordance with a resolution of the Directors pursuant to s.303(5) of the *Corporations Act 2001* (Cth).



F A McDonald
Director
Astro Japan Property Management Limited in its capacity as
Responsible Entity of Astro Japan Property Trust

INDEPENDENT AUDITOR'S REVIEW REPORT

To the stapled security holders of Astro Japan Property Trust

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Astro Japan Property Trust, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity Astro Japan Property Group ('the Consolidated Stapled Entity'). The Consolidated Stapled Entity, as described in note one to the financial report, comprises the Astro Japan Property Trust and the entities it controlled at the half-year's end or from time to time during the half-year, including Astro Japan Property Group Limited and its controlled entities.

Directors' Responsibility for the Half-Year Financial Report

The directors of Astro Japan Property Management Limited, as responsible entity for the Astro Japan Property Trust, 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, 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 consolidated entity's financial position as at 31 December 2015 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 Astro Japan Property Group, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Astro Japan Property Management Limited as responsible entity for the Astro Japan Property Trust, would be in the same terms if given to the directors as at the time of this auditor's review report.



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 Astro Japan Property Trust 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 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO East Coast Partnership

BDO

A handwritten signature in black ink, appearing to read 'Ian Hooper', with a stylized flourish at the end.

Ian Hooper
Partner

Sydney, 24 February 2016