



## ASX/Media Release

24 February 2016

### INTERIM FINANCIAL REPORT OF STAPLED COMPANY

Astro Japan Property Group (ASX: AJA) earlier today announced its half year results to 31 December 2015 and released the Appendix 4D (Half Year Report) and the Interim Financial Report covering the operations of the Astro Group as a whole.

In accordance with the *Corporations Act 2001* (Cth), the Astro Group prepares two interim financial reports for release to the ASX: one report which covers the operations of the Astro Group as a whole (released earlier today); and another smaller report which covers the listed stapled company, Astro Japan Property Group Limited and its controlled entity.

Please find attached the Interim Financial Report for Astro Japan Property Group Limited for the period ended 31 December 2015 covering the operations of only the stapled company and its controlled entity. This Report should be read together with the Interim Financial Report of the Astro Group released earlier today.

**ENDS**

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#### 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](http://www.astrojapanproperty.com).

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#### 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

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# Astro Japan Property Group Limited

(ABN 25 135 381 663)

## Interim Financial Report 31 December 2015

**Important: These financial statements should be read in conjunction with the consolidated financial statements of the Astro Group for the half year ended 31 December 2015, which were released to the ASX on 24 February 2016**

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 Astro Japan Property 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](http://www.astrojapanproperty.com)

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## DIRECTORS' REPORT

for the half year ended 31 December 2015

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The Directors of Astro Japan Property Group Limited (ABN 25 135 381 663) ("AJCo") present their report together with the consolidated financial statements of AJCo and its controlled entity ("AJCo Group") for the half year ended 31 December 2015.

### The Astro Japan Property Group

The Astro Japan Property Group ("Astro Group") comprises Astro Japan Property Trust (ARSN 112 799 854) ("AJT"), AJCo and its controlled entity. The shares in AJCo are stapled to the units in AJT on a 'one for one' basis and together are referred to as "stapled securities". AJCo and AJT 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, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations. This report is in respect of the AJCo Group.

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

### Principal activities

The principal activities of AJCo are:

- ownership of Astro Japan Property Management Limited ("Responsible Entity"), 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 the Astro Group's Japanese property interests.

### Financial and operating review

AJCo Group made a loss after income tax of \$738,053 for the half year ended 31 December 2015 (31 December 2014: loss of \$189,684).

### Change to the AJCo/Spring profit share arrangement

The success of the Astro Group is closely linked to the performance of the asset manager, Spring Investment Co. Ltd., founded, majority-owned and headed by Mr Eric Lucas who has more than 30 years' experience doing business in Japan. For some time, the Board has been focused on key-man risk concerning Mr Lucas, who also acts as Senior Advisor to the Astro Group and is its largest shareholder, and the Board has been in a constructive dialogue with Mr Lucas as to how best to ameliorate this risk.

Therefore the Board is pleased that earlier this year a new CEO, Mr Osamu Ebinuma, was appointed to Spring, with Mr Lucas remaining engaged as Spring's Executive Chairman and Senior Advisor to the Astro Group. The appointment of the new CEO is not only intended to alleviate the key-man risk concerning Mr Lucas, but also to bolster prospects for expansion of the activities of Spring.

After careful consideration, the Board has agreed to changes to the terms under which AJCo holds the 25% economic interest in Spring which entitles it to a share of the profit of Spring.

The changes recognise increased employee remuneration costs in Spring arising from the appointment of the new Spring CEO and an increased allowance for bonuses payable to Spring employees. These changes will, all other things being equal, result in reductions in the six monthly cash distribution from Spring which AJCo receives through that interest.

The effect of these changes if applied to Spring's budgeted profit for 2016 would be a reduction in AJCo's share in the profit of Spring by approximately \$210,000. In addition, the changes have impacted the value of AJCo's 25% economic interest in Spring as at 31 December 2015 by reducing the value by \$1.35 million.

The Board believes that it is in the best interests of all parties for AJCo to contribute to the increased remuneration costs in Spring as growth in business for Spring will benefit AJCo as a holder of a 25% economic interest in Spring.

### Dividends

The Directors have not declared any dividends for the half year ended 31 December 2015 (31 December 2014: nil).

### 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 changes in the state of affairs of AJCo that occurred during the half year under review.

### Matters subsequent to the end of the half year

The Directors are not aware of any other 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 AJCo Group, the results of those operations, or the state of affairs of the AJCo Group in subsequent financial years.

## DIRECTORS' REPORT

for the half year ended 31 December 2015

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### Directors

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

Directors	Independence Status	Date of Appointment
Allan McDonald	Independent Non-Executive Chairman	20 March 2009
John Pettigrew	Executive Director, Chief Financial Officer	20 March 2009
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.

Dated 24 February 2016.

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



Allan McDonald  
Director  
Astro Japan Property Group Limited

**DECLARATION OF INDEPENDENCE BY IAN HOOPER TO THE DIRECTORS OF ASTRO JAPAN PROPERTY GROUP LIMITED**

As lead auditor for the review of Astro Japan Property Group Limited 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 Group Limited and the entities it controlled during the period.



**Ian Hooper**  
Partner

**BDO East Coast Partnership**

Location, 24 February 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
for the half year ended 31 December 2015

	Note	31 Dec 15 \$	31 Dec 14 \$
<b>Revenue</b>			
Revenue		886,475	894,459
Financing income		125,222	160,999
Distribution income		347,216	534,637
Net foreign exchange gain		27,993	-
<b>Total revenue and other income</b>		<b>1,386,906</b>	<b>1,590,095</b>
<b>Expenses</b>			
Operating expenses		(993,746)	(1,009,320)
Net losses on financial assets held at FVTPL		(1,380,957)	(284,146)
Net foreign exchange loss		-	(680)
Impairment of goodwill		-	(400,000)
<b>Total expenses</b>		<b>(2,374,703)</b>	<b>(1,694,146)</b>
<b>Loss before tax</b>		<b>(987,797)</b>	<b>(104,051)</b>
Income tax benefit/(expense)		249,744	(85,633)
<b>Loss for the period</b>		<b>(738,053)</b>	<b>(189,684)</b>
Other comprehensive income		-	-
<b>Total comprehensive expense for the period</b>		<b>(738,053)</b>	<b>(189,684)</b>
<b>Total comprehensive expense is attributable to:</b>			
Members of the Company		(738,053)	(189,684)
Basic and diluted losses per share	2	(1.22¢)	(0.28¢)

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
as at 31 December 2015

	Note	31 Dec 15 \$	30 Jun 15 \$
<b>Current assets</b>			
Cash and cash equivalents		2,772,809	2,688,728
Trade and other receivables		375,189	976,452
Prepaid insurance		170,431	326,793
Fees receivable - related party - AJT		150,121	172,929
Loan receivable - related party - AJT		10,545,986	9,923,356
<b>Total current assets</b>		<b>14,014,536</b>	<b>14,088,258</b>
<b>Non-current assets</b>			
Property, plant and equipment		22,261	25,024
Financial assets carried at fair value through profit and loss	3	3,291,853	4,544,112
Intangible assets		2,600,000	2,600,000
Deferred tax asset		27,240	34,746
<b>Total non-current assets</b>		<b>5,941,354</b>	<b>7,203,882</b>
<b>Total assets</b>		<b>19,955,890</b>	<b>21,292,140</b>
<b>Current liabilities</b>			
Trade and other payables		114,915	128,341
Provisions		62,637	73,952
Current tax liabilities		51,209	245,434
<b>Total current liabilities</b>		<b>228,761</b>	<b>447,727</b>
<b>Non-current liabilities</b>			
Deferred tax liability		7,204	386,435
<b>Total non-current liabilities</b>		<b>7,204</b>	<b>386,435</b>
<b>Total liabilities</b>		<b>235,965</b>	<b>834,162</b>
<b>Net assets</b>		<b>19,719,925</b>	<b>20,457,978</b>
<b>Equity</b>			
Contributed equity	4	26,951,949	26,951,949
Accumulated losses		(7,232,024)	(6,493,971)
<b>Total equity</b>		<b>19,719,925</b>	<b>20,457,978</b>

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



**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the half year ended 31 December 2015

	Note	31 Dec 15 \$	31 Dec 14 \$
<b>Cash flows from operating activities</b>			
Receipt of responsible entity fees		1,000,212	1,020,441
Payments to suppliers & employees		(950,291)	(940,123)
Interest received		20,520	60,581
Japanese withholding tax paid		(199,395)	(72,717)
Australian income tax paid		(116,810)	(82,301)
Realised foreign exchange gains/(losses)		27,993	(680)
<b>Net cash outflow from operating activities</b>		<b>(217,771)</b>	<b>(14,799)</b>
<b>Cash flows from investing activities</b>			
Payment for investment in Spring		(128,698)	-
Distributions received		948,478	356,785
<b>Net cash inflow from investing activities</b>		<b>819,780</b>	<b>356,785</b>
<b>Cash flows from financing activities</b>			
Loan to AJT		(517,928)	(1,361,710)
Payment for shares bought back		-	(114,854)
<b>Net cash outflow from financing activities</b>		<b>(517,928)</b>	<b>(1,476,564)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>84,081</b>	<b>(1,134,578)</b>
Cash and cash equivalents at the beginning of the period		2,688,728	5,176,146
<b>Cash and cash equivalents at the end of the period</b>		<b>2,772,809</b>	<b>4,041,568</b>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the half year ended 31 December 2015

	Note	Contributed Equity \$	Accumulated losses \$	Total \$
<b>Total equity at 1 July 2014</b>		<b>28,581,065</b>	<b>(7,163,112)</b>	<b>21,417,953</b>
Loss for the period		-	(189,684)	(189,684)
Other comprehensive income		-	-	-
<b>Total comprehensive expense for the period</b>		<b>-</b>	<b>(189,684)</b>	<b>(189,684)</b>
<b>Transactions with equity holders in their capacity as equity holders</b>				
Share buy-back, inclusive of cost		(114,854)	-	(114,854)
<b>Total equity at 31 December 2014</b>		<b>28,466,211</b>	<b>(7,352,796)</b>	<b>21,113,415</b>
<b>Total equity at 1 July 2015</b>		<b>26,951,949</b>	<b>(6,493,971)</b>	<b>20,457,978</b>
Loss for the period		-	(738,053)	(738,053)
Other comprehensive income		-	-	-
<b>Total comprehensive expense for the period</b>		<b>-</b>	<b>(738,053)</b>	<b>(738,053)</b>
<b>Total equity at 31 December 2015</b>		<b>26,951,949</b>	<b>(7,232,024)</b>	<b>19,719,925</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2015

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## 1. Statement of significant accounting policies

### (a) Basis of preparation

Astro Japan Property Group Limited ("AJCo") is domiciled in Australia. The AJCo Group comprises AJCo and its controlled entity, Astro Japan Property Management Limited.

This general purpose consolidated financial report for the half year ended 31 December 2015 has been prepared in accordance with AJCo'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 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 Rules 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.

The consolidated financial report for the AJCo Group as at 31 December 2015 has been prepared on a going concern basis as the Directors of AJCo, after reviewing AJCo's going concern status, have concluded that AJCo 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.

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

The financial statements are presented in Australian dollars.

### (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 AJCo 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) 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 AJCo 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 AJCo Group's accounting for its financial assets. The standard is not applicable until 1 January 2018 but is available for early adoption. The AJCo 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 AJCo 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 AJCo Group's accounting policies. However, the pronouncements will result in changes to information currently disclosed in the financial statements. The AJCo Group does not intend to adopt any of these pronouncements before their effective dates.

## NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2015

### 2. Losses per security

	31 Dec 15 \$	31 Dec 14 \$
Basic and diluted	(1.22¢)	(0.28¢)
Loss attributable to members used in calculating basic and diluted earnings per security	(738,053)	(189,684)
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 losses per Securities shown above is based on the number of Securities on issue during the period.

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

	31 Dec 15 \$	30 Jun 15 \$
Financial assets carried at fair value through profit and loss	3,291,853	4,544,112

AJCo Group's economic interest in Spring is recognised as a financial asset 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 5(b).

### 4. Contributed equity

	31 Dec 15 No.	30 Jun 15 No.
Securities on issue	60,652,466	60,652,466

#### Movements in number of securities

	Number
Number at 1 July 2014	67,211,752
Share buy-back	(6,559,286)
<b>Number at 30 June 2015</b>	<b>60,652,466</b>

Number at 1 July 2015	60,652,466
<b>Number at 31 December 2015</b>	<b>60,652,466</b>

#### Movements in contributed equity

	\$
Balance at 1 July 2014	28,581,065
Share buy-back, inclusive of cost	(1,629,116)
<b>Balance at 30 June 2015</b>	<b>26,951,949</b>

Balance at 1 July 2015	26,951,949
<b>Balance at 31 December 2015</b>	<b>26,951,949</b>

### 5. Fair value measurement of financial instruments

The AJCo 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 following tables present the AJCo Group's financial assets and liabilities measured and recognised at fair value at 31 December 2015 and 30 June 2015:

	31 Dec 2015 - \$			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets carried at fair value through profit and loss				
Unlisted investments	-	-	3,291,853	3,291,853
<b>Total assets</b>	-	-	<b>3,291,853</b>	<b>3,291,853</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2015

	30 Jun 2015 - \$			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets carried at fair value through profit and loss				
Unlisted investments	-	-	4,544,112	4,544,112
<b>Total assets</b>	-	-	<b>4,544,112</b>	<b>4,544,112</b>

The Astro Group holds no Level 1 or Level 2 derivatives. 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.

## (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 <sup>1</sup> \$	Total \$
<b>Level 3 fair value movement</b>		
Balance at 1 July 2014	4,654,384	4,654,384
Net fair value loss through profit and loss	(110,272)	(110,272)
<b>Balance at 30 June 2015</b>	<b>4,544,112</b>	<b>4,544,112</b>
Balance at 1 July 2015	4,544,112	4,544,112
Investment in Spring	128,698	128,698
Net fair value loss through profit and loss	(1,380,957)	(1,380,957)
<b>Balance at 31 December 2015</b>	<b>3,291,853</b>	<b>3,291,853</b>

<sup>1</sup>The fair value of the unlisted investment is calculated on a net present value basis, forecast cash flows over ten years are discounted at a rate of 12%, this rate is based upon the ten year risk-free rate plus an equity premium. The fair value of the unlisted investment is determined in Japanese Yen and translated to Australian Dollar at the relevant period end foreign exchange rate.

## 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 AJCo Group's profit for the period ending 31 December 2015 and 30 June 2015:

Description	Change in unobservable input	31 Dec 15 \$	30 Jun 15 \$
<b>Fair value of Level 3 Unlisted investments</b>		<b>3,291,853</b>	<b>4,544,112</b>
	Increase of 1% in Discount rate	(111,580)	(141,277)
	Decrease of 1% in Discount rate	118,743	150,052
	Increase of 10% in AUD/JPY foreign exchange rate	(299,259)	(413,101)
	Decrease of 10% in AUD/JPY foreign exchange rate	365,761	504,901

## 6. Contingent assets and liabilities

The AJCo Group has no contingent assets or liabilities or category of contingent assets or liabilities which are material.

## 7. Lease commitments

The AJCo 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:

	31 Dec 15 \$	30 Jun 15 \$
No later than 1 year	123,048	120,410
Later than 1 year and no later than 5 years	366,478	428,674
<b>Total lease commitments</b>	<b>489,526</b>	<b>549,084</b>

## 8. Segment reporting

Management has determined that there is only one operating segment, which is based in Australia.

## 9. Events occurring after the end of the reporting period

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

## DIRECTORS' DECLARATION


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1 In the opinion of the Directors of Astro Japan Property Group Limited (AJCo):

- 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 AJCo 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 AJCo 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 Group Limited

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Astro Japan Property Group Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Astro Japan Property Group Limited ('the Company'), 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 comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### 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 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 Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Astro Japan Property Group Limited, 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 Group 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 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