



ASX/Media Release

26 October 2009

**EGM Notice of Meeting – Supplementary disclosure**

Babcock & Brown Japan Property Management Limited as responsible entity of the Astro Japan Property Trust (ASX: AJA) and Astro Japan Property Group Limited have today lodged with the Australian Securities and Investments Commission a Supplementary Prospectus in relation to the proposal to staple the units in Astro Japan Property Trust to the shares in Astro Japan Property Group Limited.

A copy is attached.

**ENDS**

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**About Astro Japan Property Trust**

Astro Japan Property Trust is a listed property trust with a strategy to invest into the real estate market of Japan. It currently holds interests in a portfolio comprising 43 retail, office and residential properties. Asset management services in Japan are generally undertaken by Spring Investment Co., Ltd.

For further information please visit our website:<http://www.astrojapanproperty.com>

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Babcock & Brown Japan Property Management Limited ABN 94 111 874 563  
as responsible entity of the Astro Japan Property Trust ARSN 112 799 854  
AFSL Licensee No: 283142

**Babcock & Brown Japan Property Management Limited (RE) as responsible entity of the Astro Japan Property Trust (AJA)**

**ABN 94 111 874 563, AFSL 283142, ARSN 112 799 854**

**Astro Japan Property Group Limited (AJCo)**

**ABN 25 135 381 663**

## **Supplementary Prospectus**

### **About this Supplementary Prospectus**

This is a supplementary prospectus dated 26 October 2009 and was lodged with the Australian Securities and Investments Commission (ASIC) on that date. This supplementary prospectus supplements the explanatory memorandum dated 9 October 2009 (EM) which was lodged jointly by the RE and AJCo on that date. This supplementary prospectus must be read together with the EM.

Terms defined in the EM have the same meaning in this supplementary prospectus.

### **Supplementary information**

This supplementary prospectus responds to an ASIC request for additional disclosure on Astro Group's investment in the Asset Manager (outlined in section 3 of the EM).

For clarity, the investment in the Asset Manager has already occurred and AJA Unitholders are not being asked to vote on that investment. AJA Unitholders are already exposed to any risks of that investment. Those risks are not impacted by the Stapling Proposal.

Astro Group's investment in the Asset Manager was made as part of the internalisation of AJA's management rights, in April 2009. This investment is a 30% passive economic interest with a value of approximately A\$5.7 million (at exchange rates prevailing at the time of the investment).

The EM describes this investment as a benefit to AJA Unitholders. ASIC has requested some additional information around possible risks. This is set out below:

- As with any investment, there is the risk that the investment may not perform according to expectations and that the value of the investment may decrease. The maximum amount at risk is the initial investment (approximately A\$5.7 million). This compares to Astro Group's total assets of A\$1.8 billion and net assets of A\$481.9 million (as at 30 June 2009). The investment represents 0.3% of Astro Group's total assets and 1.2% of Astro Group's net assets (as at 30 June 2009).
- Section 2.3 of the EM explains that the Asset Manager intends to expand into new revenue streams associated with Japanese real estate, it also notes current issues for Japanese real estate in the current global financial climate. There is a risk that due to current economic conditions, the Asset Manager may be unable to undertake its proposed expansion or that this expansion will not be successful, with negative impacts on the value of the investment.
- The Asset Manager is an advisory and management business which relies on the expertise of its personnel. If for any reason, key management of the Asset Manager are unable to continue their engagement, this may also negatively impact the Asset Manager's performance and Astro Group's investment.
- Astro Group currently has a 30% economic interest in the Asset Manager. If the Asset Manager seeks further equity contributions and AJA elects not to exercise its right to subscribe further equity, Astro Group's interest in the Asset Manager may be diluted. Astro Group is not obliged to contribute any further money to the Asset Manager.
- Astro Group is a minority passive investor in the Asset Manager, and has no control over the Asset Manager's operations. This reduces its capacity to influence the investment. However, this should be balanced against the various protections provided to the Astro Group under the Asset Manager TK Agreement as detailed in the EM.

### **Effect of supplementary information**

The additional disclosure above should assist investors in a general understanding of the potential risks to Astro Group's A\$5.7 million minority investment in the Asset Manager.

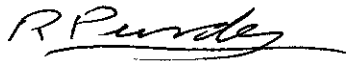
However, as indicated above, AJA Unitholders are already exposed to this investment and are not being asked to vote on it. The above information does not impact on the Stapling Proposal and as such should not impact a unitholder's decision as to how to vote on the Stapling Proposal.

### **Consent to lodgement**

The directors of the RE have given (and not withdrawn) their consent to lodgement of this supplementary prospectus with ASIC.

The directors of AJCo have given (and not withdrawn) their consent to lodgement of this supplementary prospectus with ASIC.

This supplementary prospectus has been signed by Rohan Purdy, Company Secretary, on behalf of the RE and AJCo.

A handwritten signature in black ink, appearing to read 'R Purdy', with a horizontal line underneath it.

**Rohan Purdy**  
Company Secretary  
Babcock & Brown Japan Property  
Management Limited