

**THIS IS A SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT TO BE READ IN CONJUNCTION  
WITH THE PRODUCT DISCLOSURE STATEMENT (PDS) DATED 14 APRIL 2004  
FOR THE WESTRALIA PROPERTY TRUST ARSN 096 588 046 (TRUST)  
ISSUED BY KAREELYA INVESTMENTS LIMITED ACN 072 899 060 (KAREELYA)**

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## **Introduction**

This supplementary product disclosure statement is dated and was lodged with the Australian Securities and Investments Commission (ASIC) on 31 May 2004 (SPDS). ASIC and the Australian Stock Exchange (ASX) and their respective officers take no responsibility for the contents of this SPDS. The SPDS supplements the disclosure made in and is to be read in conjunction with the initial PDS dated 14 April 2004. The purpose of this SPDS is to update the PDS with information relevant to current and prospective applicants.

This SPDS does not amend the terms on which current investors have invested. Instead, it merely discloses the fact that the Offer under the PDS is now fully underwritten. No amendments are required to any of the financial information or forecasts provided in the PDS.

The directors of the responsible entity have consented to the lodgement of this SPDS with ASIC.

## **Closing Date**

The Closing Date for the Offer is extended from 24 May 2004 to 31 May 2004.

## **Underwriting**

Section 3.11 of the PDS stated that the Offer is not underwritten. Kareelya is pleased to advise that the minimum subscription under the Offer is underwritten, therefore, 41,666,667 of the New Units offered under the PDS are underwritten. The potential to take over-subscriptions of \$5,000,000 is not underwritten.

The Underwriter has entered into sub-underwriting agreements with certain parties. The terms of the underwriting agreement and sub-underwriting agreements are summarised below.

Neither the Underwriter, sub-underwriters nor their associates or directors guarantee the performance or success of the Offer, the repayment of capital or any particular rate of capital or income return.

Neither the Underwriter nor the sub-underwriters are the issuer of the PDS or this SPDS. Subject to the Corporations Act, none of these parties makes any representation and take no responsibility for the accuracy or truth of any statement or omission from any part of the PDS or this SPDS.

## **Risks**

The underwriting of the Offer is subject to certain pre-conditions and termination events (see below). If the underwriting agreement is terminated then the obligations of the sub-underwriters will also terminate.

The Underwriter will not be required to subscribe for any Units which a sub-underwriter fails to take up as required under a sub-underwriting agreement. The obligations of the Underwriter will be reduced if any of the sub-underwriters fail to fulfil their obligations under any sub-underwriting agreement. If there is a default by a sub-underwriter, then there is a risk minimum subscription under the Offer will not be reached, and the application money will be returned. Kareelya does not have any reason to expect the sub-underwriters will not take up their allocation of unsold Units.

Futuris and Kareelya Limited as sub-underwriters will be taking up their sub-underwriting commitments in accordance with their sub-underwriting agreements. Futuris and Oakcure will each become substantial Unitholders with corresponding voting rights. Futuris, Kareelya Limited and Oakcure (and other sub-underwriters) may seek to sell the Shortfall Units at any time, which may affect Unit pricing.

**IMPORTANT DATES**

EVENT	DATE
Offer opens	2 April 2004
Closing Date for Applications	31 May 2004
Allotment of New Units to Applicants	1 June 2004
Trading of New Units as a separate class	1 June 2004
Trading of all Units as the same class	1 July 2004
First quarterly distribution period for New Units	1 July 2004 to 30 September 2004

Note: These dates are indicative only and are subject to change. Kareelya has the right to close the Offer early or extend the Closing Date without notice.

**Underwriting agreement**

The Underwriting Agreement between the Underwriter and Kareelya dated 31 May 2004 sets out the terms upon which the Underwriter will subscribe for Units in the Trust.

The Underwriter has agreed to underwrite the Offer for 41,666,667 Units at an issue price of \$0.72 per Unit.

**Reduction in Underwriter's obligations**

The Underwriter's obligation to subscribe for unsold Units will be reduced if any of the sub-underwriters fail to fulfil their obligations under any sub-underwriting agreement with the Underwriter. In this case, the fee payable to the Underwriter will be reduced accordingly.

**Termination**

The Underwriter may terminate the agreement in certain circumstances, including:

- the S&P/ASX 200 Property Index as determined at close of trading falls to a level 90% or less of the level at the close of trading on the date of the agreement
- Kareelya becomes insolvent
- there is a material breach of the agreement that is not remedied within seven days of receipt of a notice requiring rectification.

**Underwriter's fees and expenses**

The Underwriter is entitled to receive a fee of \$300,000. The Underwriter will also receive fees and expenses of the sub-underwriters, and the Underwriter is responsible for the payment of those fees and expenses to the sub-underwriters. The Underwriter is also entitled to all costs and expenses reasonably and properly incurred, including legal expenses, marketing and promotional materials and expenditure and travel and accommodation costs.

If the Underwriter exercises its right to terminate the agreement, then the Underwriter is entitled to reasonable costs and expenses accrued up to and including the date of termination, and a termination fee of \$50,000.

**Restrictions on issue of further units**

For a period of six months from the Closing Date, Kareelya must not issue or agree to issue any Units, other securities or options except in certain agreed circumstances, without the written consent of the Underwriter. Units may be issued as contemplated by the PDS, in consideration of the acquisition by the Trust of an entity or business with the same or similar business undertakings to the Trust, pursuant to existing financing arrangements, under a distribution reinvestment plan or pursuant to the exercise of options existing at the date of the PDS. The Trust must also use reasonable efforts to ensure that current or proposed directors and their associates do not sell, dispose of or transfer any Units they hold at the date of the underwriting agreement.

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**Conduct of Trust's business**

For a period of six months from the date of the underwriting agreement, the Trust must not, without prior written consent of the Underwriter, or unless expressly contemplated in the PDS:

- Reorganise its capital structure
- Make any material amendment to the Constitution
- Dispose of any business or property material to its operations
- Charge or agree to charge any business or property material to its operations, otherwise than in the ordinary course of business.

**Indemnity for Underwriter**

The Underwriter and its related corporations, directors, officers, employees, agents and representatives are entitled to indemnities in respect of certain losses incurred or suffered in respect of or relating to the Offer, the PDS or the underwriting agreement.

The Underwriter has given its written consent to be named in this SPDS as Underwriter in the form and context in which it is included and has not withdrawn its consent before the date of this SPDS.

**Sub-underwriting agreements**

The Underwriter has entered into sub-underwriting agreements with Oakcure Pty Ltd ACN 075 388 564, Kareelya Limited ACN 097 303 154 and Futuris Administration Pty Ltd ACN 052 351 621.

**Oakcure**

In accordance with a sub-underwriting agreement Oakcure agrees to a firm allocation of 15,277,778 Units with a subscription amount of \$11,000,000.16. Oakcure will receive a sub-underwriting fee in the form of Units in the Trust issued at \$0.72 per Unit. The total number of Units to be issued to Oakcure is 16,250,000.

Oakcure's obligations under the sub-underwriting agreement will terminate only if the obligations of the Underwriter under the underwriting agreement cease or are terminated.

Oakcure will acquire 25.31% of the Units on issue (including Units issued in payment of the sub-underwriting fee), with corresponding voting rights.

Oakcure has given its written consent to be named in this SPDS as a sub-underwriter in the form and context in which it is included and has not withdrawn its consent before the date of this SPDS.

**Kareelya Limited**

Kareelya Limited agrees to subscribe for up to 0.84% (or upto 350,035 Units) of the units. No sub-underwriting fee will be payable to Kareelya Limited.

Kareelya Limited has obtained a waiver of the relevant ASX Listing Rule in relation to the issue of Units under the Kareelya Limited sub-underwriting agreement. The waiver is required because Kareelya Limited is the parent entity of Kareelya Investments Limited who is the responsible entity of the Trust and the ASX listing Rules would otherwise require the transaction to be approved by Unitholders. A term of the waiver requires Kareelya Limited to dispose of the Units to non-related parties within three months from the date of issue.

Upon completion of the transaction it is expected that Kareelya Limited together with Kareelya Investments Limited will hold 16.9% of the Units in the Trust, with corresponding voting rights and together with associates (Futuris), will hold 50.50% of the voting interests in the Trust.

**Futuris**

Futuris agrees to subscribe to up to 50% of the minimum equity raising of \$30m. Futuris has agreed to subscribe to a maximum of 20,833,333 units with a subscription amount of \$14,999,999.76. In addition, Futuris will receive a sub-underwriting fee of 3.5% payable in the form of Units issued at \$0.72 per Unit. The number of units to be received as fees under the sub-underwriting agreement is anticipated to be 729,167.

Kareelya has obtained a waiver of the relevant ASX Listing Rule for the issue of the Units to Futuris for the sub-underwriting fee. The waiver is required because the ASX has formed the view that Futuris is related to Kareelya for the purposes of the ASX Listing Rules, and the ASX Listing Rules would therefore otherwise require the transaction to be approved by Unitholders. A term of the waiver requires Futuris to dispose of the Units received as fees to non-related parties within three months from the date of issue.

Futuris' obligations under the sub-underwriting agreement will terminate only if the obligations of the Underwriter under the underwriting agreement cease or are terminated.

If Futuris is required to subscribe to the maximum number of units under the sub-underwriting agreement, it will acquire 33.6% (including Units to be issued as a sub-underwriting fees) of the Units on issue, with corresponding voting rights. Together with associates (Kareelya Ltd and Kareelya Investments Ltd), Futuris will hold 50.50% of the voting interests in the Trust.

Futuris has given its written consent to be named in this SPDS as a sub-underwriter in the form and context in which it is included and has not withdrawn its consent before the date of this SPDS.

### Glossary

The definitions contained in the PDS apply to this SPDS, together with the following additional terms:

Futuris	Futuris Administration Pty Ltd ACN 052 351 621.
Oakcure	Oakcure Pty Ltd ACN 075 388 564.
Underwriter	Euroz Securities Limited ACN 089 314 983
Underwritten Units	41,666,667 Units at an issue price of \$0.72 per Unit offered pursuant to the PDS