

Appendix 4D

Multiplex SITES Trust

For the half-year ended 30 June 2019

Name of entity	Multiplex SITES Trust (MXU) ARSN 111 903 747
Details of reporting period	
Current reporting period	1 January 2019 to 30 June 2019
Prior corresponding period	1 January 2018 to 30 June 2018

Multiplex SITES Trust (Trust) was registered on 25 November 2004 and commenced operations upon listing for trading on the Australian Securities Exchange (ASX) on 20 January 2005.

This Appendix 4D should be read in conjunction with the Financial Report for the half-year ended 30 June 2019. It is also recommended that this Appendix 4D be considered together with any public announcements made by the Trust during the half-year ended 30 June 2019 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Results for announcement to the market	Half-year ended 30 June 2019 \$'000	Half-year ended 30 June 2018 \$'000
Total revenue and other income	12,960	12,915
Net profit before income tax	12,960	12,915
Net profit attributable to unitholders	12,960	12,915
Net tangible asset backing per unit (\$)	100	100
Earnings per unit (cents per unit)	288	287

Distributions

Multiplex SITES unitholders

Distributions to Multiplex SITES unitholders paid or declared by the Trust during the current period were as follows:

	\$'000
Quarterly distribution for the period from 1 January 2019 to 31 March 2019 of 5.98% per annum and paid on 15 April 2019	6,615
Quarterly distribution for the period from 1 April 2019 to 30 June 2019 of 5.67% per annum and paid on 15 July 2019	6,345
Total	12,960

On 1 July 2019, the Trust announced to the ASX that the distribution rate for the period from 1 July 2019 to 30 September 2019 is 5.11% per annum.

This preliminary final report is given to the ASX in accordance with Listing Rule 4.2A.

Commentary and analysis of the result for the current period can be found in the forthcoming Multiplex SITES Trust ASX release.

The Trust has a formally constituted Audit Committee and Board Risk & Compliance Committee of the Board of Directors of the Responsible Entity. The release of this report was approved by resolution of the Board of Directors of the Responsible Entity on 27th August 2019.

Multiplex SITES Trust
Financial Statements
for the half year ended
30 June 2019

Step-up
Income-distributing
Trust-issued
Exchangeable
Securities

Multiplex SITES Trust

ARSN 111 903 747

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Multiplex SITES Trust

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Directory

Multiplex SITES Trust

For the half year ended 30 June 2019

Responsible Entity

Brookfield Funds Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: (02) 9158 5100
Facsimile: (02) 9322 2001

Directors of Brookfield Funds Management Limited

Mr F Allan McDonald
Ms Barbara K Ward
Mr Shane A Ross

Company Secretary of Brookfield Funds Management Limited

Ms Men (Mandy) Chiang

Registered Office of Brookfield Funds Management Limited

Level 22, 135 King Street
Sydney NSW 2000
Telephone: (02) 9158 5100
Facsimile: (02) 9322 2001

Stock Exchange

The Trust is listed on the Australian Securities Exchange (ASX Code: MXU).

Location of Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney, NSW 2000
Telephone: +61 1300 554 474
Facsimile: +61 2 9287 0303

Auditor

Deloitte Touche Tohmatsu
Grosvenor Place, 225 George Street
Sydney NSW 2000
Telephone: (02) 9322 7000

Directors' Report

Multiplex SITES Trust

For the half year ended 30 June 2019

Introduction

The Directors of Brookfield Funds Management Limited (ABN: 15 105 371 917), the Responsible Entity of Multiplex SITES Trust (ARSN 111 903 747) (Trust) present their report together with the financial statements of the Trust for the half year ended 30 June 2019 and the Independent Auditor's Report thereon.

Responsible Entity

The Responsible Entity of the Trust is Brookfield Funds Management Limited (BFML). The registered office and principal place of business of the Responsible Entity is Level 22, 135 King Street, Sydney.

The Responsible Entity's immediate parent company is Brookfield Australia Investments Limited (BAIL). Both the Responsible Entity and BAIL are part of the Brookfield Australia Investments Group (the Group). The ultimate Australian parent of the Responsible Entity is Brookfield Holdings (Australia) Pty Ltd, with the ultimate parent being Brookfield Asset Management Inc. (BAM).

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the half year:

Name	Capacity
Mr F Allan McDonald	Non-Executive Independent Chairman
Ms Barbara K Ward	Non-Executive Independent Director
Mr Shane A Ross	Executive Director

Principal activities

The Trust is a registered managed investment scheme domiciled in Australia and the Step-up Income-distributing Trust-issued Exchangeable Securities (Multiplex SITES) are listed on the Australian Securities Exchange.

The investment activities of the Trust continue to be in accordance with the policies outlined in the original Product Disclosure Statement for the Trust dated 29 November 2004. During the half year ended 30 June 2019 the Trust's sole activity was holding units in Multiplex Hybrid Investment Trust and the payment of distributions to unitholders.

The Trust did not have any employees during the year.

Review of operations

The Trust earned a net profit attributable to unitholders of \$12,960,000 for the half year ended 30 June 2019 (half year ended 30 June 2018: \$12,915,000). Total quarterly distributions paid or payable in respect of the half year ended 30 June 2019 were \$12,960,000 (half year ended 30 June 2018: \$12,915,000). The carrying value of the Trust's net assets at the end of the year ended half year ended 30 June 2019 was \$450,000,000 (half year ended 30 June 2018: \$450,000,000).

The Trust's only activity is an investment in units in Multiplex Hybrid Investment Trust.

Distributions

Distributions paid or declared by the Trust were as follows:

	Cents per unit	Total amount \$'000	Date of payment
Half year ended 30 June 2019			
Distributions for the period ended 31 March 2019	147.00	6,615	15 April 2019
Distributions for the period ended 30 June 2019	141.00	6,345	15 July 2019
Total distributions	288.00	12,960	
Half year ended 30 June 2018			
Distributions for the period ended 31 March 2018	140.00	6,300	17 April 2018
Distributions for the period ended 30 June 2018	147.00	6,615	16 July 2018
Total distributions	287.00	12,915	

On 1 July 2019, the Trust announced to the ASX that the distribution rate for the period from 1 July 2019 to 30 September 2019 is 5.11% per annum.

Directors' Report continued

Multiplex SITES Trust

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For the half year ended 30 June 2019

Events subsequent to the reporting date

Other than the payment of the 30 June 2019 distribution on 15 July 2019 and to the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the year that has significantly affected, or may affect, the Trust's operations in future financial periods, the results of those operations or the Trust's state of affairs in future financial periods.

Indemnification and insurance of officers and auditors

Under deeds of access and indemnity, Brookfield Australia Investments Limited or Brookfield Australia Pty Ltd has agreed to indemnify the Directors and Secretary of BFML, to the extent permitted by law, against:

- liabilities incurred as Director or Secretary of BFML, except for those liabilities incurred in relation to the matters set out in section 199A(2) of the Corporations Act 2001; and
- reasonable legal costs incurred in defending an action for a liability as Director or Secretary of BFML, except for costs incurred in relation to matters set out in section 199A(3) of the Corporations Act 2001, (the "Indemnity").

A global directors' and officers' insurance policy is maintained by Brookfield relating to the Indemnity. The policy insures against liability arising out of allegations relating to duties as a director or officer of BFML, but does not insure against liabilities arising out of:

- fraudulent, dishonest or criminal acts or omissions and improper personal profit or advantage (where confirmed by final, non-appealable adjudication);
- losses for which coverage under a different kind of insurance policy is readily available such as, liability insurance, employment practices liability and pollution liability (there can be limited coverage for some of these exposures);
- claims made by a major shareholder; and
- pension liability or compensation and labour liability.

The obligation to effect and maintain coverage for directors and officers liability on behalf of a director continues for a period of seven years after the Director or Company Secretary of BFML has left office, to the extent such coverage is available with reasonable terms in the commercial insurance marketplace.

BFML has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of BFML or of any related body corporate against a liability incurred as such an officer or auditor.

Contract of insurance

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability incurred as such an officer or auditor.

Rounding of amounts

The Trust is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 30 June 2019.

Signed in accordance with a resolution of the Directors, made pursuant to section 306(3) of the *Corporations Act 2001*, on behalf of the Directors of Brookfield Funds Management Limited.

Dated at Sydney this 27th day of August 2019



Shane A Ross

Executive Director

Brookfield Funds Management Limited
as Responsible Entity for Multiplex SITES Trust

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

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225 George Street
Sydney NSW 2000
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The Board of Directors
Brookfield Funds Management Limited
(as Responsible Entity for Multiplex SITES Trust)
Level 22, 135 King Street
SYDNEY, NSW 2000

27 August 2019

Dear Directors

**Auditor's Independence Declaration to
Brookfield Funds Management Limited as Responsible Entity of Multiplex SITES Trust**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Brookfield Funds Management Limited as responsible entity for Multiplex SITES Trust.

As lead audit partner for the review of the financial statements of Multiplex SITES Trust for the financial half-year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully,

DELOITTE TOUCHE TOHMATSU.

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants

Statement of Profit or Loss and Other Comprehensive Income

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Multiplex SITES Trust

For the half year ended 30 June 2019

	Note	Half-year ended 30 Jun 2019 \$'000	Half-year ended 30 Jun 2018 \$'000
Share of net profit of associates accounted for using the equity method	1	12,960	12,915
Net profit for the period		12,960	12,915
Other comprehensive income for the period		-	-
Total comprehensive income for the period attributable to SITES unitholders		12,960	12,915
Earnings per unit			
Basic and diluted earnings per ordinary unit (cents)		288.00	287.00

The Statement of Profit or Loss and Other Comprehensive income should be read in conjunction with the Notes to the financial statements.

Statement of Financial Position

Multiplex SITES Trust

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As at 30 June 2019

	Note	30 Jun 2019 \$'000	31 Dec 2018 \$'000
Non-current assets			
Investments accounted for using the equity method	2	456,345	456,615
Total non-current assets		456,345	456,615
Total assets		456,345	456,615
Current liabilities			
Distributions payable	4	6,345	6,615
Total current liabilities		6,345	6,615
Total liabilities		6,345	6,615
Net assets		450,000	450,000
Equity			
Units on issue	5	450,000	450,000
Total equity		450,000	450,000

The Statement of Financial Position should be read in conjunction with the Notes to the financial statements.

Statement of Changes in Equity

Multiplex SITES Trust

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For the half year ended 30 June 2019

	Note	Units on issue \$'000	Accumulated profit/ (losses) \$'000	Total equity \$'000
Opening equity – 1 January 2019		450,000	-	450,000
Net profit		-	12,960	12,960
Other comprehensive income		-	-	-
Total comprehensive income		-	12,960	12,960
Distributions to unitholders	1	-	(12,960)	(12,960)
Total transactions with unitholders in their capacity as unitholders		-	(12,960)	(12,960)
Closing equity – 30 June 2019		450,000	-	450,000
Opening equity – 1 January 2018		450,000	-	450,000
Net profit		-	12,915	12,915
Other comprehensive income		-	-	-
Total comprehensive income		-	12,915	12,915
Distributions to unitholders	1	-	(12,915)	(12,915)
Total transactions with unitholders in their capacity as unitholders		-	(12,915)	(12,915)
Closing equity – 30 June 2018		450,000	-	450,000

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

Statement of Cash Flows

Multiplex SITES Trust

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For the half year ended 30 June 2019

	Note	Half-year ended 30 Jun 2019 \$'000	Half-year ended 30 Jun 2018 \$'000
Cash flows from operating activities			
Net cash inflows from operating activities	3	-	-
Cashflows from investing activities			
Dividends and distributions received		13,230	12,645
Net cash inflows from investing activities		13,230	12,645
Cash flows from financing activities			
Distributions paid to Multiplex SITES holders		(13,230)	(12,645)
Net cash outflows from financing activities	3	(13,230)	(12,645)
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of financial period		-	-
Cash and cash equivalents at end of financial period		-	-

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

Notes to the Financial Statements

Multiplex SITES Trust

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For the half year ended 30 June 2019

General information

Multiplex SITES Trust (Trust) is a unit trust domiciled in Australia and is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Funds Management Limited, the Responsible Entity of the Trust, is incorporated and domiciled in Australia. The units of the Trust have been listed on the Australian Securities Exchange (ASX) and are guaranteed on a subordinated and unsecured basis by Brookfield Australia Investments Limited and Brookfield Funds Management Limited (Guarantors). The Trust was registered on 25 November 2004.

The interim financial statements of the Trust for the half year ended 30 June 2019 were authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 27th August 2019.

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The financial statements have 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 is presented in Australian dollars. The Trust is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars or in certain cases, to the nearest dollar.

Due to the classification of distributions payable as current liabilities at 30 June 2019, the Trust is in a net current liability position of \$6,345,000. The Trust has non-current assets of \$456,345,000 and a net asset position of \$450,000,000. In accordance with AASB 101 *Presentation of Financial Statements*, an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. The accounts of the Trust have been prepared on a going concern basis as the net current asset deficiency is due to the classification of distributions payable as current liabilities. There are agreements in place that ensure the receipt of distributions by the Trust occur at the same time as the payment of their distributions to unitholders, and hence the classification of the distributions payable as current do not impact the ability of the Trust to continue as a going concern. On the 15 July 2019 SITES received the 30 June 2019 distribution declared by Multiplex Hybrid Investment Trust (MHIT) and paid its 30 June 2019 distribution payable.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is provided in investments accounted for using the equity method (Note 2).

The accounting policies and methods of computation adopted in the preparation of the full year financial report are consistent with those adopted in the Trust's 2018 annual report for the financial year ended 31 December 2018.

Notes to the Financial Statements continued

Multiplex SITES Trust

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For the half year ended 30 June 2019

Application of new and revised Australian Accounting Standards

The following standards have become effective for the first time commencing on 1 January 2019.

- i. AASB 16 *Leases*: effective 1 January 2019

AASB 16 *Leases* replaces existing guidance, including AASB 117 *Leases* and IFRIC 4 *Determining whether an Arrangement contains a Lease*. AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019. The revised lease standard sets out a comprehensive model for identifying lease arrangements and subsequent measurement.

Under the new standard, the lessee is required to recognise all right-of-use assets and corresponding lease liabilities on the balance sheet, with the exception of short term and low value leases. The right-of-use asset reflects the lease liability, direct costs and any adjustments for lease incentives or restoration. The lease liability is the net present value of future lease payments for the lease term, which incorporates any options reasonably expected to be exercised. The contracted cash flows are separated into principal repayments and interest components, using the effective interest rate method. Depreciation expense on the right-of-use asset and interest expense on the lease liability will now be recognised instead of a rental expense.

As at 30 June 2019, the Trust does not have any non-cancellable operating lease commitments or any finance lease where the Trust is a lessee. Hence, the application of AASB 16 does not impact on the amounts recognised in the Trust's consolidated financial statements.

- ii. AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle*: effective 1 January 2019

In the half-year ended 30 June 2019, the Trust has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period. The adoption of these new accounting standards and interpretations did not have any material impact on the disclosures or the amounts recognised in the financial statements.

New standards and interpretations not yet adopted

At the date of authorisation of the financial statements, the Trust has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

- i. AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*: effective 1 January 2020.

In addition, at the date of authorisation of the financial statements the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued.

- ii. *Amendments to References to the Conceptual Framework in IFRS Standards*: effective 1 January 2020.

These Standards, Interpretations and amendments are not expected to have a material impact on the Trust in the current or future reporting periods and on foreseeable future transactions.

Segment reporting

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Trust that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Trust operates in a single segment, being an investment in Multiplex Hybrid Investment Trust in Australia. All items of the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position are derived from this single segment. The chief operating decision maker of the Trust, the Board of Directors of the Responsible Entity, reviews and assesses performance using information displayed as set out in these statements.

Notes to the Financial Statements continued

Multiplex SITES Trust

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For the half year ended 30 June 2019

Performance for the year

1 Distributions

Accounting Policy

A payable for distribution is recognised in the Statement of Financial Position if the distribution has been declared prior to balance date. Distributions paid are included in cash flows from financing activities and distributions received are included in cash flows from investing activities in the Statement of Cash Flows.

Distributions are payable at the discretion of the Responsible Entity at the three month bank bill rate on the issue date plus a margin of 3.90%. The rate is determined on the first business day of each quarter.

	Cents per unit	Total amount \$'000	Date of payment
Half year ended 30 June 2019			
Distributions for the period ended 31 March 2019	147.00	6,615	15 April 2019
Distributions for the period ended 30 June 2019	141.00	6,345	15 July 2019
Total distributions	288.00	12,960	
Half year ended 30 June 2018			
Distributions for the period ended 31 March 2018	140.00	6,300	17 April 2018
Distributions for the period ended 30 June 2018	147.00	6,615	16 July 2018
Total distributions	287.00	12,915	

2 Investments accounted for using the equity method

Accounting Policy

An associate is an entity over which the Trust has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Trust's share of the profit or loss and other comprehensive income of the associate. When the Trust's share of losses of an associate exceeds the Trust's interest in that associate (which includes any long-term interests that, in substance, form part of the Trust's net investment in the associate), the Trust discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Trust has incurred legal or constructive obligations or made payments on behalf of the associate.

The Trust discontinues the use of the equity method from the date when the investment ceases to be an associate or when the investment is classified as held for sale. When the Trust retains an interest in the former associate and the retained interest is a financial asset, the Trust measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 9.

The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Trust accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Trust reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Notes to the Financial Statements continued

Multiplex SITES Trust

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For the half year ended 30 June 2019

2 Investments accounted for using the equity method continued

	30 Jun 2019	31 Dec 2018
	\$'000	\$'000
Non-current		
Units in unlisted associates	456,345	456,615
	456,345	456,615

SITES has assessed that no impairment to its investment in MHIT is required for the current period (31 Dec 2018:Nil).

Relationship with Multiplex Hybrid Investment Trust

Multiplex SITES Trust has an investment (100% of the Class A units and 25% of the voting rights) in Multiplex Hybrid Investment Trust (MHIT) of \$450,000,000 (year ended 31 December 2018: \$450,000,000), and are entitled to quarterly distributions on this investment. Distributions paid or payable to Multiplex SITES Trust (the Class A unitholder) totalled \$12,960,000 for the half year ended 30 June 2019 (half year ended 30 June 2018: \$12,915,000). The activities of MHIT and its relationship with the Trust is strategic to the operations of the Trust. The registered office and principal place of business of MHIT is Level 22, 135 King Street, Sydney.

Details of material interests in associates are as follows:

Name	Principal activities	Voting interest	Carrying value	Carrying value
			30 Jun 2019	31 Dec 2018
		%	\$'000	\$'000
Multiplex Hybrid Investment Trust	Investment	25	456,345	456,615

In 2010 and 2013, Brookfield Holdings (Australia) Ltd. (BHAL) entered into a total return swap and option with BOPA Holdings Ltd. (BPO) and Brookfield BPY Holdings (Australia) ULC which included options over certain assets in the BAPT portfolio. BHAL indirectly owns all of the units in BAPT and is obligated to procure that its subsidiaries enter into transactions to facilitate the transfer of assets pursuant to these arrangements.

In January 2019, the options were exercised and, in accordance with directions from BHAL, BAPT has entered into conditional sale agreements to dispose of the optioned properties (being nearly all of its remaining office property portfolio) (Portfolio Sale).

The Portfolio Sale is conditional on numerous matters including regulatory approvals and requisite financier and co-owner consents.

Notes to the Financial Statements continued

Multiplex SITES Trust

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For the half year ended 30 June 2019

Liquidity and working capital

3 Cash flow information

	Half-year ended 30 Jun 2019 \$'000	Half-year ended 30 Jun 2018 \$'000
Reconciliation of net profit to net cash inflow from operating activities		
Net profit from ordinary activities after income tax and distribution to unitholders	-	-
<i>Change in operating assets and liabilities:</i>		
(Increase) in assets	(270)	(270)
Increase in liabilities	270	270
Net cash inflow from operating activities	-	-
	\$'000	
Change in liabilities arising from financing activities		
Distributions payable as at 31 December 2018	6,615	
Cash flows: Distributions paid	(13,230)	
Non-cash changes: Distributions declared	12,960	
Distributions payable as at 30 June 2019	6,345	

4 Trade and other payables

	30 Jun 2019 \$'000	31 Dec 2018 \$'000
Current		
Distributions payable	6,345	6,615
	6,345	6,615

Notes to the Financial Statements continued

Multiplex SITES Trust

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For the half year ended 30 June 2019

Other Notes

5 Units on issue

Issued and paid up units are recognised at face value, being the consideration of \$100 received by the Trust for each unit on issue.

	30 Jun 2019	30 Jun 2019	31 Dec 2018	31 Dec 2018
	\$'000	Units	\$'000	Units
Units on issue				
Amounts owing to Multiplex SITES holders	450,000	4,500,000	450,000	4,500,000

a Terms and conditions

Multiplex SITES is a fully paid unit issued by the Trust and is entitled to income that is derived by the Trust.

Multiplex SITES rank in priority to other units in the Trust, but behind creditors of the Trust.

The Responsible Entity, in its capacity as responsible entity of Brookfield Australia Property Trust and Brookfield Australia Investments Limited, guarantee the face value and unpaid distribution amount on redemption (being not more than the distribution payments for the four preceding but unpaid distributions). In addition, while the Responsible Entity of the Trust is a member of Brookfield Australia Investments Group, the Responsible Entity in its capacity as responsible entity of Brookfield Australia Property Trust and Brookfield Australia Investments Limited guarantee any distributions which have been declared payable by the Trust.

Under the guarantee, Multiplex SITES rank in priority to units in Brookfield Australia Property Trust and shares in Brookfield Australia Investments Limited but are subordinated to senior creditors of Brookfield Australia Property Trust and Brookfield Australia Investments Limited.

Multiplex SITES have an unsecured and subordinated guarantee of the face value and unpaid distribution amount (not being more than the distribution payments for the four preceding but unpaid distributions).

b Assets pledged as security

The guarantee, which ranks in priority to units in Brookfield Australia Property Trust and shares in Brookfield Australia Investments Limited, is subordinated to senior creditors of Brookfield Australia Property Trust and Brookfield Australia Investments Limited and ranks equally with other creditors of Brookfield Australia Property Trust and Brookfield Australia Investments Limited who are not senior creditors.

c Holder redemption

Holders have the right to initiate redemption of Multiplex SITES, by issue of a holder realisation notice, in the following limited circumstances:

- where a priority distribution payment to Multiplex SITES Trust is not paid in full; or
- the occurrence of a winding-up event, with respect to either of the Guarantors, Multiplex SITES Trust (for as long as the responsible entity of Multiplex SITES Trust is a member of Brookfield Australia Investments Group) or Multiplex Hybrid Investment Trust (MHIT) (for as long as the trustee of MHIT is a member of Brookfield Australia Investments Group).

The request for redemption is effective and will be implemented if made by holders who cumulatively hold 5% or more of Multiplex SITES on issue.

Upon redemption, holders will receive the aggregate of \$100 plus the unpaid distribution amount, not being more than the distribution payments for the four preceding but unpaid distributions.

d Issuer redemption

Subject to approval of the Responsible Entity and Brookfield Australia Investments Limited, the Trust may initiate redemption of all or some of the Multiplex SITES for cash, by sending a realisation notice to holders, in the following circumstances:

- the step-up date or the last day of each distribution period after the step-up date;
- an increased costs event;
- an accounting event;
- where the responsible entity of the Trust is no longer a member of Brookfield Australia Investments Limited;
- a change of control event; or
- there are less than \$50 million of Multiplex SITES remaining on issue.

Notes to the Financial Statements continued

Multiplex SITES Trust

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For the half year ended 30 June 2019

5 Units on issue continued

e Holder exchange

Holders have no right to request exchange.

f Issuer exchange

Brookfield Australia Investments Group was delisted on 20 December 2007. For so long as Brookfield Australia Investments Group is not listed, the Responsible Entity will not be entitled to exercise its option to exchange Multiplex SITES for Brookfield Australia Investments Group stapled securities.

6 Financial risk management

The Trust has responsibility for the establishment and monitoring of a risk management framework. This framework seeks to minimise the potential adverse impact of the above risks on the Trust's financial performance.

The Board regularly reviews procedures in respect of compliance with the maintenance of statutory, legal, ethical and environmental obligations through the Compliance Committee. Management also reports to the Board as to the effectiveness of the Trust's management of its material business risks. As risks are primarily concerned with compliance rather than an operational nature, the existing risk management approach will continue to be enforced.

7 Contingent liabilities and assets

No contingent liabilities or assets existed 30 June 2019 (30 June 2018: nil).

8 Capital and other commitments

No capital or other commitment existed at 30 June 2019 (30 June 2018: nil).

9 Related Parties

a Associates

Interests in associates are set out in note 2.

b Key management personnel

No compensation is paid by the Trust or the Responsible Entity to Directors or directly to any of the key management personnel of the Responsible Entity. Compensation is paid by entities within the Brookfield Australia Investments Group.

The number of Multiplex SITES units held by key management personnel of the Responsible Entity, including their personally related entities, is set out below:

	Units held at 30 Jun 2019	Units held at 31 Dec 2018
Mr F Allan McDonald	1,335	1,335

c Transactions with related parties

Transactions between Multiplex SITES Trust and Multiplex Hybrid Investment Trust:

- An investment in Multiplex Hybrid Investment Trust of \$450,000,000 (year ended 31 December 2018: \$450,000,000); and
- Distributions received/receivable of \$12,960,000 for the half year ended 30 June 2019 (half year ended 30 June 2018: \$12,915,000).

d Responsible Entity

The Responsible Entity of the Trust is Brookfield Funds Management Limited, whose immediate parent company is Brookfield Australia Investments Limited. The ultimate Australian parent of the Responsible Entity is Brookfield Holdings (Australia) Pty Ltd, with the ultimate parent being Brookfield Asset Management Inc.

10 Events subsequent to the reporting date

Other than the payment of the 30 June 2019 distribution on 15 July 2019 and to the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the year that has significantly affected, or may affect, the Trust's operations in future financial periods, the results of those operations or the Trust's state of affairs in future financial periods.

Directors' Declaration Multiplex SITES Trust

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For the half year ended 30 June 2019

The directors of the Responsible Entity of Multiplex SITES Trust (Brookfield Funds Management Limited) declare that:

- a in the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- b in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Trust.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to section 303(5) of the *Corporations Act 2001*.

Dated at Sydney this 27th day of August 2019



Shane A Ross
Executive Director
Brookfield Funds Management Limited
as Responsible Entity for Multiplex SITES Trust

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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225 George Street
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Independent Auditor's Review Report to the unitholders of Multiplex SITES Trust

We have reviewed the accompanying half-year financial report of Multiplex SITES Trust, which comprises the statement of financial position as at 30 June 2019, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Director's Responsibility for the Half-Year Financial Report

The directors of Brookfield Funds Management Limited as responsible entity for Multiplex SITES 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 gives a true and fair view and 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 Multiplex SITES Trust's financial position as at 30 June 2019 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 Multiplex SITES Trust, 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.

Auditor's Independence Declaration

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 Brookfield Funds Management Limited as the Responsible Entity for Multiplex SITES 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 Multiplex SITES Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Multiplex SITES Trust's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU.

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants
Sydney, 27 August 2019

Brookfield Australia Property Trust and its controlled entities

Interim financial report for the half-year ended
30 June 2019

Brookfield Australia Property Trust

ARSN 106 643 387

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Brookfield Australia Property Trust and its controlled entities

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Directory

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

Responsible Entity

Brookfield Funds Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 (0) 2 9158 5100
Facsimile: +61 (0) 2 9322 2001

Directors of Brookfield Funds Management Limited

Mr F Allan McDonald
Ms Barbara K Ward
Mr Shane A Ross

Registered Office of Brookfield Funds Management Limited

Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 (0) 2 9158 5100
Facsimile: +61 (0) 2 9322 2001

Auditor

Deloitte Touche Tohmatsu
Grosvenor Place, 225 George Street
Sydney NSW 2000
Telephone: + 61 (0) 2 9322 7000

Directors' Report

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

Introduction

The Directors of Brookfield Funds Management Limited (BFML), the Responsible Entity of Brookfield Australia Property Trust (the Trust), present their report together with the financial report of the Consolidated Entity, being the Trust and its controlled entities, for the half-year ended 30 June 2019 and the Independent Auditor's Review Report thereon.

Brookfield Australia Investments Limited (the Company), the Trust and their controlled entities are collectively referred to as Brookfield Australia Investments Group (the Group) in this report.

Responsible Entity

The Responsible Entity of the Trust is Brookfield Funds Management Limited, which has been the Responsible Entity since the inception of the Trust.

The registered office and principal place of business of the Responsible Entity is Level 22, 135 King Street, Sydney, NSW 2000.

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the half-year ended 30 June 2019:

Name	Capacity
Mr F. Allan McDonald (Director since 22 October 2003)	Non-Executive Chairman
Ms Barbara K Ward (Director since 22 October 2003)	Non-Executive Director
Mr Shane A Ross (Director since 06 May 2015)	Executive Director

Principal activities

The principal activity of the Consolidated Entity during the course of the half-year ended 30 June 2019 was the investment in income producing retail and commercial properties. The Consolidated Entity principally operates in Australia.

There has been no significant change in the nature of the activities of the Consolidated Entity during the half-year ended 30 June 2019.

Group structure

A Group stapled security consists of one ordinary unit in the Trust and one ordinary share in the Company. The stapled securities cannot be traded or dealt with separately. A transfer, issue or reorganisation of an ordinary share or a unit in one of the component parts is accompanied by a transfer, issue or reorganisation of an ordinary share or unit in the other component part.

Distributions

For the half-year ended 30 June 2019, distributions of \$89.6 million were declared to unitholders of the Trust (half-year ended 30 June 2018: \$85.7 million).

Review of operations and results

Operating results for the financial period

The Consolidated Entity reported a net profit attributable to equityholders of \$205.8 million for the half-year ended 30 June 2019 (half-year ended 30 June 2018: \$210.5 million).

Three properties were sold to Brookfield Premier Real Estate Partners Australia (BPREP-A) (a related party) during the period including investment properties 405 Bourke St and 362 Little Collins St, sold for \$107m (land value of \$99.6m and \$7.4m respectively). 50% of 240 Queen St, held as a property financial asset was sold for \$113.2m less settlement adjustments of (\$0.7m).

On 17 April 2019, the \$880m debt facility for Brookfield Place Towers 1 & 2 was re-financed to bi-lateral senior debt facilities with a 16 April 2024 maturity. \$650.0m and \$230.0m were allocated to Brookfield Place Tower 1 & 2 respectively.

The Trust paid a \$374.9m return of capital to Brookfield Australia Pty Ltd (BAPL).

Directors' Report continued

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

Going concern

The financial statements have been prepared on a going concern basis.

Events subsequent to the reporting date

After the date of this report the following events have occurred:

In July 2019, BAPT exchanged a Unit and Share Sale and Purchase agreement with GPT for 25% and AMP for 5% of Darling Park. Proceeds for the sale of the asset have been received in full as of the 9th of August 2019 with the receipt of \$531.25m from GPT and \$106.25m from AMP. External debt of \$205.3m was repaid.

Other than as disclosed in this report and to the knowledge of the Directors, there has been no other matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may affect, the Consolidated Entity's operations in future financial periods, the results of those operations or the Consolidated Entity's state of affairs in future financial periods.

Indemnification and insurance of officers and auditors

Under deeds of access and indemnity, Brookfield Australia Investments Limited or Brookfield Australia Pty Ltd has agreed to indemnify the Directors and Secretary of BFML, to the extent permitted by law, against:

- liabilities incurred as Director or Secretary of BFML, except for those liabilities incurred in relation to the matters set out in section 199A(2) of the Corporations Act 2001; and
- reasonable legal costs incurred in defending an action for a liability as Director or Secretary of BFML, except for costs incurred in relation to matters set out in section 199A(3) of the Corporations Act 2001, (the "Indemnity").

A global directors' and officers' insurance policy is maintained by Brookfield relating to the Indemnity. The policy insures against liability arising out of allegations relating to duties as a director or officer of BFML, but does not insure against liabilities arising out of:

- fraudulent, dishonest or criminal acts or omissions and improper personal profit or advantage (where confirmed by final, non-appealable adjudication);
- losses for which coverage under a different kind of insurance policy is readily available such as, liability insurance, employment practices liability and pollution liability (there can be limited coverage for some of these exposures);
- claims made by a major shareholder; and
- pension liability or compensation and labour liability.

The obligation to effect and maintain coverage for directors and officers liability on behalf of a director continues for a period of seven years after the Director or Company Secretary of BFML has left office, to the extent such coverage is available with reasonable terms in the commercial insurance marketplace.

BFML has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of BFML or of any related body corporate against a liability incurred as such an officer or auditor.

Likely developments and expected results of operations

It is envisaged that the Consolidated Entity will continue to operate in its current form.

Environmental regulation

The Trust has systems in place to manage its environmental obligations.

Register of unitholders

The register of unitholders has, during the half-year ended 30 June 2019, been properly drawn up and maintained so as to give a true account of the unitholders of the Trust.

Rounding of amounts

The Trust is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest hundred thousand dollars, unless otherwise indicated.

Directors' Report continued

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

Auditor's independence declaration under Section 307C of the *Corporations Act 2001*

The lead auditor's independence declaration is set out on page 7 and forms part of the Directors' Report for the half-year ended 30 June 2019.

Signed in accordance with a resolution of the Directors of Brookfield Funds Management Limited made pursuant to section 306(3) of the *Corporations Act 2001*.

Dated at Sydney this 27th day of August 2019.



Shane A Ross
Executive Director
Brookfield Funds Management Limited

The Board of Directors
Brookfield Funds Management Limited
as Responsible Entity for Brookfield Australia Property Trust
Level 22, 135 King Street
SYDNEY, NSW 2000
Australia

27 August 2019

Dear Directors

Auditor's Independence Declaration to Brookfield Australia Property Trust

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Brookfield Funds Management Limited as responsible entity for Brookfield Australia Property Trust.

As lead audit partner for the review of the financial statements of Brookfield Australia Property Trust for the half-year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Gustav de Muelenaere
Partner
Chartered Accountants

Condensed Consolidated Statement of Profit or Loss and 8 Other Comprehensive Income

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

	Note	Consolidated	
		Half-year ended 30-Jun-19 \$m	Half-year ended 30-Jun-18 \$m
Revenue	1	26.3	52.4
Cost of operations	1	(19.8)	(24.3)
Gross profit		6.5	28.1
Property finance income	4	203.2	181.8
Interest received	1	23.1	38.9
Other income	1	0.8	-
Net gain on revaluation of investment property and derivatives		7.1	13.1
Finance costs	1	(33.8)	(50.7)
Other expenses	1	(1.1)	(0.7)
Profit before income tax		205.8	210.5
Income tax expense		-	-
Profit from continuing operations for the year		205.8	210.5
Profit attributable to:			
Unitholders of Brookfield Australia Property Trust		192.9	197.6
Non-controlling interests		12.9	12.9
Profit for the year		205.8	210.5
Other comprehensive income, net of income tax			
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		205.8	210.5
Total comprehensive income attributable to:			
Unitholders of Brookfield Australia Property Trust		192.9	197.6
Non-controlling interests		12.9	12.9
Total comprehensive income for the year		205.8	210.5

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

Condensed Consolidated Statement of Financial Position 9

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

	Note	Consolidated	
		30-Jun-19	31-Dec-18
		\$m	\$m
Current assets			
Cash and bank balances		34.3	306.6
Trade and other receivables	5	146.2	272.0
Interest bearing receivables	6	-	1,158.3
Other financial assets	4	697.5	239.8
Other assets		1.9	2.0
Total current assets		879.9	1,978.7
Non-current assets			
Interest bearing receivables	6	514.6	494.8
Other financial assets	4	1,824.5	2,652.4
Investment property	3	270.7	352.5
Total non-current assets		2,609.8	3,499.7
Total assets		3,489.7	5,478.4
Current liabilities			
Trade and other payables		11.8	30.9
Deferred revenue		-	34.9
Derivative financial instruments		1.3	0.6
Interest bearing loans and borrowings	7	-	1,158.3
Non-interest bearing loans and borrowings	8	624.0	1,140.7
Total current liabilities		637.1	2,365.4
Non-current liabilities			
Trade and other payables		2.2	5.6
Derivative financial instruments		7.0	1.4
Interest bearing loans and borrowings	7	949.3	929.2
Total non-current liabilities		958.5	936.2
Total liabilities		1,595.6	3,301.6
Net assets		1,894.1	2,176.8
Equity			
Contributed equity	9	672.2	1,047.1
Undistributed income		792.5	689.2
Total parent interests		1,464.7	1,736.3
Non-controlling interest		429.4	440.5
Total equity		1,894.1	2,176.8

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

Condensed Consolidated Statement of Changes in Unitholder Interests

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

	Attributable to Equityholders of the Parent				
	Contributed Equity	Undistributed Income	Total	Non-controlling interest	Total equity
	(Note 10) \$m	\$m	\$m	\$m	\$m
As at 1 January 2019	1,047.1	689.2	1,736.3	440.5	2,176.8
Other Comprehensive income for the financial period	-	-	-	-	-
Profit for the financial period	-	192.9	192.9	12.9	205.8
Total comprehensive income	-	192.9	192.9	12.9	205.8
Transactions with equityholders in their capacity as equityholders:					
Return of share capital	(374.9)	-	(374.9)	(11.1)	(386.0)
Dividends/distributions	-	(89.6)	(89.6)	(12.9)	(102.5)
Total transactions with equityholders in their capacity as equityholders	(374.9)	(89.6)	(464.5)	(24.0)	(488.5)
As at 30 June 2019	672.2	792.5	1,464.7	429.4	1,894.1
As at 1 January 2018	1,047.1	940.7	1,987.8	440.5	2,428.3
Other Comprehensive income for the financial period	-	-	-	-	-
Profit for the financial period	-	197.6	197.6	12.9	210.5
Total comprehensive income	-	197.6	197.6	12.9	210.5
Transactions with equityholders in their capacity as equityholders:					
Dividends/distributions	-	(85.7)	(85.7)	(12.9)	(98.6)
Total transactions with equityholders in their capacity as equityholders	-	(85.7)	(85.7)	(12.9)	(98.6)
As at 30 June 2018	1,047.1	1,052.6	2,099.7	440.5	2,540.2

The Condensed Consolidated Statement of Changes in Unitholder Interests should be read in conjunction with the Notes to the Condensed Consolidated Financial Statements.

Condensed Consolidated Statement of Cash Flows

Brookfield Australia Property Trust and its controlled entities

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For the half-year ended 30 June 2019

	Consolidated	
	Half-year ended 30-Jun-19 \$m	Half-year ended 30-Jun-18 \$m
Cash flows from operating activities		
Receipts from customers	31.7	58.4
Payments to suppliers and employees	(22.7)	(23.8)
Property finance income	92.0	65.5
Interest received	23.1	0.1
Finance costs paid	(33.4)	(50.4)
Net cash inflow from operating activities	90.7	49.8
Cash flows from investing activities		
Proceeds from sale of investment properties	107.0	-
Proceeds from sale of property financial assets	62.5	-
Net payments for investment property capital expenditure	(17.7)	(10.4)
Investment in property financial assets	-	(5.3)
Other	-	3.0
Net cash inflow/(outflow) from investing activities	151.8	(12.7)
Cash flows from financing activities		
Net (repayment)/drawdown of borrowings	(262.4)	8.6
Net payments from/(to) related parties	135.7	(6.7)
Return of capital ¹	(374.9)	-
Payments to other minority equityholders	(13.2)	(12.6)
Net cash (outflow) from financing activities	(514.8)	(10.7)
Net (decrease)/increase in cash and cash equivalents held	(272.3)	26.4
Cash and cash equivalents at the beginning of the financial period	306.6	11.4
Cash and cash equivalents at the end of the financial period	34.3	37.8

¹ BAPT paid a return of capital to BAPL of \$374.9m.

² As at 30 June 2019, a distribution of \$89.6m has been declared but not yet settled.

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

Notes to the Condensed Consolidated Financial Statements

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

General Information

Brookfield Australia Property Trust, (the Trust) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Funds Management Limited, the Responsible Entity of the Trust, is incorporated and domiciled in Australia.

Brookfield Australia Investments Limited (the Company), the Trust and their controlled entities are collectively referred to as Brookfield Australia Investments Group (the Group) in this report.

BHCA1 Pty Ltd (BHCA1) is the ultimate Australian parent of the Group. Brookfield Asset Management Inc. (BAM) is the ultimate parent of the Group and is domiciled in Canada.

A Group stapled security consists of one ordinary unit in the Trust and one ordinary share in the Company. The stapled securities cannot be traded or dealt with separately. A transfer, issue or reorganisation of an ordinary unit or an ordinary share in one of the component parts is accompanied by a transfer, issue or reorganisation of an ordinary unit or ordinary share in the other component part.

This half-year financial report comprises the results and operations of the Trust and its controlled entities (the Consolidated Entity) for the half-year ended 30 June 2019.

Statement of compliance

The condensed consolidated financial statements are general purpose financial statements prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* (AASB 134). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. For the purposes of preparing the financial statements, the Consolidated Entity is a for-profit entity.

The financial statements do not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Unless otherwise stated, the principal accounting policies adopted in the preparation of the financial statements are consistent with those applied to all periods presented.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 27th August 2019.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities that are stated at fair value: derivative financial instruments, financial instruments classified as property financial assets and investment property.

The financial report is presented in Australian dollars.

The Trust is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial statements are rounded off to the nearest hundred thousand dollars, unless otherwise indicated.

Going concern

The financial statements have been prepared on a going concern basis.

Notes to the Condensed Consolidated Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

Application of new and revised Australian Accounting Standards

The following standards have become effective for the first time commencing on 1 January 2019.

- i. AASB 16 *Leases*: effective 1 January 2019

AASB 16 *Leases* replaces existing guidance, including AASB 117 *Leases* and IFRIC 4 *Determining whether an Arrangement contains a Lease*. AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019. The revised lease standard sets out a comprehensive model for identifying lease arrangements and subsequent measurement.

Under the new standard, the lessee is required to recognise all right-of-use assets and corresponding lease liabilities on the balance sheet, with the exception of short term and low value leases. The right-of-use asset reflects the lease liability, direct costs and any adjustments for lease incentives or restoration. The lease liability is the net present value of future lease payments for the lease term, which incorporates any options reasonably expected to be exercised. The contracted cash flows are separated into principal repayments and interest components, using the effective interest rate method. Depreciation expense on the right-of-use asset and interest expense on the lease liability will now be recognised instead of a rental expense.

As at 30 June 2019, the Consolidated Entity does not have any material non-cancellable operating lease commitments or any finance lease where the Consolidated Entity is a lessee. Hence, the application of AASB 16 does not impact on the amounts recognised in the Consolidated Entity's consolidated financial statements.

- ii. AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle*: effective 1 January 2019

In the half-year ended 30 June 2019, the Consolidated Entity has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period. The adoption of these new accounting standards and interpretations did not have any material impact on the disclosures or the amounts recognised in the financial statements.

New standards and interpretations not yet adopted

At the date of authorisation of the financial statements, the Consolidated Entity has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

- i. AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*: effective 1 January 2020.

In addition, at the date of authorisation of the financial statements the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued.

- ii. *Amendments to References to the Conceptual Framework in IFRS Standards*: effective 1 January 2020.

These Standards, Interpretations and amendments are not expected to have a material impact on the Consolidated Entity in the current or future reporting periods and on foreseeable future transactions.

Notes to the Condensed Consolidated Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is provided in Note 4 Other financial assets and Note 3 Investment property.

Comparatives

Where deemed necessary, the comparatives have been reclassified to achieve consistency with the half-year ended 30 June 2019.

Notes to the Condensed Consolidated Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

Performance for the half-year

1 Revenue and expenses

	Consolidated	
	Half-year ended 30-Jun-19 \$m	Half-year ended 30-Jun-18 \$m
Revenues		
Property rental revenue	11.6	33.4
Development revenue	14.3	18.2
Asset Management Fee	0.4	0.8
Total revenues	26.3	52.4
Other income		
Interest revenue – loans and receivables	23.1	38.9
Other income	0.8	-
Total other income	23.9	38.9
Costs of operations		
Rental property rates, taxes and other property outgoings	(19.8)	(24.3)
Total cost of operations	(19.8)	(24.3)
Finance costs		
Interest and finance charges	(33.4)	(50.3)
Amortisation of borrowing costs	(0.4)	(0.4)
Total finance costs	(33.8)	(50.7)
Other expenses		
Other expenses	(1.1)	(0.7)
Total other expenses	(1.1)	(0.7)

2 Distributions

For the half-year ended 30 June 2019, distributions of \$89.6 million were declared to unitholders of the Trust (half-year ended 30 June 2018: \$85.7 million).

Notes to the Condensed Consolidated Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

Investments

3 Investment property

	Consolidated	
	30 June 19	31-Dec-18
	\$m	\$m
Reconciliation of the carrying amount of investment properties is set out below:		
Carrying amount at beginning of the financial period	352.5	894.1
Capital expenditure	17.7	40.3
Acquisitions	-	7.4
Disposals ¹	(107.0)	(184.0)
Transferred to property financial assets	-	(419.0)
Net gain from fair value adjustments to investment properties	13.4	14.5
Change due to impact of straight-lining of rental income and other	(5.9)	(0.8)
Carrying amount at the end of the financial period	270.7	352.5

¹ 405 Bourke St and 362 Little Collins St were sold in April 2019.

Property valuations

An external valuation company, having an appropriately recognised professional qualification and recent experience in the location and category of the property being valued, values the portfolio whenever it is believed that the fair value of an investment property differs significantly from its carrying value, based on a material change to the assumptions and market conditions underlying the valuation. In the current financial period, these external valuations were performed by CBRE, Jones Lang LaSalle and Savills. External values are based on market values, being the estimated amount for which an investment property could be exchanged on the date of valuation between a willing buyer and a willing seller, in an arm's length transaction after appropriate marketing wherein the parties have each acted knowledgeably, prudently and without compulsion. During the current financial period, four properties were externally valued.

All other investment properties were valued using internal valuations. Valuations reflect, where appropriate, the type of tenants, future rent reviews and market conditions. A change in any of these factors could have a significant impact on the value of the Consolidated Entity's investment properties. Internal valuations have been undertaken using a discounted cash flow approach and a capitalisation method. The key assumptions adopted under these methods include assessment of the capitalisation rate, discount rate, terminal yield, current passing/market rent and forecast net annual cash flows receivable from properties. The terminal capitalisation rates utilised in the 30 June 2019 valuations ranged from 6.75% to 7.00% (30 June 2018: 5.65% to 7.00%).

Any gain or loss from a change in fair value is recognised in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income. All property acquisition costs in respect of properties acquired are capitalised into the value of the investment property at the time of purchase to reflect the total acquisition cost in the Condensed Consolidated Statement of Financial Position. Additions and other expenditure on investment property which is capital in nature is capitalised as incurred. Where independent valuations are undertaken prior to the reporting date, the assumptions on which the valuation is based are reviewed in light of the prevailing market conditions at the reporting date to ensure that any material change is reflected in the valuation.

Notes to the Condensed Consolidated Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

4 Other financial assets

	Consolidated	
	30-Jun-19	30-Jun-18
	\$m	\$m
Other financial assets		
Current		
P-note receivable	60.0	239.8
Property financial assets	637.5	-
Total current other financial assets	697.5	239.8
Non-current		
Property financial assets	1,824.5	2,652.4
Total non-current other financial assets	1,824.5	2,652.4
Total other financial assets	2,522.0	2,892.2

On 27 September 2010, Brookfield Holdings (Australia) Limited (BHAL) entered into a total return swap and option with Brookfield Office Properties Pty Ltd (BPO), a subsidiary of BAM, over the shares of several of the legal subsidiaries of the Consolidated Entity whereby BPO obtained the economic rights and obligations of those entities at a strike price which was calculated on the fair value of the net assets at that date.

On 15 April 2013, BHAL entered into a total return swap and option with Brookfield Property Partners (Australia) Pty Ltd (BPY), a subsidiary of BAM, over the shares of several of the legal subsidiaries of the Consolidated Entity whereby BPY obtained the economic rights and obligations of those entities at a strike price which was calculated on the fair value of the net assets at that date.

As a result, financial assets have been recorded in the Consolidated Entity and classified as property financial assets.

Property financial assets are designated at fair value through profit and loss. The fair value of property financial assets are determined with reference to the fair value and financing structures of, as well as the funds from operations generated from, the underlying investment properties that are subject to the total return swap and option.

Notes to the Condensed Consolidated Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

4 Other financial assets continued

	Consolidated	
	30-Jun-19 \$m	31-Dec-18 \$m
Property financial assets¹		
Current		
Darling Park ^{2,3}	637.5	-
Total current property financial assets	637.5	-
Non-current		
Brookfield Prime Property Fund (BPPF) ⁴	-	259.5
Darling Park ^{2,3}	-	566.4
Southern Cross East Tower	501.0	491.0
BAO Trust	0.4	0.4
Multiplex European Property Fund	1.2	1.2
240 Queen Street ^{2,5}	54.0	110.7
Southern Cross West Tower ²	141.0	130.5
Brookfield Place Perth Tower 1 ²	562.5	550.0
Brookfield Place Perth Tower 2 ²	220.5	213.0
388 George Street ²	155.1	142.8
Jessie Street ²	122.9	128.0
108 St Georges Terrace ²	65.9	58.9
Total non-current property financial assets	1,824.5	2,652.4
Total property financial assets	2,462.0	2,652.4

¹ Properties from which property finance income is determined.

² During the half-year, eight of the underlying properties were externally valued.

³ Darling Park reclassified to 'Current'. On 15 July and 18 July 2019, BAPT exchanged a Unit and Share Sale and Purchase agreement with GPT for 25% and AMP for 5% of Darling Park. Proceeds for the sale of the asset have been received in full as of the 9th of August 2019 with the receipt of \$531.25m from GPT and \$106.25m from AMP. External debt of \$205.3m was repaid.

⁴ Sale of assets previously held by BPPF including 108 St Georges Terrace, 12 Shelley St and 680 George St/ 50 Goulburn St.

⁵ 50% of 240 Queen St was sold on 3 April 2019.

	Consolidated	
	30-Jun-19 \$m	30-Jun-18 \$m
Property financial income		
Realised property finance income	92.0	65.5
Fair value gain on property financial asset	111.2	116.3
Total property finance income	203.2	181.8

Notes to the Condensed Consolidated Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

Liquidity and Working Capital

5 Trade and other receivables

	Consolidated	
	30-Jun-19	31-Dec-18
	\$m	\$m
Current		
Trade receivables ¹	3.6	12.8
<i>Less: Allowance for doubtful debts</i>	-	-
	3.6	12.8
Amounts due from related parties ²	142.6	259.2
Total current trade and other receivables	146.2	272.0

¹ Trade receivables are non-interest bearing and generally on 30 day terms. An allowance for impairment is made when there is objective evidence that a trade receivable or related parties receivable is impaired under the expected credit loss model.

² Amounts classified as current receivables relating to amounts due from related parties are unsecured and are repayable when called.

6 Interest bearing receivables

	Consolidated	
	30-Jun-19	31-Dec-18
	\$m	\$m
Current		
Interest bearing receivables from related parties	-	1,158.3
Total current interest bearing receivables from related parties	-	1,158.3
Non-current		
Interest bearing receivables from related parties	514.6	494.8
Total non-current interest bearing receivables from related parties	514.6	494.8
Total interest bearing receivables from related parties	514.6	1,653.1

Notes to the Condensed Consolidated Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

7 Interest bearing loans and borrowings

	Consolidated	
	30-Jun-19	31-Dec-18
	\$m	\$m
Carrying amounts		
Current interest bearing loans and borrowings	-	1,162.1
<i>Less: deferred borrowing costs</i>	-	(3.8)
	-	1,158.3
Non-current interest bearing loans and borrowings	952.0	932.6
<i>Less: deferred borrowing costs</i>	(2.7)	(3.4)
	949.3	929.2
Total interest bearing loans and borrowings	949.3	2,087.5

Summary of borrowing arrangements

All debt facilities are bilateral and are secured by relevant mortgages and charges directly relating to specific investment properties. The Consolidated Entity has bank loans denominated in Australian dollars. Interest on bank loans is charged at the prevailing market rate. There were no overdraft facilities in place at 30 June 2019 (31 December 2018: \$NIL).

At 30 June 2019, the Consolidated Entity is in compliance with all of its debt covenants.

	Consolidated	
	30-Jun-19	31-Dec-18
	\$m	\$m
Total financing facilities available		
Property facilities	989.3	1,912.1
Corporate facilities - related party ¹	-	232.1
Total facilities available	989.3	2,144.2
Facilities utilised at reporting date		
Property facilities	949.3	1,855.4
Corporate facilities - related party ¹	-	232.1
Total facilities utilised at end of the financial period	949.3	2,087.5
Facilities not utilised at reporting date		
Property facilities	37.3	49.5
Total facilities not utilised at end of the financial period	37.3	49.5

¹ Repaid on 14 March 2019.

Notes to the Condensed Consolidated Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

8 Non-interest bearing loans and borrowings

	Consolidated	
	30-Jun-19	31-Dec-18
	\$m	\$m
Current		
Unsecured		
Amounts due to related parties	624.0	1,140.7
Total current non-interest bearing loans and borrowings	624.0	1,140.7

9 Contributed equity

	Consolidated	
	30-Jun-19	31-Dec-18
	\$m	\$m
Issued and fully paid up units		
Units issued ¹	672.2	1,047.1

¹ On 29 March 2019, the Trust paid a return of capital to BAPL of \$374.9m.

Terms and conditions of units in the Trust

Ordinary units in the Trust are stapled with ordinary shares in the Company. Ordinary units in the Trust entitles holders to participate in distributions as declared and, in the event of the Trust winding up, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on units held. Each unit entitles the holder to one vote either in person or by proxy, at a meeting of the Trust.

Notes to the Condensed Consolidated Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

10 Fair value of Financial instruments

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of all financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices (includes listed investments); and
- the fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The following table provides an analysis of assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities;
- level 2 fair value measurements are those derived from 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); and
- level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between levels during the year. The carrying value of investments and interest bearing loans and borrowings approximates their fair value.

	Level 1	Level 2	Level 3	Total
	\$m	\$m	\$m	\$m
Consolidated - 30 June 2019				
Financial and non - financial assets				
Investments				
- Property financial assets	-	-	2,462.0	2,462.0
- Investment property	-	-	270.7	270.7
Total financial and non - financial assets	-	-	2,732.7	2,732.7
Financial liabilities				
Derivative instruments – interest rate swaps	-	(8.3)	-	(8.3)
Total financial liabilities	-	(8.3)	-	(8.3)
Total net financial and non - financial assets/(liabilities)	-	(8.3)	2,732.7	2,724.4

Consolidated – 31 December 2018

Financial and non - financial assets				
Investments				
- Property financial assets	-	-	2,652.4	2,652.4
- Investment property	-	-	352.5	352.5
Total financial and non - financial assets	-	-	3,004.9	3,004.9
Financial liabilities				
Derivative instruments – interest rate swaps	-	(2.0)	-	(2.0)
Total financial liabilities	-	(2.0)	-	(2.0)
Total net financial and non - financial assets/(liabilities)	-	(2.0)	3,004.9	3,002.9

Property financial assets are financial assets recognised at fair value through profit and loss. The fair value of the property financial assets is determined with reference to the fair value of, and the funds from operations generated from, the underlying investment properties, less any external debt related to that property. External debt is held at amortised cost and is refinanced at regular intervals at market rates. The carrying value of the external debt is equivalent to its fair value. The underlying properties are valued in accordance with the methodology described in the investment property note as per Note 3. Management performs a discounted cash flow calculation on each investment property to determine its fair value each quarter, and the unobservable inputs deemed to be significant in these calculations are the discount rates and terminal capitalisation rates used in determining the fair value of the underlying properties. The discount rates and terminal capitalisation rates utilised in the 30 June 2019 valuations of the underlying properties of the property financial assets ranged from 6.36% to 7.50% and 5.25% to 6.75% respectively (30 June 2018: 6.50% to 7.50% and 5.50% to 7.37% respectively).

Notes to the Condensed Consolidated Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

10 Fair value of Financial instruments continued

Valuation techniques and assumptions applied for the purposes of measuring fair value continued

For valuation methodology of investment property, refer to Note 3. The discount rates and terminal capitalisation rates utilised in the 30 June 2019 valuations of investment properties was 7.50% and ranging from 6.75% to 7.00% respectively. (30 June 2018: 7.25% to 7.50% and 5.65% to 7.00% respectively).

An investment property and property financial asset sensitivity assessment has been performed by considering the movement in the fair value of the underlying properties if the discount rate and terminal capitalisation rate were to increase or decrease by 25bps.

A 25bps increase in the discount rate is estimated to cause a 1.64% decrease in the investment property value, while a 25bps decrease in the discount rate is estimated to cause a 2.16% increase in the investment property value. A 25bps increase in the terminal capitalisation rate is estimated to cause a 2.20% decrease in the investment property value, while a 25bps decrease in the terminal capitalisation rate is estimated to cause a 2.86% increase in the investment property value.

A 25bps increase in the discount rate is estimated to cause 1.96% decrease in property financial asset value, while a 25bps decrease in the discount rate is estimated to cause a 2.05% increase in the property financial asset value. A 25bps increase in the terminal capitalisation rate is estimated to cause a 3.16% decrease in the property financial asset value, while a 25bps decrease in the terminal capitalisation rate is estimated to cause a 3.49% increase in the property financial asset value.

The finance department of the Trust includes a team that perform the fair value assessment of property financial assets required for financial reporting purposes. This team reports to the chief financial officer (CFO), the valuation committee and the Directors. Discussions of valuation processes and results are held between the CFO and the valuation committee at least once every six months, in line with the Trust's half-yearly reporting dates.

	Property financial assets \$m	Investment property \$m	Total \$m
Consolidated - 30 June 2019			
Opening balance	2,652.4	352.5	3,004.9
Capital expenditure	-	17.7	17.7
Disposals ¹	(318.5)	(107.0)	(425.5)
Fair value gain	147.6	13.4	161.0
Debt repayment	(19.5)	-	(19.5)
Change due to impact of straight-lining of rental income and other	-	(5.9)	(5.9)
Closing balance	2,462.0	270.7	2,732.7

¹ Investment properties 405 Bourke St and 362 Little Collins St were sold for \$99.6m and \$7.4m respectively. The property financial asset disposals include 50% of 240 Queen St (-\$62.5m) and sale of assets previously held by BPPF including 108 St Georges Terrace, 12 Shelley St and 680 George St/ 50 Goulburn St.

	Property financial assets \$m	Investment property \$m	Total \$m
Consolidated - 31 December 2018			
Opening balance	2,462.3	894.1	3,356.4
Capital expenditure	-	40.3	40.3
Disposals and transfers to PFA's	(752.7)	(603.0)	(1,355.7)
Acquisitions / investment	634.6	7.4	642.0
Fair value gain	306.3	14.5	320.8
Other	1.9	(0.8)	1.1
Closing balance	2,652.4	352.5	3,004.9

Notes to the Condensed Consolidated Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

Group Structure

11 Related parties

Related party loans and receivables that are not intended to be called within 12 months have been classified as non-current.

Other Notes

12 Events occurring after the reporting date

After the date of this report the following events have occurred:

On 15 July and 18 July 2019, BAPT exchanged a Unit and Share Sale and Purchase agreement with GPT for 25% and AMP for 5% of Darling Park. Proceeds for the sale of the asset have been received in full as of the 9th of August 2019 with the receipt of \$531.25m from GPT and \$106.25m from AMP. External debt of \$205.3m was repaid.

Other than as disclosed in this report and to the knowledge of the Directors, there has been no other matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may affect, the Consolidated Entity's operations in future financial periods, the results of those operations or the Consolidated Entity's state of affairs in future financial periods.

Directors' Declaration

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2019

The Directors of the Responsible Entity declare that:

- a. in the Directors' opinion, there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable; and
- b. in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Entity.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001* on behalf of the Directors of the Responsible Entity, Brookfield Funds Management Limited.

Dated at Sydney, this 27th day of August 2019.



Shane Ross
Executive Director
Brookfield Funds Management Limited

Independent Auditor's Review Report to the unitholders of Brookfield Australia Property Trust

We have reviewed the accompanying half-year financial report of Brookfield Australia Property Trust, which comprises the condensed consolidated statement of financial position as at 30 June 2019, the condensed consolidated statement of profit and loss and other comprehensive income, the condensed consolidated statement of changes in unitholder interests and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising Brookfield Australia Property Trust and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half Year Financial Report

The Directors of Brookfield Funds Management Limited as the responsible entity of Brookfield Australia Property Trust ("the directors"), 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 gives a true and fair view and 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 Brookfield Australia Property Trust financial position as at 30 June 2019 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 Brookfield Australia Property Trust, 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.

Auditor's Independence Declaration

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 Brookfield Funds Management Limited, as the responsible entity of Brookfield Australia 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 Brookfield Australia Property Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Brookfield Australia Property Trust financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Gustav de Muelenaere

Partner

Chartered Accountants

Sydney, 27 August 2019