

Brookfield Multiplex Capital Management Limited  
(ACN 094 936 866)Multiplex Prime Property Fund  
(ARSN 110 096 663)

# ASX Announcement

28 October 2009

## Multiplex Prime Property Fund (ASX: MAFCA) Entitlement Offer Update

Brookfield Multiplex Capital Management Limited (BMCML), the Responsible Entity of Multiplex Prime Property Fund (MAFCA or Fund) today provides details of modifications to the Shortfall Facility and Bookbuild<sup>1</sup> (both of which were announced to the market on 22 October 2009).

The modifications outlined below allow the Entitlement Offer, previously approved by unitholders, to proceed with immediate effect.

The modifications have been made pursuant to an undertaking given by BMCML to the Takeovers Panel in an effort to resolve the current proceedings commenced by Australian Style Investments Pty Limited. The Takeovers Panel has accepted the undertaking.

The modifications are as follows (and are explained in full below):

- removal of the 20% cap for applications under the Shortfall Facility and Bookbuild;
- BMCML will announce to the ASX, no later than the date that notifications of under-subscriptions are due to take place under the timetable for the Entitlement Offer (expected to be 9 November 2009 on the current timetable), instances and reasons where it exercises discretion to reject applications as set out in the Supplementary Information; and
- waiving of the credit condition to the Bookbuild.

BMCM has also undertaken to promptly seek the ASIC Relief referred to in its announcement of 22 October 2009 and to accept any reasonable conditions imposed by ASIC in response to the application.

In addition BMCML has undertaken to send a letter to all Eligible Unitholders who accepted the Entitlement Offer or the Cash-out Facility Offer on or prior to 28 October 2009, informing those unitholders that they have the right to withdraw their acceptance if they so choose. Having done so, those unitholders may submit a new application for either the Cash-out Facility Offer or the Entitlement Offer, subject to and in accordance with the procedures in the Offer Booklet.

### Lifting of Interim Order

As set out in the Takeover Panel's media release today, interim orders previously restricting allotment or issue of units received under the Entitlement Offer and applications under the Cash-out Facility have been lifted. BMCML is now able to process applications under the Entitlement Offer and the Cash-out Facility Offer.

### Removal of 20% Cap

In the Supplementary Information sent to unitholders on 22 October 2009, BMCML announced that there would be no allocation to a person under the Shortfall Facility or Bookbuild if:

- “(A) *this would cause a person's voting power (within the meaning of the Corporations Act) in the Fund to exceed 20%;*
- (B) *this would cause a breach of any relevant law; or*
- (C) *this would lead to any person, other than a member of the Brookfield Multiplex Group, holding voting power in the Fund of at least 50% in circumstances where that would entitle the lenders under the*

<sup>1</sup> Capitalised terms have the same meaning as in the Supplementary Information, dated and issued to investors on 22 October 2009.

*Debt Facility to determine that the loan covenant waiver previously provided by them no longer applies.”*

BMCML has undertaken to remove condition A.

However the 20% cap may remain relevant because condition B prevents an allocation being made to a person to the extent this would breach any relevant law. The Corporations Act prohibits a person acquiring units in the Fund if, as a result of doing so, the voting power of any person would exceed 20%. This prohibition is subject to certain specified exemptions.

#### **Undertaking to Announce Rejection of Applications**

In the Supplementary Information, BMCML announced that under the Shortfall Facility, it would have the discretion to reject applications if:

- (A) *an applicant has sought to obtain a larger Entitlement than it would otherwise be entitled to whether through means of unit-splitting, aggregation of entitlements or otherwise; or*
- (B) *an applicant or a third party has engaged in any other activity that is designed to circumvent the intention behind the Shortfall Facility, being to make additional New Units available to Eligible Unitholders only.*

BMCML has undertaken that it will no later than the date that notifications of under-subscriptions are due to take place under the timetable for the Entitlement Offer, announce to the ASX:

- (i) instances in which it exercises its discretion to reject applications under the above condition; and
- (ii) reasons for exercising any such discretion.

#### **Credit Condition**

In the Supplementary Information, BMCML announced that allocations under the Bookbuild would be subject to the following condition:

*“a person who subscribes under the Bookbuild for New Units that would lead to it acquiring a substantial holding (as that term is defined in the Corporations Act) in the Fund, will only be allocated New Units in excess of the level at which they would acquire a substantial holding if they:*

- (i) *issue a public statement to ASX stating definitively that they will, or authorise the Responsible Entity to issue a public statement to ASX on their behalf stating definitively that they will hold their New Units until the earlier of:*
  - (a) *the “record date” for determining who is liable to pay the final instalment under the New Units; or*
  - (b) *the date upon which it has disposed of all of those New Units (provided that it may only do so in onmarket transactions undertaken in the ordinary course of business on the stock market of a securities exchange or by Crossings permitted under section 17 of the ASX Market Rules or pursuant to a bona fide takeover bid);*
- (ii) *either demonstrate, to the reasonable satisfaction of the Responsible Entity, that they have (or will have) the financial ability to pay the final instalment on the New Units when it becomes due and payable or provide a guarantee and indemnity from a parent entity or other entity of substance, to the reasonable satisfaction of the Responsible Entity, in respect of the obligations to pay the final instalment on the New Units.”*

BMCML has now waived the credit condition so that allocations under the Bookbuild will no longer be subject to the Credit Condition.

**Additional undertaking**

The "Cash-out Facility Offer" as described in the Entitlement Offer- Offer Booklet (Offer Booklet), is subject to the condition that any purchase or acquisition by the Underwriter (or any member of the Brookfield Multiplex Group or BMCML as agent for the Underwriter under the Cash-out Facility Offer) is approved at a meeting of members of the Fund in accordance with Item 7 of section 611 of the Corporations Act (Approval Condition).

As set out in the Offer Booklet, the Approval Condition may be waived if ASIC grants relief and a modification to the law such that the acquisition of units pursuant to the Cash-out Facility Offer may be made without seeking member approval (ASIC Relief). The Underwriter is obliged to seek this relief (and BMCML is obliged to provide all reasonable assistance requested by the Underwriter in relation to obtaining the relief).

BMCML has undertaken to the Takeovers Panel to:

- promptly apply for the ASIC Relief; and
- accept any reasonable conditions imposed by ASIC in response to such an application.

If the ASIC Relief is granted then the Underwriter will be able to purchase units under the Cash-out Facility Offer notwithstanding that, at the time of acquisition, the Underwriter's voting power in MAFCA may be above 20% but less than 90%.

As soon as ASIC's position is known, BMCML will update the market.

**Conclusion**

BMCML looks forward to completing the Entitlement Offer by 16 November 2009, enabling it to cure the covenant breaches as at 30 June 2009 and stabilise the capital position of the Fund.

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