

Multiplex New Zealand Property Fund
Interim financial report
For the half year ended
31 December 2016

Multiplex New Zealand Property Fund

ARSN 110 281 055

Table of Contents

Multiplex New Zealand Property Fund

For the half year ended 31 December 2016

	Page
Directory	3
Directors' Report	4
Auditor's Independence Declaration	6
Financial Statements	7
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income	7
Condensed Consolidated Interim Statement of Financial Position	8
Condensed Consolidated Interim Statement of Changes in Equity	9
Condensed Consolidated Interim Statement of Cash Flows	10
Notes to the Condensed Consolidated Interim Financial Statements	11
1 Reporting entity	11
2 Significant accounting policies	11
3 Estimates.....	11
4 Distributions and returns of capital	12
5 Investment properties	12
6 Units on issue	12
7 Related parties.....	12
8 Contingent liabilities and assets.....	12
9 Events subsequent to the reporting date	12
Directors' Declaration	13
Independent Auditor's Review Report	14

Directory

Multiplex New Zealand Property Fund

For the half year ended 31 December 2016

Responsible Entity

Brookfield Capital Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9322 2000
Facsimile: +61 2 9322 2001

Directors of Brookfield Capital Management Limited

F. Allan McDonald
Barbara Ward
Shane Ross

Company Secretary of Brookfield Capital Management Limited

Men (Mandy) Chiang (appointed on 15 November 2016)
Neil Olofsson

Registered Office of Brookfield Capital Management Limited

Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9322 2000
Facsimile: +61 2 9322 2001

Custodian

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

Location of Share Registry

Boardroom (Victoria) Pty Limited
Level 8, 446 Collins Street
Melbourne VIC 3000

All correspondence to:

GPO Box 3993
Sydney NSW 2001
Telephone: 1300 737 760
Facsimile: 1300 653 459
International
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664
www.boardroomlimited.com.au

Auditor

Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000
Telephone: + 61 2 9322 7000
Facsimile: + 61 2 9322 7001

Directors' Report

Multiplex New Zealand Property Fund

For the half year ended 31 December 2016

Introduction

The Directors of Brookfield Capital Management Limited (BCML) (ABN 32 094 936 866), the Responsible Entity of Multiplex New Zealand Property Fund (ARSN 110 281 055) (Fund), present their report together with the condensed consolidated interim financial statements of the Consolidated Entity, being the Fund and its subsidiaries, for the six months ended 31 December 2016 and the Independent Auditor's Review Report thereon.

Responsible Entity

The Responsible Entity of the Fund is Brookfield Capital Management Limited (BCML). 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 financial period:

Name	Capacity
F. Allan McDonald	Non-Executive Independent Chairman
Barbara Ward	Non-Executive Independent Director
Shane Ross	Executive Director

Principal activities

The principal activity of the Consolidated Entity is the investment in properties in New Zealand.

Wind up of the Fund

The Responsible Entity continues with the wind up of the Fund. The completion of the wind up of the Fund will be conditional on a number of activities, including the completion of seismic works obligations and the release of any remaining escrow amounts.

Distributions and returns of capital

During the current period, the Fund paid a cash distribution of \$39,250,000 or 18.0 cents per unit (cpu) on 6 July 2016. In the prior year ended 30 June 2016, the Fund made a cash distribution of \$8,722,000 or 4.0 cents per unit (cpu) on 29 June 2016.

Review of operations

The Consolidated Entity has recorded a net profit after tax of \$22,000 for the half year ended 31 December 2016 (2015: net loss after tax \$6,632,000).

Summary of significant events during the period are as follows:

- total revenue and other income of \$264,000 (2015: \$3,098,000); and
- net assets attributable to unitholders of \$9,238,000 (30 June 2016: \$48,260,000) and net assets per unit of \$0.04 (30 June 2016: \$0.22).

Rounding of amounts

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

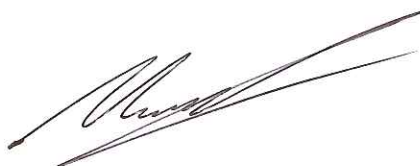
Directors' Report continued
Multiplex New Zealand Property Fund
For the half year ended 31 December 2016

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 31 December 2016.

Dated at Sydney this 24th day of February 2017

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



Shane Ross
Director
Brookfield Capital Management Limited

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

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor
Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
Brookfield Capital Management Limited
(as Responsible Entity for Multiplex New Zealand Property Fund)
Level 22, 135 King St
Sydney NSW 2000

24 February 2017

Dear Directors

Multiplex New Zealand Property Fund

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 Capital Management Limited as the Responsible Entity of Multiplex New Zealand Property Fund.

As lead audit partner for the review of the financial statements of Multiplex New Zealand Property Fund for the half year ended 31 December 2016, 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 sincerely

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants

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

7

Multiplex New Zealand Property Fund

For the half year ended 31 December 2016

	Note	Consolidated	
		Half year ended 31 December 2016 \$'000	Half year ended 31 December 2015 \$'000
Revenue and other income			
Property rental income		–	2,511
Interest income		68	142
Net gain on sale of investment properties		–	445
Other income		196	–
Total revenue and other income		264	3,098
Expenses			
Property expenses		146	1,239
Net loss on revaluation of investment properties	5	–	7,519
Management fees		7	233
Other expenses		73	107
Total expenses		226	9,098
Profit/(loss) before income tax		38	(6,000)
Income tax expense		(16)	(632)
Net profit/(loss) after income tax for the period		22	(6,632)
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Changes in foreign currency translation reserve		206	3,569
Other comprehensive income for the period, net of income tax		206	3,569
Total comprehensive income/(loss) for the period		228	(3,063)
Net profit/(loss) attributable to ordinary unitholders		22	(6,632)
Total comprehensive income/(loss) attributable to ordinary unitholders		228	(3,063)

The Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statement of Financial Position

8

Multiplex New Zealand Property Fund

As at 31 December 2016

	Note	Consolidated 31 December 2016 \$'000	30 June 2016 \$'000
Assets			
Current assets			
Cash and cash equivalents		7,707	47,930
Trade and other receivables		3,240	3,921
Total current assets		10,947	51,851
Total assets		10,947	51,851
Liabilities			
Current liabilities			
Trade and other payables		1,567	3,286
Current tax liability		13	98
Accrued wind up costs		129	–
Total current liabilities		1,709	3,384
Non-current liabilities			
Accrued wind up costs		–	207
Total non-current liabilities		–	207
Total liabilities		1,709	3,591
Net assets		9,238	48,260
Equity			
Units on issue	6	62,616	101,866
Reserves		(23,414)	(23,620)
Undistributed losses		(29,964)	(29,986)
Total equity		9,238	48,260

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

Condensed Consolidated Interim Statement of Changes in Equity

9

Multiplex New Zealand Property Fund

For the half year ended 31 December 2016

Consolidated Entity	Attributable to unitholders of the Fund			
	Ordinary units \$'000	Undistributed profits/ (losses) \$'000	Reserves \$'000	Total \$'000
Opening equity – 1 July 2016	101,866	(29,986)	(23,620)	48,260
Changes in foreign currency translation reserves			206	206
Other comprehensive income for the period, net of income tax			206	206
Net profit for the period		22		22
Total comprehensive income for the period		22	206	228
Transactions with unitholders in their capacity as unitholders:				
Return of capital	(39,250)			(39,250)
Total transactions with unitholders in their capacity as unitholders	(39,250)			(39,250)
Closing equity – 31 December 2016	62,616	(29,964)	(23,414)	9,238

Consolidated Entity	Attributable to unitholders of the Fund			
	Ordinary units \$'000	Undistributed profits/ (losses) \$'000	Reserves \$'000	Total \$'000
Opening equity – 1 July 2015	109,901	(19,578)	(28,225)	62,098
Changes in foreign currency translation reserves			3,569	3,569
Other comprehensive income for the period, net of income tax			3,569	3,569
Net loss for the period		(6,632)		(6,632)
Total comprehensive (loss)/income for the period		(6,632)	3,569	(3,063)
Total transactions with unitholders in their capacity as unitholders				
Closing equity – 31 December 2015	109,901	(26,210)	(24,656)	59,035

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

Condensed Consolidated Interim Statement of Cash Flows

10

Multiplex New Zealand Property Fund

For the half year ended 31 December 2016

	Consolidated	
	Half year ended 31 December 2016 \$'000	Half year ended 31 December 2015 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	566	2,732
Cash payments in the course of operations	(1,687)	(1,718)
Interest received	64	140
Income tax	(103)	263
Net cash flows (used in)/from operating activities	(1,160)	1,417
Cash flows from investing activities		
Payments for additions to investment properties	–	(1,863)
Proceeds from sale of investment properties	–	414
Net cash flows used in investing activities	–	(1,449)
Cash flows from financing activities		
Returns of capital	(39,250)	–
Net cash flows used in financing activities	(39,250)	–
Net decrease in cash and cash equivalents	(40,410)	(32)
Impact of foreign exchange	187	861
Cash and cash equivalents at beginning of the period	47,930	16,606
Cash and cash equivalents at 31 December	7,707	17,435

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

Notes to the Condensed Consolidated Interim Financial Statements

11

Multiplex New Zealand Property Fund

For the half year ended 31 December 2016

1 Reporting entity

Multiplex New Zealand Property Fund (Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Capital Management Limited (BCML), the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The consolidated interim financial statements of the Fund as at and for the six months ended 31 December 2016 comprise the Fund and its subsidiaries (together referred to as the Consolidated Entity).

2 Significant accounting policies

Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been 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*. The consolidated interim financial report does not include notes of the type normally included in annual financial statements and should be read in conjunction with the most recent annual financial statements of the Consolidated Entity as at and for the year ended 30 June 2016. For the purpose of preparing the consolidated financial statements, the Fund is a for profit entity.

Basis of preparation

The consolidated interim financial report is presented in Australian dollars, which is the Fund's presentation currency. The Fund's functional currency is Australian dollars. However, the Consolidated Entity is predominately comprised of operations that are located in New Zealand. The functional currency of the controlled entity that holds these operations is New Zealand dollars.

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

The accounting policies and methods of computation adopted in the preparation of the consolidated interim financial report are consistent with those adopted and disclosed in the consolidated financial report as at and for the year ended 30 June 2016.

Non - going concern

The Consolidated Entity intends to cease business within the next 12 months from 31 December 2016 and realise its assets and extinguish its liabilities in the ordinary course of its business. As such the going concern basis has not been adopted in the preparation of these financial statements. Accordingly, the Consolidated Entity's assets have been recorded at their net realisable values and the liabilities have been recorded at their contractual settlement amounts.

In addition, all assets and liabilities have been classified as current since assets will be consumed or converted into cash and liabilities will be settled within 12 months after 31 December 2016.

3 Estimates

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, liabilities, income and expenses. 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.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies relate to accrued sales obligation and warranty costs.

Notes to the Condensed Consolidated Interim Financial Statements continued

Multiplex New Zealand Property Fund

12

For the half year ended 31 December 2016

4 Distributions and returns of capital

During the current period, the Fund paid a cash distribution of \$39,250,000 or 18.0 cents per unit (cpu) on 6 July 2016. In the prior year ended 30 June 2016, the Fund made a cash distribution of \$8,722,000 or 4.0 cents per unit (cpu) on 29 June 2016.

5 Investment properties

	Consolidated	
	31 December 2016	30 June 2016
	Book value	Book value
	\$'000	\$'000
Total investment properties	-	-

During the year ended 30 June 2016 the Fund disposed of all its properties.

Reconciliation of the carrying amount of investment properties, including held for sale investment properties, is set out below:

	Consolidated	
	Half year ended 31 December 2016	Year ended 30 June 2016
	\$'000	\$'000
Investment properties		
Carrying amount at beginning of the period	-	50,115
Sale of investment properties	-	(44,644)
Capital expenditure and incentives	-	1,675
Net loss from fair value adjustments to investment properties	-	(7,519)
Foreign currency translation exchange adjustment	-	373
Carrying amount at period end	-	-

6 Units on issue

	Half year ended 31 December 2016	Half year ended 31 December 2016	Year ended 30 June 2016	Year ended 30 June 2016
	\$'000	Units	\$'000	Units
Ordinary units				
Opening balance	101,866	218,056,451	109,901	218,056,451
Returns of capital	(39,250)	-	(8,035)	-
Closing balance	62,616	218,056,451	101,866	218,056,451

7 Related parties

There have been no significant changes to the related party transactions as disclosed in the annual report for the year ended 30 June 2016.

8 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2016 (30 June 2015: nil).

9 Events subsequent to the reporting date

There are no matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.

Directors' Declaration

Multiplex New Zealand Property Fund

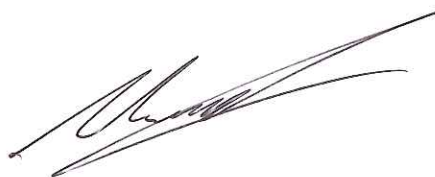
For the half year ended 31 December 2016

In the opinion of the Directors of Brookfield Capital Management Limited, the Responsible Entity of Multiplex New Zealand Property Fund:

- a The condensed consolidated interim financial statements and notes, set out in pages 7 to 12, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2016 and of its performance for the six month period ended on that date; and
 - ii complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* as it applies on a non-going concern basis and the *Corporations Regulations 2001*;
- b There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Brookfield Capital Management Limited.

Dated at Sydney this 24th day of February 2017



Shane Ross
Director
Brookfield Capital Management Limited

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

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor
Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent Auditor's Review Report to the Unitholders of Multiplex New Zealand Property Fund

We have reviewed the accompanying half-year financial report of Multiplex New Zealand Property Fund ("the Fund"), which comprises the condensed consolidated statement of financial position as at 31 December 2016, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated 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 of the consolidated entity comprising the Fund and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 13.

Directors' Responsibility for the Half-Year Financial Report

The directors of Brookfield Capital Management Limited, the Responsible Entity of the Fund, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards as they apply on a non-going concern basis 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 Fund's financial position as at 31 December 2016 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 Fund, 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 Capital Management Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Multiplex New Zealand Property Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* as it applies on a non-going concern basis and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants
Sydney, 24 February 2017