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Multiplex SITES Trust

For the year ended 31 December 2019

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Directory

Multiplex SITES Trust

For the year ended 31 December 2019

Responsible Entity

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

Stock Exchange

The Trust was delisted from the Australian Securities Exchange (ASX Code: MXUPA) on 2 January 2020.

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: +61 2 9322 7000

Directors' Report

Multiplex SITES Trust

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For the year ended 31 December 2019

Introduction

The Directors of Brookfield Funds Management Limited (ABN:15 105 371 917), the Responsible Entity of Multiplex SITES Trust (Trust) present their report together with the financial statements of the Trust for the year ended 31 December 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 NSW 2000.

Directors

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

Information on Directors

F. Allan McDonald (BEcon, FCPA, FAIM, FGIA), Non-Executive Independent Chairman

Mr McDonald was appointed to the Board on 22 October 2003 and was appointed Non-Executive Independent Chairman of Brookfield Funds Management Limited (BFML) in May 2005. Mr McDonald has had extensive experience in the role of Chairman and is presently associated with a number of companies as a consultant and Company Director. Mr McDonald is also a director of Brookfield Capital Management Limited (BCML) (appointed January 2010), the Responsible Entity for Brookfield Prime Property Fund (BPA, delisted on 4 July 2017). Mr McDonald has also served as a director of Astro Japan Management Limited (Responsible Entity of Astro Japan Property Trust, delisted on 10 October 2017) deregistered on 31 October 2019 (February 2005 – October 2019).

Barbara K Ward, AM (BEcon, MPOEcon, MAICD), Non-Executive Independent Director and Chairperson of Board Risk and Compliance Committee

Ms Ward was appointed as a Non-Executive Independent Director of BFML on 22 October 2003. Ms Ward has gained extensive business and finance experience through her role as Chief Executive Officer of Ansett Worldwide Aviation Services, as General Manager Finance for the TNT Group and as a Senior Ministerial Advisor. Ms Ward is a Director of Qantas Airways Limited (appointed June 2008), Caltex Australia Limited (appointed 1 April 2015) and Crestone Holdings Limited (appointed November 2019). Ms Ward has also served as a director of Sydney Children's Hospital Foundation (November 2012 to February 2018). Ms Ward is also a director of BCML (appointed January 2010), the Responsible Entity for BPA (delisted on 3 July 2017).

Shane Ross (BBus), Executive Director

Mr Ross is the Managing Director for Brookfield Properties Group Australia and was appointed as an Executive Director of BFML on 6 May 2015. BFML is the responsible Entity for Multiplex SITES Trust. Shane joined the organisation in 2003 following a background in banking and has over 22 years' experience in treasury and finance within the property industry.

Men (Mandy) Chiang, Company Secretary

Ms Chiang was appointed Company Secretary of BFML on 15 November 2016. Ms Chiang has over 20 years of company secretarial experience including having previously worked at Brookfield Australia Group for over 8.5 years.

Directors' Report continued

Multiplex SITES Trust

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For the year ended 31 December 2019

Directors' and executives' equity interests

	Multiplex SITES held at the start of the period	Changes during the period	Multiplex SITES held at the end of the period
Mr F. Allan McDonald	1,335	(1,335)	-

The number of Directors' meetings (including meetings of committees of Directors) for the Responsible Entity during the year, and the number of meetings attended by each of the Directors, are as follows:

Director	Board meetings		Audit Committee meetings		Risk and Compliance Committee meetings	
	Held	Attended	Held	Attended	Held	Attended
Mr F. Allan McDonald	4	4	2	2	2	2
Ms Barbara K Ward	4	4	2	2	2	2
Mr Shane A Ross	4	4	N/A	N/A	N/A	N/A

Principal activities

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

On 2 January 2020, Multiplex SITES Trust (MXUPA) was removed from the official list of ASX Limited in accordance with Listing Rule 17.11, following the redemption of its Step-up Income-distributing Trust-issued Exchangeable securities (SITES) on 31 December 2019.

During the course of the year, 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 year ended 31 December 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

BFML in its capacity as responsible entity of the Multiplex SITES Trust has redeemed all units in the Multiplex SITES Trust on 31 December 2019, at their face value of \$100 plus any unpaid distributions for the period 1 October 2019 to 31 December 2019.

The Trust earned a net profit attributable to unitholders of \$24,165,000 for the year ended 31 December 2019 (2018: \$26,325,000). Total quarterly distributions paid or payable in respect of the year ended 31 December 2019 were \$24,165,000 (2018: \$26,325,000). The carrying value of the Trust's net assets at the end of the year ended 31 December 2019 was nil (2018: \$450,000,000).

Wind up of the Trust

BFML intends to wind up the Trust in the next 12 months and as such the going concern basis has not been adopted in the preparation of these financial statements for the current period. The Trust does not have any assets or liabilities as at 31 December 2019.

Directors' Report continued

Multiplex SITES Trust

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For the year ended 31 December 2019

Events subsequent to the reporting date

On 2 January 2020, Multiplex SITES Trust (MXUPA) was removed from the official list of ASX Limited in accordance with Listing Rule 17.11, following the redemption of its Step-up Income-distributing Trust-issued Exchangeable securities (SITES) on 31 December 2019.

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.

Directors' Report continued

Multiplex SITES Trust

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For the year ended 31 December 2019

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

The lead auditor's independence declaration is set out on page 8 and forms part of the Directors' Report for the year ended 31 December 2019.

Signed in accordance with a resolution of the Directors, made pursuant to Section 298(2) of the *Corporations Act 2001*, on behalf of the Directors of Brookfield Funds Management Limited.

Dated at Sydney this 25th day of February 2020



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

25 February 2020

Dear Board Members

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 audit of the financial statements of Multiplex SITES Trust for the financial year ended 31 December 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

DELOITTE TOUCHE TOHMATSU.

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountant

Statement of Profit or Loss and Other Comprehensive Income

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Multiplex SITES Trust

For the year ended 31 December 2019

	Note	Year ended 31 Dec 2019 \$	Year ended 31 Dec 2018 \$
Share of net profit of associates accounted for using the equity method	2	24,165,000	26,325,000
Net profit for the period		24,165,000	26,325,000
Other comprehensive income for the period		-	-
Total comprehensive income for the period attributable to SITES unitholders		24,165,000	26,325,000
Earnings per unit			
Basic and diluted earnings per ordinary unit (cents)		537.00	585.00

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

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 year ended 31 December 2019

	Note	Units on issue \$	Accumulated profit/ (losses) \$	Total equity \$
Opening equity – 1 January 2019		450,000,000	-	450,000,000
Net profit		-	24,165,000	24,165,000
Other comprehensive income		-	-	-
Total comprehensive income		-	24,165,000	24,165,000
Redemption of units	5	(450,000,000)	-	(450,000,000)
Distributions to unitholders	1	-	(24,165,000)	(24,165,000)
Total transactions with unitholders in their capacity as unitholders		(450,000,000)	(24,165,000)	(474,165,000)
Closing equity – 31 December 2019		-	-	-

	Note	Units on issue \$	Accumulated profit/ (losses) \$	Total equity \$
Opening equity – 1 January 2018		450,000,000	-	450,000,000
Net profit		-	26,325,000	26,325,000
Other comprehensive income		-	-	-
Total comprehensive income		-	26,325,000	26,325,000
Distributions to unitholders	1	-	(26,325,000)	(26,325,000)
Total transactions with unitholders in their capacity as unitholders		-	(26,325,000)	(26,325,000)
Closing equity – 31 December 2018		450,000,000	-	450,000,000

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 year ended 31 December 2019

	Note	Year ended 31 Dec 2019 \$	Year ended 31 Dec 2018 \$
Cash flows from operating activities			
Net cash inflows from operating activities	2	-	-
Cashflows from investing activities			
Dividends and distributions received		30,780,000	26,055,000
Proceeds from redemption of investment		450,000,000	
Net cash inflows from investing activities		480,780,000	26,055,000
Cash flows from financing activities			
Distributions paid		(30,780,000)	(26,055,000)
Redemption of units		(450,000,000)	-
Net cash (inflow)/outflows from financing activities		(480,780,000)	26,055,000
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 continued

Multiplex SITES Trust

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For the year ended 31 December 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 were listed on the Australian Securities Exchange (ASX) and were 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.

On 31 December 2019, Multiplex Hybrid Investment Pty Limited, as trustee of Multiplex Hybrid Investment Trust (MHIT) redeemed the class A units in MHIT in full for \$450,000,000 (being \$100 per unit).

On 2 January 2020, Multiplex SITES Trust (MXUPA) was removed from the official list of ASX Limited in accordance with Listing Rule 17.11, following the redemption of its Step-up Income-distributing Trust-issued Exchangeable securities (SITES) on 31 December 2019.

The annual financial statements of the Trust for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 25th February 2020.

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 Australian Accounting Standards. Accounting standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with Australian equivalents to IFRS ensures that the financial statements and notes of the Trust comply with IFRS.

Basis of preparation

The financial report is presented in Australian dollars.

Non-going concern

BFML intends to wind up the Trust in the next 12 months and as such the going concern basis has not been adopted in the preparation of these financial statements for the current period. The Trust does not have any assets or liabilities as at 31 December 2019.

Application of new and revised Australian Accounting Standards

The Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2019.

New standards and interpretations not yet adopted

At the date of authorisation of the financial statements, there are no new standards or interpretations which are expected to have a material impact on the transactions and balances recognised in the financial statements.

Segment reporting

AASB 8 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 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 year ended 31 December 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 \$	Date of payment
Year ended 31 December 2019			
Distributions for the period ended 31 March 2019	147.00	6,615,000	15 April 2019
Distributions for the period ended 30 June 2019	141.00	6,345,000	15 July 2019
Distributions for the period ended 30 September 2019	128.00	5,760,000	16 October 2019
Distributions for the period ended 31 December 2019	121.00	5,445,000	20 December 2019
Total distributions	537.00	24,165,000	
Year ended 31 December 2018			
Distributions for the period ended 31 March 2018	140.00	6,300,000	17 April 2018
Distributions for the period ended 30 June 2018	147.00	6,615,000	16 July 2018
Distributions for the period ended 30 September 2018	151.00	6,795,000	16 October 2018
Distributions for the period ended 31 December 2018	147.00	6,615,000	15 January 2019
Total distributions	585.00	26,325,000	

Notes to the Financial Statements continued

Multiplex SITES Trust

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For the year ended 31 December 2019

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.

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

Relationship with Multiplex Hybrid Investment Trust

On 31 December 2019, Multiplex Hybrid Investment Pty Limited, as trustee of Multiplex Hybrid Investment Trust (MHIT) redeemed the class A units in MHIT in full for \$450,000,000 (being \$100 per unit).

Prior to redemption, Multiplex SITES Trust had an investment (100% of the Class A units and 25% of the voting rights) in Multiplex Hybrid Investment Trust (MHIT) of \$450,000,000 (2018: \$450,000,000) and was entitled to quarterly distributions on this investment. Distributions paid or payable to Multiplex SITES Trust (the Class A unitholder) totalled \$24,165,000 for the year ended 31 December 2019 (2018: \$26,325,000).

For the year ended 31 December 2019, Multiplex SITES Trust received cash payments totalling \$480,780,000 comprising the redemption of class A units of \$450,000,000, payment of distributions for the year of \$24,165,000 and payment of the December 2018 quarterly distribution of \$6,615,000.

Notes to the Financial Statements continued

Multiplex SITES Trust

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For the year ended 31 December 2019

2 Investments accounted for using the equity method continued

Details of material interests in associates are as follows:

Name	Principle activities	Voting interest %	Carrying value 31 Dec 2019 \$	Carrying value 31 Dec 2018 \$
Multiplex Hybrid Investment Trust	Investment	-	-	456,615,000
			31 Dec 2019 \$	31 Dec 2018 \$
Movement in the carrying value				
Carrying amount at the beginning of the period			456,615,000	456,345,000
Profit accounted for using the equity method			24,165,000	26,325,000
Distribution paid during the period			(30,780,000)	(26,055,000)
Redemption of Class A units			(450,000,000)	-
Carrying amount at the end of the period			-	456,615,000
Other disclosures				
Associates' revenues and profits				
Revenues and profit of associates			24,165,000	26,325,000
Associates' profit and other comprehensive income				
Profit or loss from continuing operations			24,165,000	26,325,000
Income tax expense attributable to net profit			-	-
Other comprehensive income			-	-
Total comprehensive income			24,165,000	26,325,000
Total associates' net profit after tax accounted for using the equity method			24,165,000	26,325,000
			31 Dec 2019 \$	31 Dec 2018 \$
Associates' assets and liabilities				
Current assets			-	6,615,000
Non-current assets			-	450,000,000
Total Assets			-	456,615,000
Current liabilities			-	6,615,000
Non-current liabilities			-	-
Total Liabilities			-	6,615,000
Net Assets			-	450,000,000

Notes to the Financial Statements continued

Multiplex SITES Trust

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For the year ended 31 December 2019

Liquidity and working capital

3 Cash flow information

	Year ended 31 Dec 2019 \$	Year ended 31 Dec 2018 \$
Reconciliation of net (loss) to net cash (outflow)/inflow from operating activities		
Profit/(Losses) from ordinary activities after income tax	-	-
Change in operating assets and liabilities:	-	-
Decrease/(Increase) in assets	6,615,000	(270,000)
(Decrease)/Increase in liabilities	(6,615,000)	270,000
Net cash inflow from operating activities	-	-

	Year ended 31 Dec 2019 \$
Change in liabilities arising from financing activities	
Distributions payable as at 31 December 2018	6,615,000
Cash flows: Distributions paid	(30,780,000)
Non-cash changes: Distributions declared	24,165,000
Distributions payable as at 31 December 2019	-

4 Trade and other payables

	31 Dec 2019 \$	31 Dec 2018 \$
Current		
Distributions payable	-	6,615,000
	-	6,615,000

Notes to the Financial Statements continued

Multiplex SITES Trust

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For the year ended 31 December 2019

Other Notes

5 Units on issue

Accounting Policy

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

	31 Dec 2019	31 Dec 2019	31 Dec 2018	31 Dec 2018
	\$	Units	\$	Units
Units on issue				
Amounts owing to Multiplex SITES holders ¹	-	-	450,000,000	4,500,000

¹BFML in its capacity as responsible entity of the Multiplex SITES Trust has redeemed all units in the Multiplex SITES Trust on 31 December 2019, at their face value of \$100 plus any unpaid distributions for the period 1 October 2019 to 31 December 2019.

a. Terms and conditions

Multiplex SITES, up until 31 December 2019, was a fully paid unit issued by the Trust and was entitled to income derived by the Trust.

Multiplex SITES ranked 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 (guarantors), guaranteed 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 guaranteed any distributions which have been declared payable by the Trust.

Under the guarantee, Multiplex SITES ranked 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, up until 31 December 2019, had 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 ranked 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 ranked 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).

On 31 December 2019, BFML in its capacity as responsible entity of the Multiplex SITES Trust redeemed all units in Multiplex SITES Trust. Upon redemption, holders received the aggregate of \$100 plus the unpaid distribution amount.

Notes to the Financial Statements continued

Multiplex SITES Trust

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For the year ended 31 December 2019

5 Units on issue continued

d. Issuer redemption

The Trust initiated a redemption of all the Multiplex SITES for cash, by sending a realisation notice to holders dated 13 November 2019.

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

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 Audit Committee and Risk and Compliance Committee. Management also reports to the Board through the Audit & Risk Committee 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 Remuneration of auditors

During the current and prior periods, all amounts paid to the auditor of the Trust, Deloitte Touche Tohmatsu, were borne by Brookfield Property Australia Pty Ltd (a Related Party).

8 Contingent liabilities and assets

No contingent liabilities or assets existed 31 December 2019 (31 December 2018: nil).

9 Capital and other commitments

No capital or other commitment existed at 31 December 2019 (31 December 2018: nil).

Notes to the Financial Statements continued

Multiplex SITES Trust

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For the year ended 31 December 2019

10 Related parties

Associates

Interests in associates are set out in note 2.

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 31 Dec 2019	Units held at 31 Dec 2018
Mr F. Allan McDonald	-	1,335

Transactions with related parties

Transactions between Multiplex SITES Trust and Multiplex Hybrid Investment Trust

- An investment in Multiplex Hybrid Investment Trust of nil (2018: \$450,000,000); and
- Distributions received/receivable of \$24,165,000 for the year ended 31 December 2019 (year ended 31 December 2018: \$26,325,000)

Mr F. Allan McDonald redeemed his units on 31 December 2019 for \$107,774.65.

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.

11 Events subsequent to the reporting date

On 2 January 2020, Multiplex SITES Trust (MXUPA) was removed from the official list of ASX Limited in accordance with Listing Rule 17.11, following the redemption of its Step-up Income-distributing Trust-issued Exchangeable securities (SITES) on 31 December 2019.

Other than matters previously disclosed in this report 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 year ended 31 December 2019

In the opinion of the Directors of Brookfield Funds Management Limited, the Responsible Entity of Multiplex SITES Trust:

- a. The Financial Statements and notes set out on pages 9 to 20 are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of the Trust as at 31 December 2019 and of its performance for the year ended on that date; and
 - ii the attached financial statements are in compliance with International Financial Reporting Standards, as stated in the notes to the financial statements; and
 - iii complying with Accounting Standards and the *Corporations Act 2001* in Australia and the Corporations Regulations 2001;
- b. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors of Brookfield Funds Management Limited as required by Section 295A of the *Corporations Act 2001*.

Dated at Sydney this 25th day of February 2020



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

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Independent Auditor's Report to the unitholders of Multiplex SITES Trust

Opinion

We have audited the financial report of Multiplex SITES Trust (the "Trust") which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Trust is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Trust's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001 and Australian Accounting Standards*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Trust, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report included in the Trust's financial report for the year ended 31 December 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Trust are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, as they apply on a non-going concern basis as disclosed in the "General Information" per the "Notes to the Financial Statements" of the financial statements, and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Trust to continue as a going concern. As disclosed in "General Information" per the "Notes to the Financial Statements", the financial report has been prepared on a non-going concern basis due to the director's intention to wind up the Trust the next 12 months.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the non-going concern basis of accounting. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants
Sydney, 25 February 2020