

APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Half Year Report
For the period ended 31 December 2019

Name of Entity: Shopping Centres Australasia Property Group (**SCA Property Group**).

The SCA Property Group comprises Shopping Centres Australasia Property Management Trust ARSN 160 612 626 and Shopping Centres Australasia Property Retail Trust ARSN 160 612 788. The Responsible Entity of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust is Shopping Centres Australasia Property Group RE Limited (ABN 47 158 809 851; AFSL 426603).

	6 months to 31 Dec 2019 \$m	6 months to 31 Dec 2018 \$m	Variance
Revenue from ordinary activities	148.1	125.1	18.4%
Net profit from ordinary activities after tax attributable to members	90.2	39.3	129.5%
Net profit for the period attributable to members	90.2	39.3	129.5%
Funds from Operations (FFO) ¹	78.5	65.9	19.1%

	6 months to 31 Dec 2019 Cents per security	6 months to 31 Dec 2018 Cents per security	Variance
Earnings and Distribution per security			
Basic earnings per security	9.70	4.83	100.1%
Weighted average FFO per security ¹	8.44	8.10	4.2%
Interim distribution (cents per security)	7.50	7.25	3.4%
Record Date for determining entitlement to distribution	31 Dec 2019	31 Dec 2018	NA
Date on which distribution was paid	29 Jan 2020	29 Jan 2019	NA
Amount per security of interim distribution franked (cents per security)	-	-	No change

Notes:

1. The Group reports net profit attributable to members in accordance with International Financial Reporting Standards (IFRS). Funds from Operations (FFO) is a non-IFRS measure that represents the Directors' view of underlying earnings for the period, being statutory net profit/loss after tax adjusted to exclude certain items including unrealised gains and losses and non-recurring items.

Net Tangible Assets

	31 Dec 2019 \$	31 Dec 2018 \$	Variance
Net tangible asset per security	2.29	2.27	0.9%

Details of entities over which control has been gained or lost during the period:

None.

Details of any associates and Joint Venture entities required to be disclosed:

SCA Property Group has a 24.4% interest in SCA Unlisted Retail Fund 1, 28.6% interest in SCA Unlisted Retail Fund 2 and a 26.2% interest in SCA Unlisted Retail Fund 3. Refer to Interim Financial Report, note 7.

Accounting standards used by foreign entities

International Financial Reporting Standards.

Audit

The accounts have been subject to a review report with an unqualified review report conclusion. Refer attached Interim Financial Report.

Distribution Reinvestment Plan (DRP)

The Group has a Distribution Reinvestment Plan (DRP) under which unitholders may elect to have all or part of their distribution entitlements satisfied by the issue of new units rather than being paid in cash. The DRP was activated for the distribution in respect of the half year ended 31 December 2019. The cut-off for electing to participate or change an existing election to participate in the DRP was 5.00pm on 2 January 2020.

In accordance with the DRP Rules, the issue price is calculated as the arithmetic average of the daily volume weighted average price of all sales of Stapled Units sold through a Normal Trade recorded on ASX for the first 10 ASX Trading Days following the business day after the record date, less 1.0% (1.0% being the Board approved DRP discount for this distribution) and rounded to the nearest whole cent. On this basis the issue price of the DRP applying to the distribution in respect of the half year ended 31 December 2019 was \$2.71.

Other significant information and commentary on results

See attached ASX announcement and materials referred to below.

For all other information required by Appendix 4D, please refer to the following attached documents:

- Directors' report
- Interim Financial Report
- Results presentation

This document has been authorised to be given to the ASX by the Board of SCP.

Mark Lamb
Company Secretary
3 February 2020



Shopping Centres Australasia Property Group

Interim Financial Report for the half year ended 31 December 2019

Shopping Centres Australasia Property Group comprises the stapled securities in Shopping Centres Australasia Property Management Trust (ARSN 160 612 626), Shopping Centres Australasia Property Retail Trust (ARSN 160 612 788) and their controlled entities.

Shopping Centres Australasia Property Group has been formed by the stapling of the securities in two Australian managed investment schemes, Shopping Centres Australasia Property Management Trust (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (ARSN 160 612 788). Shopping Centres Australasia Property Group RE Limited (ABN 47 158 809 851; AFSL 426603) is the Responsible Entity of both schemes and is incorporated and domiciled in Australia. The registered office of Shopping Centres Australasia Property Group RE Limited is Level 5, 50 Pitt Street, Sydney, New South Wales.

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2019

Directors' Report

Shopping Centres Australasia Property Group (SCA Property Group (SCP, or SCA or the Group)) comprises the stapled securities in two Trusts, Shopping Centres Australasia Property Management Trust (Management Trust) and Shopping Centres Australasia Property Retail Trust (Retail Trust) (collectively the Trusts) and their controlled entities.

The Responsible Entity for the Trusts is Shopping Centres Australasia Property Group RE Limited, which presents its report together with the Trusts' Interim Financial Reports for the half year ended 31 December 2019 and the auditor's report thereon.

The Trusts' Interim Financial Report for the half year ended 31 December 2019 includes, where required, comparatives to the prior period.

In accordance with Accounting Standard AASB 3 *Business Combinations*, the stapling arrangement discussed above is regarded as a business combination and the Management Trust has been identified as the Parent for preparing Interim Consolidated Financial Reports.

The Directors' Report is a combined Directors' Report that covers the Trusts. The financial information for the Group is taken from the Interim Consolidated Financial Reports and notes.

1. Directors

The Directors of the Responsible Entity at any time during the half year and up to the date of this report are:

Mr Philip Marcus Clark AO	Non-Executive Director and Chairman
Mr Steven Crane	Non-Executive Director
Dr Kirstin Ferguson	Non-Executive Director
Ms Beth Laughton	Non-Executive Director
Mr Philip Redmond	Non-Executive Director
Ms Belinda Robson	Non-Executive Director
Mr Anthony Mellowes	Executive Director and CEO
Mr Mark Fleming	Executive Director and CFO

The Company Secretary at any time during the half year and up to the date of this report is Mr Mark Lamb.

2. Principal activities

The principal activity of the Group during the half year was investment in, and management of, shopping centres in Australia.

3. Property portfolio

The investment portfolio as at 31 December 2019 consisted of 85 shopping centres (30 June 2019: 85 shopping centres) valued at \$3,232.8 million (30 June 2019: \$3,147.0 million). The investment portfolio consists of convenience based neighbourhood and sub-regional shopping centres with a strong weighting toward non-discretionary retail segments.

Acquisitions and developments

During the period one shopping centre was acquired (Warner Marketplace (Queensland)) for \$78.4m, excluding transaction costs. One development property (Shell Cove – Stage 3) was acquired for \$4.8m which forms part of our existing Shell Cove property.

Revaluations

The total value of investment properties as at 31 December 2019 was \$3,232.8 million (30 June 2019: \$3,147.0 million). During the half year ended 31 December 2019 independent valuations were obtained for 25 investment properties in addition to all of the investment properties being internally valued. The weighted average capitalisation rate (cap rate) of the portfolio as at 31 December 2019 was 6.46% (30 June 2019: 6.48%).

The fair value gain was \$13.6 million (31 December 2018: fair value loss of \$28.0 million). The gain for the period to 31 December 2019 included an uplift on like-for-like properties of \$22.2 million, offset by net capital expenditure of \$8.6 million.

The change in value of the investment properties during the half year was due principally to the acquisition of Warner Marketplace and the completion of the Shell Cove Stage 3 development during the period.

Disposal and Asset classified as held for sale

The Group signed conditional contracts to sell the property Cowes (Victoria) prior to 31 December 2019. Therefore this property is classified as held for sale for financial reporting purposes. The sale of this property is expected to complete in February 2020. The book value of this property is equal to its contracted value of \$21.5 million.

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2019

4. Funds Management

As at 31 December 2019 the Group also managed 6 properties valued at \$115.0 million for its unlisted retail funds (30 June 2019: 11 properties valued at \$184.3 million). During the half year SURF 1 with 5 properties reached the end of its terms and has commenced the process of winding up. As such SURF 1 divested the 5 properties it owned during the half year and declared an initial return of capital. The Group recorded its share of the return of capital (\$8.0 million) as a receivable at 31 December 2019 which has subsequently been received in January 2020. There may be a final return of capital once the fund is finally wound up. In addition, the Group may be entitled to a performance fee in accordance with the investment management agreement for SURF 1. Consistent with prior periods no amount has been recognised for this performance fee for the half year ended 31 December 2019.

5. Financial review

Financial review

A summary of the Group and Retail Trust's results for the half year is set out below:

		SCA Property Group		Retail Trust	
		31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Net profit after tax	(\$m)	90.2	39.3	89.3	38.4
Basic earnings per security (weighted for securities on issue during the year)	(cents per security)	9.70	4.83	9.60	4.72
Diluted earnings per security (weighted for securities on issue during the year)	(cents per security)	9.67	4.82	9.58	4.71
Funds from operations	(\$m)	78.5	65.9	77.6	65.0
Funds from operations per security (weighted for securities on issue during the year)	(cents per security)	8.44	8.10	8.35	7.99
Distributions paid and payable to security holders	(\$m)	69.9	66.3	69.9	66.3
Distributions	(cents per security)	7.50	7.25	7.50	7.25
Net tangible assets	(\$ per security)	2.29	2.27	2.28	2.26
Weighted average number of securities used as the denominator in calculating basic earnings per security below	(millions of securities)	929.8	813.7	929.8	813.7
Weighted average number of securities used as the denominator in calculating diluted earnings per stapled security below	(millions of securities)	932.5	815.6	932.5	815.6

Funds from Operations and Adjusted Funds from Operations

The Group reports net profit after tax (statutory) attributable to security holders in accordance with International Financial Reporting Standards (IFRS). The Responsible Entity considers that the non-IFRS measures, Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO) are important indicators of the underlying cash earnings of the Group available for distribution.

Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2019

	SCA Property Group		Retail Trust	
	31 Dec 2019 \$m	31 Dec 2018 \$m	31 Dec 2019 \$m	31 Dec 2018 \$m
Net profit after tax (statutory)	90.2	39.3	89.3	38.4
Adjustments for non cash items included in statutory profit				
Reverse: Straight-lining of rental income and amortisation of incentives	4.7	4.2	4.7	4.2
Reverse: Fair value or unrealised adjustments				
- Investment properties	(13.6)	28.0	(13.6)	28.0
- Derivatives	(0.7)	(33.9)	(0.7)	(33.9)
- Foreign exchange	(0.5)	25.8	(0.5)	25.8
Other Adjustments				
Reverse: Other income	(2.1)	-	(2.1)	-
Reverse: Net unrealised profit from associates	0.5	0.3	0.5	0.3
Reverse: Transaction fees	-	2.2	-	2.2
Funds from Operations	78.5	65.9	77.6	65.0
Less: Maintenance capital expenditure	(1.9)	(2.2)	(1.9)	(2.2)
Less: Capital leasing incentives and leasing costs	(6.5)	(3.1)	(6.5)	(3.1)
Adjusted Funds from Operations	70.1	60.6	69.2	59.7

6. Contributed equity

Distribution reinvestment plan (DRP)

The Group has a DRP under which unitholders may elect to have their distribution entitlements satisfied by the issue of new securities at the time of the distribution payment rather than being paid in cash. The DRP was in place for the distribution declared in June 2019 (paid in August 2019) and the distribution declared in December 2019 (paid in January 2020).

The distribution declared in June 2019 resulted in \$13.0 million being raised by the DRP through the issue of 5.3 million securities at \$2.48 in August 2019. The distribution declared in December 2019 resulted in \$27.9 million being raised by the DRP through the issue of 10.3 million securities at \$2.71 in January 2020. The 10.3 million units included 5.1 million units issued pursuant to an underwriting agreement.

Other equity issues

Additionally, 959,860 units were issued during the half year in respect of executive and staff compensation plans for nil consideration.

7. Significant changes and developments during the year

Investment properties – acquisitions and developments

During the period one shopping centre was acquired (Warner Marketplace (Queensland)) for \$78.4m, excluding transaction costs. One development property (Shell Cove – Stage 3) was acquired for \$4.8m which forms part of our existing Shell Cove property.

Capital management - debt

During the half year the bilateral debt facility that expires in June 2023 was increased by \$50.0 million to \$100.0 million. The total revolving bilateral facilities are now \$300.0 million (June 2019: \$250.0 million).

The next debt expiry is the A\$MTN \$225.0 million in April 2021. Under the terms of this MTN it can be repaid (with appropriate notice) from October 2020 with no make whole obligation. The current intention is that the MTN will be initially repaid mainly from existing undrawn debt and cash together with funds raised from the sale of Cowes for \$21.5 million, underwriting the distribution paid in January 2020 to raise \$27.9 million and other activities.

As at 31 December 2019 the Group had undrawn debt facilities and cash of \$145.8 million (30 June 2019: \$180.2 million).

The average debt facility maturity of the Group at 31 December 2019 was 5.6 years (30 June 2019: 6.1 years). At 31 December 2019 65.2% of the Group's debt was fixed or hedged (30 June 2019: 70.4%).

Gearing

The Group maintains a prudent approach to managing the balance sheet with gearing of 34.2% as at 31 December 2019 (30 June 2019: 32.8%). The Group's target gearing range is 30% to 40%, however the Group has a preference for gearing to remain below 35% at this point in the cycle. The Group expects to remain below 35% in the period to 30 June 2020 as a result of underwriting of the distribution paid in January 2020, the sale of Cowes, and other activities including the sale of the Group's remaining interest in Charter Hall Retail REIT (ASX: CQR).

8. Subsequent events

The Group signed conditional contracts to sell the investment property Cowes (Victoria) prior to 31 December 2019. Therefore this property is classified as held for sale for financial reporting purposes. The sale of this property completed on 3 February 2020. The book value of this property is equal to its contracted value of \$21.5 million.

Since the end of the half year, the Directors of the Responsible Entity are not aware of any other matter or circumstance not otherwise dealt with in this report or the Interim Consolidated Financial Statements that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

9. Rounding of amounts

In accordance with Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the rounding off of amounts in the financial statements, amounts in the financial statements have been rounded to the nearest hundred thousand dollars in accordance with that Legislative Instrument, unless otherwise indicated.

10. Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of the Directors.



Chair
Sydney
3 February 2020

The Board of Directors
Shopping Centres Australasia Property Group RE Limited as Responsible
Entity for Shopping Centres Australasia Property Management Trust and
Shopping Centres Australasia Property Retail Trust
Level 5, 50 Pitt Street
Sydney NSW 2000

3 February 2020

Dear Directors

**Shopping Centres Australasia Property Management Trust and
Shopping Centres Australasia Property Retail 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 Shopping Centres Australasia Property Group RE Limited in its capacity as Responsible Entity for Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust

As lead audit partner for the review of the financial statements of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust for the half-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 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 Account

Shopping Centres Australasia Property Group

Consolidated Statements of Comprehensive Income

For the half year ended 31 December 2019

Notes	SCA Property Group		Retail Trust	
	31 Dec 2019 \$m	31 Dec 2018 \$m	31 Dec 2019 \$m	31 Dec 2018 \$m
Revenue				
Rental income	128.4	108.2	128.4	108.2
Recoveries and recharge revenue	17.4	13.4	17.4	13.4
Fund management revenue	1.3	1.3	-	-
Distribution income	1.0	2.2	1.0	2.2
	148.1	125.1	146.8	123.8
Expenses				
Property expenses	(46.6)	(38.4)	(46.6)	(38.4)
Corporate costs	(6.8)	(6.5)	(6.8)	(6.5)
	94.7	80.2	93.4	78.9
Unrealised gain/(loss) including change in fair value through profit or loss				
- Investment properties	13.6	(28.0)	13.6	(28.0)
- Derivatives	0.7	33.9	0.7	33.9
- Foreign exchange	0.5	(25.8)	0.5	(25.8)
- Share of net profit from associates	0.4	0.6	0.4	0.6
Transaction fees	-	(2.2)	-	(2.2)
	109.9	58.7	108.6	57.4
Earnings before interest and tax (EBIT)				
Interest income	0.1	0.3	0.1	0.3
Finance cost	(19.4)	(19.3)	(19.4)	(19.3)
	90.6	39.7	89.3	38.4
Net profit before tax				
Tax	(0.4)	(0.4)	-	-
	90.2	39.3	89.3	38.4
Net profit after tax				
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Movement on revaluation of Investment - fair value through other comprehensive income	(0.7)	5.0	(0.7)	5.0
	89.5	44.3	88.6	43.4
Total comprehensive income for the period attributable to unitholders of:				
SCA Property Management Trust	0.9	0.9		
SCA Property Retail Trust (non-controlling interest)	88.6	43.4		
	89.5	44.3		
Distributions per stapled security (cents)	3	7.50	7.25	7.50
Weighted average number of securities used as the denominator in calculating basic earnings per security below		929.8	813.7	929.8
Basic earnings per stapled security (cents)		9.70	4.83	9.60
Weighted average number of securities used as the denominator in calculating diluted earnings per stapled security below		932.5	815.6	932.5
Diluted earnings per stapled security (cents)		9.67	4.82	9.58
Basic earnings per security (cents)				
SCA Property Management Trust		0.10	0.11	
Diluted earnings per unit of (cents)				
SCA Property Management Trust		0.09	0.11	

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Shopping Centres Australasia Property Group

Consolidated Balance Sheets

As at 31 December 2019

	Notes	SCA Property Group		Retail Trust	
		31 Dec 2019 \$m	30 June 2019 \$m	31 Dec 2019 \$m	30 June 2019 \$m
Current assets					
Cash and cash equivalents		3.8	4.2	2.4	3.1
Receivables		39.1	28.3	40.2	28.1
Derivative financial instruments	9	4.1	3.2	4.1	3.2
Investment in CQR	5	28.9	29.6	28.9	29.6
Other assets		10.3	2.3	9.0	1.9
		86.2	67.6	84.6	65.9
Asset classified as held for sale	4	21.5	-	21.5	-
Total current assets		107.7	67.6	106.1	65.9
Non-current assets					
Investment properties	6	3,232.8	3,147.0	3,232.8	3,147.0
Derivative financial instruments	9	123.1	122.0	123.1	122.0
Investment in associates (SURF funds)	7	18.0	26.5	18.0	26.5
Other assets		8.7	9.1	5.9	5.9
Total non-current assets		3,382.6	3,304.6	3,379.8	3,301.4
Total assets		3,490.3	3,372.2	3,485.9	3,367.3
Current liabilities					
Trade and other payables		46.2	47.4	55.3	56.4
Distribution payable	3	69.9	69.0	69.9	69.0
Derivative financial instruments	9	1.7	1.1	1.7	1.1
Provisions		1.7	2.8	-	-
Total current liabilities		119.5	120.3	126.9	126.5
Non-current liabilities					
Interest bearing liabilities	8	1,222.2	1,137.5	1,222.2	1,137.5
Derivative financial instruments	9	2.6	1.9	2.6	1.9
Provisions		0.2	0.2	-	-
Other liabilities		8.3	8.4	6.2	6.1
Total non-current liabilities		1,233.3	1,148.0	1,231.0	1,145.5
Total liabilities		1,352.8	1,268.3	1,357.9	1,272.0
Net assets		2,137.5	2,103.9	2,128.0	2,095.3
Equity					
Contributed equity	10	9.0	9.0	1,662.7	1,649.7
Reserves		-	-	9.3	9.0
Accumulated profit/(loss)		0.5	(0.4)	456.0	436.6
Non-controlling interest		2,128.0	2,095.3	-	-
Total equity		2,137.5	2,103.9	2,128.0	2,095.3

The above Consolidated Balance Sheets should be read in conjunction with the accompanying notes.

Shopping Centres Australasia Property Group Consolidated Statements of Changes in Equity

For the half year ended 31 December 2019

SCA Property Group						
	Notes	Contributed equity \$m	Accumulated profit/(loss) \$m	Attributable to owners of parent \$m	Non- controlling interests \$m	Total \$m
Balance at 1 July 2019		9.0	(0.4)	8.6	2,095.3	2,103.9
Net profit after tax for the period		-	0.9	0.9	89.3	90.2
Other comprehensive income for the period, net of tax		-	-	-	(0.7)	(0.7)
Total comprehensive income for the period		-	0.9	0.9	88.6	89.5
Transactions with unitholders in their capacity as equity holders:						
Equity issued	10	-	-	-	13.0	13.0
Employee share based payments		-	-	-	1.0	1.0
Distributions paid and payable	3	-	-	-	(69.9)	(69.9)
		-	-	-	(55.9)	(55.9)
Balance at 31 December 2019		9.0	0.5	9.5	2,128.0	2,137.5
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Balance at 1 July 2018		7.5	(0.9)	6.6	1,714.4	1,721.0
Net profit after tax for the period		-	0.9	0.9	38.4	39.3
Other comprehensive income for the period, net of tax		-	-	-	5.0	5.0
Total comprehensive income for the period		-	0.9	0.9	43.4	44.3
Transactions with unitholders in their capacity as equity holders:						
Equity issued	10	1.4	-	1.4	375.1	376.5
Employee share based payments		-	-	-	1.2	1.2
Distributions paid and payable	3	-	-	-	(66.3)	(66.3)
		1.4	-	1.4	310.0	311.4
Balance at 31 December 2018		8.9	-	8.9	2,067.8	2,076.7
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Retail Trust						
	Notes	Contributed equity \$m	Reserves		Accumulated profit/(loss) \$m	Total \$m
			Investment in CQR \$m	Share based payments \$m		
Balance at 1 July 2019		1,649.7	3.6	5.4	436.6	2,095.3
Net profit after tax for the period		-	-	-	89.3	89.3
Other comprehensive income for the period, net of tax		-	(0.7)	-	-	(0.7)
Total comprehensive income/ (loss) for the period		-	(0.7)	-	89.3	88.6
Transactions with unitholders in their capacity as equity holders:						
Equity issued	10	13.0	-	-	-	13.0
Employee share based payments		-	-	1.0	-	1.0
Distributions paid and payable	3	-	-	-	(69.9)	(69.9)
		13.0	-	1.0	(69.9)	(55.9)
Balance at 31 December 2019		1,662.7	2.9	6.4	456.0	2,128.0
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Balance at 1 July 2018		1,248.0	(0.4)	3.9	462.9	1,714.4
Net profit/(loss) after tax for the period		-	-	-	38.4	38.4
Other comprehensive income for the period, net of tax		-	5.0	-	-	5.0
Total comprehensive income for the period		-	5.0	-	38.4	43.4
Transactions with unitholders in their capacity as equity holders:						
Equity issued	10	375.1	-	-	-	375.1
Employee share based payments		-	-	1.2	-	1.2
Distributions paid and payable	3	-	-	-	(66.3)	(66.3)
		375.1	-	1.2	(66.3)	310.0
Balance at 31 December 2018		1,623.1	4.6	5.1	435.0	2,067.8

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Shopping Centres Australasia Property Group Consolidated Statements of Cash Flows

For the half year ended 31 December 2019

	SCA Property Group		Retail Trust	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	\$m	\$m	\$m	\$m
Cash flows from operating activities				
Property and other income received (inclusive of GST)	170.0	117.3	168.5	117.2
Property expenses paid (inclusive of GST)	(62.0)	(44.8)	(62.0)	(44.8)
Distribution received from associate (SURF funds)	1.0	0.8	1.0	0.8
Distribution received from investment in CQR	2.2	2.8	2.2	2.8
Corporate costs paid (inclusive of GST)	(9.1)	(9.1)	(9.0)	(8.5)
Interest received	0.1	0.3	0.1	0.3
Finance costs paid	(19.0)	(17.9)	(19.0)	(17.9)
Transaction fees paid	-	(2.2)	-	(2.2)
Taxes paid including GST	(10.3)	(7.4)	(9.2)	(7.0)
Net cash flow from operating activities	72.9	39.8	72.6	40.7
Cash flows from investing activities				
Payments for investment properties purchased and capital expenditure	(102.3)	(743.4)	(102.3)	(743.4)
Net proceeds from investment properties sold	-	60.3	-	60.3
Proceeds from the disposal of investment in CQR	-	19.1	-	19.1
Investments in associates	-	(9.2)	-	(9.2)
Net cash flow from investing activities	(102.3)	(673.2)	(102.3)	(673.2)
Cash flow from financing activities				
Proceeds from equity raising	13.0	376.5	13.0	376.5
Net proceeds from borrowings	132.0	708.3	132.0	708.3
Repayment of borrowings	(47.0)	(400.0)	(47.0)	(400.0)
Distributions paid	(69.0)	(53.2)	(69.0)	(53.2)
Net cash flow from financing activities	29.0	631.6	29.0	631.6
Net change in cash and cash equivalents held	(0.4)	(1.8)	(0.7)	(0.9)
Cash and cash equivalents at the beginning of the period	4.2	3.7	3.1	2.5
Cash and cash equivalents at the end of the period	3.8	1.9	2.4	1.6

The above Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2019

1. Corporate information

Shopping Centres Australasia Property Group (the Group) comprises the stapling of the securities in two Australian managed investment schemes, Shopping Centres Australasia Property Management Trust (Management Trust) (ARSN 160 612 626) and Shopping Centres Australasia Property Retail Trust (Retail Trust) (ARSN 160 612 788) (collectively the Trusts).

The Responsible Entity of both Trusts is Shopping Centres Australasia Property Group RE Limited (ABN 47 158 809 851; AFSL 426603) (Responsible Entity).

The Interim Financial Statements of the Group comprise the consolidated Interim Financial Statements of the Management Trust and its controlled entities including the Retail Trust. The Interim Financial Statements of the Retail Trust comprise the consolidated Interim Financial Statements of the Retail Trust. The Directors of the Responsible Entity have authorised the Interim Financial Report for issue on 3 February 2020.

2. Significant accounting policies

(a) Basis of preparation

In accordance with AASB 3 Business Combinations, the stapling arrangement discussed above is regarded as a business combination and Shopping Centres Australasia Management Trust has been identified as the Parent for preparing consolidated Financial Statements.

These Interim Financial Statements are combined financial statements and accompanying notes of both Shopping Centres Australasia Property Group and the Shopping Centres Australasia Property Retail Trust. The Interim Financial Statements have been presented in Australian dollars unless otherwise stated.

Historical cost convention

The Interim Financial Statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at fair value.

Going concern

These Interim Consolidated Financial Statements are prepared on the going concern basis. In preparing these consolidated Interim Financial Statements the Directors note that the Group and Retail Trust are in a net current asset deficiency position, due to minimal cash and cash equivalents, as it is the policy of the Group and Retail Trust to use surplus cash to repay debt. At 31 December 2019 the Group and Retail Trust have the ability to drawdown sufficient funds to pay the current liabilities and the capital commitments, having available cash and non-current undrawn debt facilities of \$145.8 million.

(b) Statement of compliance

The Interim Financial Report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards Board (AASB) 134 Interim Financial Reporting, Australian Interpretations, other authoritative pronouncements of AASB and the Corporations Act 2001.

The Interim Financial Report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

For the purposes of preparing the interim financial statements, the Group is a for-profit entity.

Application of new and revised Accounting Standards

The accounting policies adopted by the Group and the Retail Trust are consistent with those of the previous financial year and include the adoption of AASB 9, AASB 15, the early adoption of AASB 16, and other new and amended standards and interpretations commencing 1 July 2018 which have been adopted where applicable from 1 July 2018. The Group and the Retail Trust early adopted AASB 16 Leases (AASB 16) in the annual report for the year ended 30 June 2019 to coincide with the signing of a lease during the period by the Group over its premises in Sydney.

(c) Basis of consolidation

Critical accounting estimates and judgements

The preparation of Interim Financial Reports 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.

The 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. The significant judgements and estimates used in the preparation of these interim financial statements are outlined below:

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2019

Judgement - Selection of parent entity

In determining the parent entity of the SCA Property Group, the Directors considered various factors including management and day to day responsibilities, asset ownership and debt obligation. The Directors concluded that management activities were more relevant in determining the parent.

Shopping Centres Australasia Property Management Trust has been determined as the parent of the SCA Property Group.

Judgement – Classification and carrying value of investments in associate

The SCA Property Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Critical judgements are made in assessing whether an investee entity is controlled or subject to significant influence or joint control. These judgements include an assessment of the nature, extent and financial effects of the Group's interest in joint arrangements and associates, including the nature and effects of its contractual relationship with the entity or with other investors. Associates are entities over which the Group has significant influence but not control.

Judgement – Investment in CQR – fair value through other comprehensive income

This investment is classified as current as it is the intention of the Group and the Retail Trust to sell the remaining interest within the next twelve months.

Estimate - Valuation of investment properties

Critical judgements are made by the Directors in respect of the fair value of investment properties including properties under construction and those that are classified as assets held for sale. The fair value of these investments are reviewed regularly by management with reference to independent property valuations, recent open market transactions and market conditions existing at the reporting date, using generally accepted market practices. The major critical assumptions underlying estimates of fair values are those relating to the capitalisation rate and the discount rate adopted for each property.

Other assumptions include retail trading environment, gross market rent, net market rent, average market rental growth, operating expenses, capital expenditure and terminal yield.

If there is any change in the assumptions used or economic conditions, a change in the fair value of the investment properties may occur.

Estimate - Valuation of derivative financial instruments

The fair value of derivative assets and liabilities are based on assumptions of future events and involve significant estimates. The value of derivatives may differ in future reporting periods due to the passing of time and / or changes in market rates including interest rates, foreign exchange rates and market volatility.

3. Distributions paid and payable

	Cents per unit	Total amount \$m	Date of payment
6 months to 31 December 2019			
SCA Property Group & Retail Trust			
Interim distribution ¹	7.50	69.9	29 January 2020
2019 SCA Property Group & Retail Trust			
Interim distribution	7.25	66.3	29 January 2019
Final distribution	7.45	69.0	30 August 2019

¹ The interim distribution of 7.50 cents per security was declared on 12 December 2019 and was paid on 29 January 2020.

The Management Trust has not declared or paid any distributions. The Group has a Distribution Reinvestment Plan (DRP) in place. The DRP was in place for the distribution declared in December 2019 (paid in January 2020). The distribution declared in December 2019 resulted in \$27.9 million being raised by the DRP through the issue of 10.3 million securities at \$2.71 in January 2020.

The equity raised through the DRP on 30 August 2019 was \$13.0 million by the issue of 5.3 million securities at a price of \$2.48.

Under the DRP Plan Rules, the DRP issue price was determined at a discount of 1.0% to the arithmetic average of the daily volume weighted average market price of securities traded on the ASX during the 10 business days commencing on the business day after the record date.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2019

4. Asset classified as held for sale

The Group signed conditional contracts to sell the investment property Cowes (Victoria) prior to 31 December 2019. Therefore this property is classified as held for sale for financial reporting purposes. The sale of this property completed on 3 February 2020. The book value of this property is equal to its contracted value of \$21.5 million.

5. Investment in CQR

Investment in CQR relates to the Group and the Retail Trust's 1.5% interest in Charter Hall Retail Trust (ASX: CQR) (30 June 2019: 1.5%). This interest is made up of 6.8 million units (30 June 2019: 6.8 million units) which cost an average of \$4.21 per unit.

As at 31 December 2019 this interest was valued at \$4.27 per unit (30 June 2019 \$4.37). The value was based on the ASX closing price on the last trading day of the respective period.

The difference between the valuation of the remaining investment in CQR units at 31 December 2019 and 30 June 2019 (\$0.7 million revaluation) and has been recorded in other comprehensive income.

The Investment – fair value through other comprehensive income is classified as a level 1 fair value measurement financial asset being derived from inputs based on quoted prices that are observable. Refer also to the fair value hierarchy at note 9.

This investment is classified as current as it is the intention of the Group and the Retail Trust to sell the remaining interest within the next twelve months.

Additionally the Group is entitled to a distribution on its investment of 14.52 cents per unit or \$1.0 million (31 December 2018: 14.28 cents per unit and \$2.2 million respectively). This distribution was declared by the Responsible Entity of CQR on 12 December 2019 and is included in the Group's and Retail Trust's Consolidated Statements of Comprehensive Income as Distribution income.

6. Investment properties

	SCA Property Group & Retail Trust	
	31 Dec 2019	30 June 2019
	\$m	\$m
Movement in total investment properties		
Opening balance	3,147.0	2,453.8
Assets classified as held for sale	(21.5)	-
Acquisitions (including transaction costs)	83.1	714.8
Disposals	-	(2.4)
Development expenditure	6.2	13.4
Net other capital expenditure and straight lining	4.4	7.9
Unrealised movement recognised in Total Comprehensive Income on property valuations	13.6	(40.5)
Closing balance	3,232.8	3,147.0

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2019

Investment properties

Property	State	Property Type	Book value cap rate ¹ 31 Dec 2019	Book value discount rate 31 Dec 2019	Book value 31 Dec 2019 \$m	Book value 30 June 2019 \$m
Sub-Regional						
Lilydale	VIC	Sub-Regional	6.00%	7.00%	116.5	116.0
Pakenham	VIC	Sub-Regional	6.25%	6.75%	89.6	89.6
Central Highlands	QLD	Sub-Regional	7.50%	7.75%	64.7	63.4
Mt Gambier	SA	Sub-Regional	6.47%	6.86%	73.4	72.7
Murray Bridge	SA	Sub-Regional	7.50%	7.75%	64.0	64.9
Kwinana Marketplace	WA	Sub-Regional	6.75%	7.25%	140.0	140.0
Lavington Square	NSW	Sub-Regional	7.50%	8.00%	58.0	52.3
Sturt Mall	NSW	Sub-Regional	6.50%	7.50%	76.8	73.1
West End Plaza	NSW	Sub-Regional	6.75%	7.50%	68.1	65.9
Warnbro	WA	Sub-Regional	7.00%	7.75%	97.0	93.1
Total Sub-Regional					848.1	831.0
Neighbourhood						
Belmont	NSW	Neighbourhood	7.04%	8.02%	31.2	32.5
Berala	NSW	Neighbourhood	5.50%	6.50%	28.8	28.1
Cabarita	NSW	Neighbourhood	6.25%	7.25%	22.5	22.5
Cardiff	NSW	Neighbourhood	6.25%	6.75%	26.2	25.8
Clemton Park	NSW	Neighbourhood	6.00%	7.00%	52.1	51.2
Goonellabah	NSW	Neighbourhood	6.75%	7.50%	20.5	20.5
Greystanes	NSW	Neighbourhood	5.75%	7.00%	61.0	60.7
Griffin Plaza	NSW	Neighbourhood	6.75%	7.25%	26.8	26.6
Lane Cove ³	NSW	Neighbourhood	5.75%	7.00%	58.8	59.5
Leura	NSW	Neighbourhood	5.75%	7.00%	19.0	19.0
Lismore	NSW	Neighbourhood	7.25%	7.50%	30.5	31.9
Macksville	NSW	Neighbourhood	5.75%	7.25%	14.8	14.2
Merimbula	NSW	Neighbourhood	6.50%	6.75%	19.4	19.7
Morisset	NSW	Neighbourhood	6.75%	7.25%	18.9	18.4
Muswellbrook	NSW	Neighbourhood	6.50%	7.25%	31.9	31.9
North Orange	NSW	Neighbourhood	6.25%	7.25%	33.9	33.3
Northgate	NSW	Neighbourhood	6.50%	7.25%	16.8	16.8
Ulladulla	NSW	Neighbourhood	6.00%	7.00%	25.7	25.0
West Dubbo	NSW	Neighbourhood	6.25%	6.75%	19.3	19.2
Albury	VIC	Neighbourhood	6.50%	7.00%	24.4	24.0
Ballarat	VIC	Neighbourhood	7.00%	7.00%	18.1	18.1
Cowes	VIC	Neighbourhood	-	-	-	19.6
Drouin	VIC	Neighbourhood	5.75%	6.00%	17.1	16.9
Epping North	VIC	Neighbourhood	5.75%	6.25%	30.9	31.1
Highett	VIC	Neighbourhood	5.50%	6.25%	30.6	31.5
Langwarrin	VIC	Neighbourhood	5.75%	6.25%	26.0	25.5
Ocean Grove	VIC	Neighbourhood	6.25%	6.75%	36.5	38.7
Warrnambool East	VIC	Neighbourhood	6.25%	6.25%	16.1	16.0
Wonthaggi	VIC	Neighbourhood	6.75%	7.25%	45.5	45.5
Wyndham Vale	VIC	Neighbourhood	5.75%	6.25%	23.6	23.6
Annandale	QLD	Neighbourhood	7.50%	7.50%	27.0	29.1
Ayr	QLD	Neighbourhood	7.00%	7.50%	18.7	18.7
Brookwater Village	QLD	Neighbourhood	6.25%	7.00%	36.6	36.8
Carrara	QLD	Neighbourhood	6.50%	6.75%	18.0	18.0
Chancellor Park Marketplace	QLD	Neighbourhood	6.00%	6.50%	46.0	46.7
Collingwood Park	QLD	Neighbourhood	6.50%	7.00%	12.0	12.0
Coorparoo	QLD	Neighbourhood	5.75%	6.50%	38.0	38.0

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2019

Investment properties (continued)

Property	State	Property Type	Book value cap rate ¹ 31 Dec 2019	Book value discount rate 31 Dec 2019	Book value 31 Dec 2019 \$m	Book value 30 June 2019 \$m
Neighbourhood						
Gladstone	QLD	Neighbourhood	7.00%	7.25%	25.1	25.1
Greenbank	QLD	Neighbourhood	6.25%	7.00%	22.4	22.9
Jimboomba	QLD	Neighbourhood	6.50%	7.00%	28.5	28.7
Lillybrook	QLD	Neighbourhood	6.00%	7.25%	30.5	30.2
Mackay	QLD	Neighbourhood	6.75%	6.75%	25.9	25.7
Marian Town Centre	QLD	Neighbourhood	7.00%	7.50%	32.7	32.3
Mission Beach	QLD	Neighbourhood	6.50%	7.00%	12.5	12.7
Mt Warren Park	QLD	Neighbourhood	6.00%	6.50%	18.3	17.6
Mudgeeraba	QLD	Neighbourhood	6.25%	7.50%	35.5	35.0
Sugarworld Shopping Centre	QLD	Neighbourhood	6.75%	7.50%	25.4	25.2
The Markets	QLD	Neighbourhood	7.25%	7.75%	29.3	29.9
Whitsunday	QLD	Neighbourhood	7.50%	7.75%	35.5	37.0
Worongary	QLD	Neighbourhood	6.00%	7.00%	48.0	47.9
Blakes Crossing	SA	Neighbourhood	6.75%	7.00%	21.8	21.7
Walkerville	SA	Neighbourhood	6.00%	7.00%	25.6	25.6
Busselton	WA	Neighbourhood	6.00%	6.25%	26.9	27.0
Treendale	WA	Neighbourhood	6.50%	7.25%	31.8	32.7
Burnie	TAS	Neighbourhood	7.50%	7.50%	22.4	22.5
Claremont Plaza	TAS	Neighbourhood	6.50%	7.52%	38.8	38.2
Glenorchy Central	TAS	Neighbourhood	6.75%	7.25%	27.5	27.5
Greenpoint	TAS	Neighbourhood	7.25%	7.50%	17.2	16.7
Kingston	TAS	Neighbourhood	6.30%	7.03%	30.8	30.3
Meadow Mews	TAS	Neighbourhood	6.50%	7.25%	63.0	62.7
New Town Plaza	TAS	Neighbourhood	6.50%	7.25%	42.9	42.9
Prospect Vale	TAS	Neighbourhood	6.75%	7.75%	29.1	29.0
Riverside	TAS	Neighbourhood	7.50%	7.50%	8.0	8.7
Shoreline	TAS	Neighbourhood	6.25%	7.00%	39.3	38.7
Sorell	TAS	Neighbourhood	6.25%	7.50%	30.5	30.1
Bushland Beach	QLD	Neighbourhood	6.75%	7.00%	23.3	23.6
Shell Cove ²	NSW	Neighbourhood	6.25%	6.50%	31.4	24.1
Bentons Square	VIC	Neighbourhood	6.25%	7.25%	81.0	77.6
The Gateway	VIC	Neighbourhood	6.25%	7.50%	52.9	50.2
Miami One	QLD	Neighbourhood	6.50%	7.50%	32.1	32.1
North Shore Village	QLD	Neighbourhood	6.00%	7.25%	27.8	27.5
Oxenford	QLD	Neighbourhood	6.00%	7.00%	33.5	33.1
Currambine Central ³	WA	Neighbourhood	6.75%	8.00%	90.7	91.1
Kalamunda Central	WA	Neighbourhood	6.00%	7.25%	43.1	41.6
Stirlings Central	WA	Neighbourhood	7.00%	7.50%	42.1	44.0
Warner Marketplace ²	QLD	Sub-Regional	5.75%	6.75%	78.4	-
Total Neighbourhood					2,384.7	2,316.0
Total investment properties					3,232.8	3,147.0

¹ Cap rate is an approximation of the ratio between the net operating income produced by a property and its fair value.

² Properties acquired during the half year ended 31 December 2019 being Warner Marketplace for \$78.4 million (excluding transaction costs) and Shell Cove Stage 3 for \$4.8 million.

³ The titles to Lane Cove and Currambine are leasehold. The expiries of the respective leaseholds are in 2059 (with a 49 year option) and in 2094.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2019

7. Investment in associates (SURF funds)

The Group and Retail Trust's investment in associates comprises of:

- SURF 1: 7,959,000 units at \$1.00 each acquired on 1 October 2015. The total units on issue of SURF 1 are 32,600,000.
- SURF 2: 8,447,000 units at \$1.00 each acquired on 2 June 2017. The total units on issue of SURF 2 are 29,500,000.
- SURF 3: 9,161,000 units at \$1.00 each acquired on 10 July 2018. The total units on issue of SURF 3 are 35,000,000.

SURF 1, SURF 2 and SURF 3 are unlisted closed end property funds. The Group recognises its 24.4% interest in SURF 1, 28.6% interest in SURF 2 and 26.2% interest in SURF 3 as investment in associates using the equity method of accounting.

During the half year SURF 1 with 5 properties reached the end of its term and has commenced the process of winding up declaring an initial return of capital. The Group recorded its share of the return of capital (\$8.0 million) as a receivable at 31 December 2019 which has subsequently been received in January 2020. There may be a final return of capital once the fund is finally wound up. In addition, the Group may be entitled to a performance fee in accordance with the investment management agreement for SURF 1. Consistent with prior periods no amount has been recognised for this performance fee for the half year ended 31 December 2019.

	SCA Property Group & Retail Trust	
	31 Dec 2019	30 June 2019
	\$m	\$m
Movement in investment in associates		
Opening balance	26.5	18.0
Additions to equity accounted investment	-	9.2
Share of profits after income tax	0.4	1.2
Distributions received or receivable	(0.9)	(1.9)
Return of capital receivable (SURF 1)	(8.0)	-
Closing balance	18.0	26.5

The Group is not a guarantor to the debt facilities or other liabilities of SURF 1, SURF 2 or SURF 3.

8. Interest bearing liabilities

	SCA Property Group & Retail Trust	
	31 Dec 2019	30 June 2019
	\$m	\$m
Unsecured Bank revolving bilateral facilities		
- A\$ denominated	147.0	62.0
Unsecured Bank and syndicated non revolving facilities		
- A\$ denominated	150.0	150.0
Unsecured A\$ Medium term note (MTN)		
- A\$ denominated	450.0	450.0
Unsecured US Notes		
- A\$ denominated	50.0	50.0
- US\$ denominated (converted to A\$)	426.8	427.2
Total unsecured debt outstanding	1,223.8	1,139.2
- Less: unamortised establishment fees and unamortised MTN discount and premium	(1.6)	(1.7)
Interest bearing liabilities	1,222.2	1,137.5

Financing facilities and financing resources

The financing capacity available to the Group is under the Bank revolving bilateral facilities as the other debt facilities are fully drawn and non-revolving. Debt facilities are carried at amortised cost. Additional details of these debt facilities are below.

Bank bilateral revolving facilities

To reduce liquidity risk, the Group has in place revolving bilateral facilities with multiple banks. The bilateral terms have been negotiated to achieve a balance between capital availability and the cost of debt including unused debt. The revolving bilateral facilities are unsecured, revolving and can be used interchangeably.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2019

One of the bilateral facilities is partially used to support bank guarantees. As at 31 December 2019, in addition to the bilateral facilities above, \$11.0 million of a bilateral facility available was used to support bank guarantees (30 June 2019: \$12.0 million). The bank guarantees assists with the Group's obligations under its Australian Financial Services Licences. During the half year the Group increased its revolving bilateral facilities by A\$50.0 million. The maturity of this facility is June 2023.

The next revolving bilateral facility maturity is \$50.0 million in November 2022 with the remainder of the revolving bilateral facilities to expire during the period after December 2022 to December 2023.

The financing capacity available to the Group under the revolving bilateral facilities, including cash, is in the following table.

	SCA Property Group & Retail Trust	
	31 Dec 2019	30 June 2019
	\$m	\$m
Financing facilities and financing resources		
Bilateral bank facilities		
Committed Bilateral revolving financing facilities available	300.0	250.0
Less: amounts drawn down	(147.0)	(62.0)
Less: amounts utilised for bank guarantee	(11.0)	(12.0)
Net Bilateral revolving facilities available	142.0	176.0
Add: cash and cash equivalents	3.8	4.2
Financing resources available	145.8	180.2

As at 31 December 2019 the Group had undrawn debt facilities and cash of \$145.8 million (30 June 2019: \$180.2 million).

Bank and syndicated non revolving facilities

The Group has A\$150.0 million of non-revolving bank and syndicated facilities in place. These non-revolving facilities are unsecured and include financial costs if repaid more than two years prior to expiry. The earliest of these facilities expires in June 2024.

A\$ medium term notes (A\$ MTN)

The Group has issued A\$ MTN with a face value of \$450.0 million. Details of these notes are below.

A\$MTN	Tranche	Issue date	Maturity	Tenor at issue (years)	Coupon	Face value \$m	Issue consideration \$m	Discount / (premium) on issue \$m
Series 1	Tranche 1	Apr-15	Apr-21	6.0	3.75%	175.0	174.8	0.2
	Tranche 2	Jul-16	Apr-21	4.8	3.75%	50.0	50.6	(0.6)
Series 2	Tranche 1	Jun-17	Jun-24	7.0	3.90%	175.0	174.5	0.5
	Tranche 2	Apr-19	Jun-24	5.2	3.90%	50.0	51.3	(1.3)
						450.0		(1.2)

The discount or premium with respect to each Tranche is amortised from the issue date to the maturity.

The next A\$ MTN maturity is \$225.0 million in April 2021. Under the terms of this MTN it can be repaid (with appropriate notice) from October 2020 with no make whole obligation. The current intention is that the MTN will be initially repaid mainly from existing undrawn debt and cash together with funds raised from the sale of Cowes for \$21.5 million, underwriting the distribution paid in January 2020 to raise \$27.9 million and other activities.

US Notes

The Group has issued US Notes with a face value of US\$300.0 million and A\$50.0 million. The principal and coupon obligations of the US dollar denominated notes have been fully economically swapped back to Australian dollars (floating interest rates) such that the Group has minimal exposure to any currency risk. Details of these notes and their economically swapped values are below.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2019

US Notes

Issue date - US\$ denominated notes	Maturity	US\$ value	Economic hedged AUD:USD FX rate	Economically hedged value A\$m	31 Dec 2019 AUD:USD FX rate	31 Dec 2019 Book value A\$m
August 2014	August 2027	100.0	0.9387	106.5	0.7030	142.3
September 2018	September 2028	30.0	0.7604	39.4	0.7030	42.7
August 2014	August 2029	50.0	0.9387	53.3	0.7030	71.1
September 2018	September 2031	70.0	0.7604	92.1	0.7030	99.6
September 2018	September 2033	50.0	0.7604	65.8	0.7030	71.1
		<u>300.0</u>		<u>357.1</u>		<u>426.8</u>
AUD notes				<u>50.0</u>		<u>50.0</u>
				<u>407.1</u>		<u>476.8</u>

Debt covenants

The Group is required to comply with certain financial covenants or obligations in respect of the interest-bearing liabilities. The major financial covenants or obligations which are common across all types of interest-bearing liabilities are summarised as follows:

- (a) Interest cover ratio (EBITDA to net interest expense) is more than 2.00 times;
- (b) Gearing ratio (finance debt net of cash and cross currency swaps divided by total tangible assets net of cash and derivatives) does not exceed 50%;
- (c) Priority indebtedness ratio (priority debt to total tangible assets) does not exceed 10%; and
- (d) Aggregate of the total tangible assets held by the Obligors represents not less than 90% of the total tangible assets of the Group.

The Group was in compliance with all of the financial covenants and obligations for the period ended and as at 31 December 2019.

Capital Management – management gearing

The Group manages its capital, including its debt, by having regard to a number of factors including the gearing of the Group. The Group's definition of gearing for management purposes is:

- Net finance debt, where the US notes US\$ denominated debt is recorded as the A\$ amount received and economically hedged in A\$, net of cash, divided by
- Net total assets, being total assets net of cash and derivatives.

As the US notes USD denominated debt has been fully economically hedged, for the purpose of the management determination of gearing US\$ denominated debt is recorded at its economically hedged value. This also results in management gearing being based on a constant currency basis.

The Group's gearing was 34.2% as at 31 December 2019 (30 June 2019: 32.8%). The Group's target gearing range is 30% to 40%, however the Group has a preference for gearing to remain below 35% at this point in the cycle. The Group's gearing calculation is below.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2019

Gearing (management)	31 Dec 2019 \$m	30 June 2019 \$m
Bilateral, Syndicated and A\$ notes – unsecured		
Bank bilateral revolving facilities drawn	147.0	62.0
Bank and syndicated non revolving facilities drawn	150.0	150.0
Unsecured A\$ MTN	450.0	450.0
	747.0	662.0
US Notes		
US\$ denominated notes - USD face value	300.0	300.0
Economically hedged exchange rate	0.8402	0.8402
US\$ denominated notes - AUD equivalent	357.1	357.1
US A\$ denominated notes	50.0	50.0
Total US Notes	407.1	407.1
Total debt used and drawn AU\$ equivalent	1,154.1	1,069.1
Less: cash and cash equivalents	(3.8)	(4.2)
Net finance debt for gearing	1,150.3	1,064.9
Total assets	3,490.3	3,372.2
Less: cash and cash equivalents	(3.8)	(4.2)
Less: derivative value included in total assets	(127.2)	(125.2)
Net total assets for gearing	3,359.3	3,242.8
Gearing (management)¹	34.2%	32.8%

¹ As noted under Bank bilateral facilities, the Group also has \$11.0 million (30 June 2019: \$12.0 million) used to support bank guarantees. The bank guarantees assists with the Group's obligations under its Australian Financial Services Licences. The value of these guarantees has been excluded from management's net finance debt used for gearing which is consistent with the approach taken by the Group's credit rating agency to determine net debt.

9. Derivative financial instruments

The fair values of interest rate and cross currency derivatives are determined using a generally accepted pricing model based on discounted cash flow analysis using assumptions supported by observable market rates. The following table represents financial assets and liabilities that were measured and recognised at fair value:

	SCA Property Group & Retail Trust	
	31 Dec 2019 \$m	30 June 2019 \$m
Current assets		
Interest rate swap contracts	0.7	0.6
Cross currency interest rate swap contracts	3.4	2.6
	4.1	3.2
Non-current assets		
Interest rate swap contracts	12.3	12.5
Cross currency interest rate swap contracts	110.8	109.5
	123.1	122.0
Current liabilities		
Interest rate swap contracts	1.7	1.1
Cross currency interest rate swap contracts	-	-
	1.7	1.1
Non-current liabilities		
Interest rate swap contracts	2.6	1.9
Cross currency interest rate swap contracts	-	-
	2.6	1.9

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2019

Interest Rate Swaps and Cross Currency Interest Rate Swaps

The cross-currency interest rate swaps are taken out to economically hedge the foreign currency exposure US dollar denominated Notes issued by the Group (refer note 8). The cross-currency interest rate swaps are fair valued separately to the US Notes.

The interest rate swaps are to hedge Australian dollar denominated financing facilities.

Movements in the market value of the interest rate and cross currency interest rate swaps are included in the Group's Consolidated Statement of Comprehensive Income through changes in fair value.

The Directors consider that the carrying amounts of other financial assets and financial liabilities, which are recognised at amortised value in the Interim Financial Report, approximates their fair values apart from the US notes and the A\$ medium term notes.

The amortised value of the US Notes, converted to AUD for the USD denominated Notes at the prevailing foreign exchange rate at 31 December 2019 (which was AUD 1.00 = USD 0.7030) (30 June 2019: AUD 1.00 = USD 0.7022), is \$476.8 million (30 June 2019: \$477.2 million) (refer note 8). The amortised value of the A\$ medium term notes is \$450.0 million (30 June 2019: \$450.0 million). The fair value of the US Notes and A\$ medium term notes can be different to their carrying value. The fair value takes into account movements in the underlying base interest rates and credit spreads for similar instruments including extrapolated yield curves over the tenor of the notes. On this basis the estimated fair value of the US Notes and the A\$ medium term notes is \$517.7 million and \$469.2 million respectively (30 June 2019: \$515.7 million and \$467.6 million respectively).

The foreign currency principal and interest amounts payable on the USD denominated US Notes have been fully hedged economically to floating Australian interest rates by the use of cross currency interest rate swaps.

Fair value hierarchy

The table below analyses the cross currency interest rate and interest rate swaps carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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: inputs from the asset or liability that are not based on observable market data (unobservable inputs).

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

Interest rate derivatives are financial instruments that use valuation techniques with only observable market inputs and are classified as Level 2 instruments.

The Group's Investment in CQR is a Level 1 fair value measurement financial asset being derived from inputs based on quoted prices that are observable. Refer also note 5.

The Group's only Level 3 financial instruments is a nominal amount (\$10.00) paid in respect of a call option associated with the acquisition of the Greenbank neighbourhood shopping centre, acquired by the Group in January 2016. Under the call option the Group can acquire ten hectares of adjacent land to the Greenbank neighbourhood centre for \$10.0 million exercisable at any time until late December 2020; and the vendor has a put option on the same terms which is exercisable in late December 2020 if the call option is not exercised by that time. The fair value of this option has been assessed at its carrying value of \$10.00. There were no transfers between hierarchy levels during the half year.

Shopping Centres Australasia Property Group Notes to the Consolidated Financial Statements

For the half year ended 31 December 2019

10. Contributed equity

	SCA Property Group		Retail Trust	
	31 Dec 2019 \$m	30 June 2019 \$m	31 Dec 2019 \$m	30 June 2019 \$m
Equity	1,706.3	1,693.3	1,697.2	1,684.2
Issue costs	(34.6)	(34.6)	(34.5)	(34.5)
	1,671.7	1,658.7	1,662.7	1,649.7
	Management Trust		Retail Trust	
Opening balance	9.0	7.5	1,649.7	1,248.0
Equity raised through Distribution Reinvestment Plan - August 2018	-	-	-	9.2
Equity raised through Institutional Placement - October 2018	-	1.0	-	261.4
Equity raised through Unit Purchase Plan - November 2018	-	0.4	-	110.7
Equity raised through Distribution Reinvestment Plan - January 2019	-	0.1	-	26.6
Equity raised through Distribution Reinvestment Plan – August 2019	-	-	13.0	-
Equity raising costs	-	-	-	(6.2)
Closing balance	9.0	9.0	1,662.7	1,649.7
Balance at the end of the period is attributable to unit holders of:				
Shopping Centres Australasia Property Management Trust	9.0	9.0		
Shopping Centres Australasia Property Retail Trust	1,662.7	1,649.7		
	1,671.7	1,658.7		

Securities on Issue

	SCA Property Group & Retail Trust	
	31 Dec 2019 No. of securities	30 June 2019 No. of securities
Opening balance	925,582,982	749,154,435
Equity issued for executive security-based compensation arrangements - 9 August 2018	-	1,116,553
Equity raised through Distribution Reinvestment Plan - 30 August 2018	-	3,723,512
Equity raised through Institutional Placement - 10 October 2018	-	113,086,444
Equity raised through Unit Purchase Plan - 23 November 2018	-	47,907,805
Equity issued for staff security-based compensation arrangements - 20 December 2018	-	10,444
Equity raised through Distribution Reinvestment Plan - 29 January 2019	-	10,583,789
Equity issued for executive security-based compensation arrangements - 8 August 2019	946,504	-
Equity raised through Distribution Reinvestment Plan - 30 August 2019	5,253,037	-
Equity issued for staff security-based compensation arrangements - 23 December 2019	13,356	-
Closing balance	931,795,879	925,582,982

There were 946,504 securities issued during the period ended 31 December 2019 in respect of executive compensation plans and 13,356 securities in respect of staff incentive plans for nil consideration. As long as Shopping Centres Australasia Property Group remains jointly quoted, the number of units in each of the Trusts are equal and the unitholders identical.

11. Segment reporting

The Group and Retail Trust invest in shopping centres located in Australia operates only within one segment, Australia.

For the purposes of segment reporting \$46.0 million in rental income (31 December 2018: \$41.1 million) was from Woolworths Limited and its affiliates. Further, \$15.2 million in rental income (31 December 2018: \$13.7 million) was from Coles Limited and its affiliates. Due to the 2018 Coles Limited demerger, 31 December 2018 have been restated in line with the comparable group.

Shopping Centres Australasia Property Group

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2019

12. Subsequent events

The Group signed conditional contracts to sell the investment property Cowes (Victoria) prior to 31 December 2019. Therefore this property is classified as held for sale for financial reporting purposes. The sale of this property completed on 3 February 2020. The book value of this property is equal to its contracted value of \$21.5 million.

Since the end of the half year, the Directors of the Responsible Entity are not aware of any other matter or circumstance not otherwise dealt with in this report or the Interim Consolidated Financial Statements that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

* * *

Shopping Centres Australasia Property Group Directors Declaration

For the half year ended 31 December 2019

In the opinion of the Directors of Shopping Centres Australasia Property Group RE Limited, the Responsible Entity of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust (the "Retail Trust"):

- (a) The Financial Statements and Notes, of Shopping Centres Australasia Property Management Trust and its controlled entities, including Shopping Centres Australasia Property Retail Trust and its controlled entities, (the "Group"), set out on pages 6 to 21 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's and the Retail Trust's financial position as at 31 December 2019 and of their performance, for the half year ended 31 December 2019; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) there are reasonable grounds to believe that both the Group and the Retail Trust will be able to pay their debts as and when they become due and payable.

The Directors have been given the declaration in a form similar to that referred to by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the period ended 31 December 2019.

Signed in accordance with a resolution of the Directors.



Chair
Sydney
3 February 2020

Independent Auditor's Review Report to the Stapled Security Holders of Shopping Centres Australasia Property Management Trust and Shopping Centres Australasia Property Retail Trust

We have reviewed the accompanying interim financial report of:

- Shopping Centres Australasia Property Management Trust ("SCA Property Management Trust") and its controlled entities ("SCA Property Group") which comprises the consolidated balance sheet as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year then ended, selected explanatory notes and the directors' declaration; and
- Shopping Centres Australasia Property Retail Trust and its controlled entities ("SCA Property Retail Trust") which comprises the consolidated balance sheet as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year then ended, selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Interim Financial Report

The directors of SCA Property Group RE Limited, the Responsible Entity of SCA Property Management Trust and SCA Property Retail Trust ("the directors"), are responsible for the preparation of the interim 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 interim 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 interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of SCA Property Group and SCA Property Retail Trust's financial position as at 31 December 2019 and their performance for the half-year then ended; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of SCA Property Group and SCA Property Retail Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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, 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 interim financial report of SCA Property Group and SCA Property Retail Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the SCA Property Group and SCA Property Retail Trust's financial positions as at 31 December 2019 and of their performance for the half-year then ended; 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, 3 February 2020