

## APPENDIX 4D

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

Half Year Report  
For the period ended 31 December 2020

**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).

	<b>6 months to 31 Dec 2020</b>	<b>6 months to 31 Dec 2019</b>	<b>Variance</b>	<b>Variance</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>%</b>
Revenue from ordinary activities	138.0	148.1	(10.1)	(6.8)%
Net profit from ordinary activities after tax attributable to members	102.9	90.2	12.7	14.1%
Net profit for the period attributable to members	102.9	90.2	12.7	14.1%
Funds from Operations (FFO) <sup>1</sup>	72.3	78.5	(6.2)	(7.9)%

<b>Earnings and Distribution per security</b>	<b>6 months to 31 Dec 2020</b>	<b>6 months to 31 Dec 2019</b>	<b>Variance</b>	<b>Variance</b>
Basic earnings per security (cents per security)	9.57	9.70	(0.13)	(1.3)%
Weighted average FFO per security (cents per security) <sup>1</sup>	6.72	8.44	(1.72)	(20.4)%
Interim distribution (cents per security)	5.70	7.50	(1.80)	(24.0)%
Record Date for determining entitlement to distribution	31 Dec 2020	31 Dec 2019	NA	NA
Date on which distribution was paid	29 Jan 2021	29 Jan 2020	NA	NA
Amount per security of interim distribution franked (cents per security)	-	-	No change	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**

	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>	<b>Variance</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
Net tangible asset per security	2.25	2.29	(0.04)	(1.7)%

**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 until 16 October 2020 when the Fund wound up, 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 2020. The cut-off for electing to participate or change an existing election to participate in the DRP was 5.00pm on 4 January 2021.

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 2020 was \$2.40.

**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

Erica Rees  
Company Secretary  
8 February 2021



## **Shopping Centres Australasia Property Group**

Interim Financial Report for the half year ended 31 December 2020

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 2020

## 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 2020 and the auditor's report thereon.

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	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 (resigned 30 September 2020)
Ms Belinda Robson	Non-Executive Director
Mr Anthony Mellowes	Executive Director and CEO
Mr Mark Fleming	Executive Director and CFO

The Company Secretaries at any time during the half year and up to the date of this report were Mr Mark Lamb (resigned 31 December 2020) and Ms Erica Rees.

### 2. Principal activities

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

### 3. Impact of COVID-19

The events relating to COVID-19 have had an adverse impact on both the operations and financial performance of the Group during the period. These impacts have included: volatility in the retail sales performance of our tenants, government-imposed trading restrictions on some of our tenants, legislation in each state and territory implementing the National Cabinet Mandatory Code of Conduct ("Code of Conduct") for small and medium sized enterprise tenants, an increase in rental arrears by our speciality tenants, an increase in expenses (for example extra cleaning and security) and movements in the valuation of our investment properties. As these COVID-19 related impacts are ongoing, there is continued uncertainty in relation to the future financial performance of the Group.

The implications of the above on the Interim Consolidated Financial Statements falls broadly into two areas: recording and collecting of rental income and investment properties fair value. The accounting treatments and key estimates and significant judgements in each of these areas are set out in note 3 of the Interim Consolidated Financial Statements.

### 4. Property portfolio

The investment portfolio as at 31 December 2020 consisted of 87 shopping centres (30 June 2020: 85 shopping centres) valued at \$3,403.3 million (30 June 2020: \$3,138.2 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 two shopping centres were acquired, Auburn (New South Wales) for \$129.5 million and Bakewell Shopping Centre (Northern Territory) for \$33.0 million, excluding transaction costs. Also, Bakewell petrol station (Northern Territory) was acquired for \$6.4 million and vacant land adjacent to the Greenbank (Queensland) neighbourhood centre was acquired for \$10.0 million, excluding transaction costs.

During the period the Group also contracted to acquire Katoomba Marketplace (New South Wales) from the SCA Unlisted Retail Fund 2 (SURF 2) fund for \$55.1 million. This acquisition is expected to settle in February 2021.

#### **Revaluations**

The total value of investment properties as at 31 December 2020 was \$3,403.3 million (30 June 2020: \$3,138.2 million). During the half year ended 31 December 2020 independent valuations were obtained for 23 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 December 2020 was 6.39% (June 2020: 6.51%).

# Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2020

The change in value of the investment properties during the year was due primarily to the acquisitions set out above and a like-for-like valuation increase. For more information in relation to the COVID-19 impact on revaluations refer to note 3 of the Interim Consolidated Financial Statements.

## 5. Funds Management

As at 31 December 2020 the Group also managed 4 properties valued at \$98.3 million for its unlisted retail funds (30 June 2020: 5 properties valued at \$102.6 million). During the period SCA Unlisted Retail Fund 2 (SURF 2) entered into a sales agreement with Group to sell Katoomba Marketplace to SCA Property Group, the last property in the fund, for \$55.1 million. This sale is expected to settle in February 2021. SCA Unlisted Retail Fund 3 (SURF 3) also sold Swansea for \$15.6 million during the period. The Group is entitled to a 1% disposal fee for both transactions on settlement and the Group may be entitled to a performance fee in accordance with the investment management agreement for SURF 2. Such a fee would not be payable until the wind up of SURF 2 is further progressed or SURF 2 makes the final distribution. Therefore, consistent with prior periods no amount has been recognised for this performance fee for the half year ended 31 December 2020.

## 6. 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 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Net profit after tax	(\$m)	<b>102.9</b>	90.2	<b>102.3</b>	89.3
Basic earnings per security (weighted for units on issue)	(cents per security)	<b>9.57</b>	9.70	<b>9.52</b>	9.60
Diluted earnings per security (weighted for units on issue)	(cents per security)	<b>9.53</b>	9.67	<b>9.48</b>	9.58
Funds from operations	(\$m)	<b>72.3</b>	78.5	<b>71.7</b>	77.6
Funds from operations per security (weighted for units on issue)	(cents per security)	<b>6.72</b>	8.44	<b>6.67</b>	8.35
Adjusted funds from operations	(\$m)	<b>62.4</b>	70.1	<b>61.8</b>	69.2
Adjusted funds from operations per security (weighted for units on issue)	(cents per security)	<b>5.80</b>	7.54	<b>5.75</b>	7.44
Distributions paid and payable to security holders	(\$m)	<b>61.4</b>	69.9	<b>61.4</b>	69.9
Distributions	(cents per security)	<b>5.70</b>	7.50	<b>5.70</b>	7.50
Net tangible assets	(\$ per security)	<b>2.25</b>	2.29	<b>2.24</b>	2.28
Weighted average number of securities used as the denominator in calculating basic earnings per security	(millions of securities)	<b>1,075.1</b>	929.8	<b>1,075.1</b>	929.8
Weighted average number of securities used as the denominator in calculating diluted earnings per stapled security	(millions of securities)	<b>1,079.5</b>	932.5	<b>1,079.5</b>	932.5

# Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2020

## 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.

	SCA Property Group		Retail Trust	
	31 Dec 2020 \$m	31 Dec 2019 \$m	31 Dec 2020 \$m	31 Dec 2019 \$m
<b>Net profit after tax (statutory)</b>	<b>102.9</b>	90.2	<b>102.3</b>	89.3
<b>Adjustments for non cash items included in statutory profit</b>				
Reverse: Straight-lining of rental income and amortisation of incentives	6.3	4.7	6.3	4.7
Reverse: Fair value or unrealised adjustments				
- Investment properties	(63.0)	(13.6)	(63.0)	(13.6)
- Derivatives	74.7	(0.7)	74.7	(0.7)
- Foreign exchange	(46.5)	(0.5)	(46.5)	(0.5)
<b>Other Adjustments</b>				
Reverse: Other non cash items	0.6	(2.1)	0.6	(2.1)
Reverse: Net unrealised profit from associates	(2.7)	0.5	(2.7)	0.5
<b>Funds from Operations</b>	<b>72.3</b>	78.5	<b>71.7</b>	77.6
Less: Maintenance capital expenditure	(3.9)	(1.9)	(3.9)	(1.9)
Less: Capital leasing incentives and leasing costs	(6.0)	(6.5)	(6.0)	(6.5)
<b>Adjusted Funds from Operations</b>	<b>62.4</b>	70.1	<b>61.8</b>	69.2

## 7. Contributed equity

### Distribution reinvestment plan (DRP)

The Group has a DRP under which securityholders 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 2020 (paid in August 2020) and the distribution declared in December 2020 (paid in January 2021).

The distribution declared in June 2020 resulted in \$9.5 million being raised by the DRP through the issue of 4.3 million securities at \$2.22 in August 2020. The distribution declared in December 2020 resulted in \$8.2 million being raised by the DRP through the issue of 3.4 million securities at \$2.40 in January 2021.

### Other equity issues

917,850 units were issued during the half year in respect of executive and staff compensation plans for nil consideration.

## 8. Significant changes and developments during the year

### Investment properties – acquisitions and developments

During the period two shopping centres were acquired, Auburn (New South Wales) for \$129.5m and Bakewell Shopping Centre (Northern Territory) for \$33.0 million, excluding transaction costs. Also, Bakewell petrol station (Northern Territory) was acquired for \$6.4 million and vacant land adjacent to the Greenbank (Queensland) neighbourhood centre was acquired for \$10.0 million, excluding transaction costs.

### Capital management - debt

During the half year the Group extended the maturity of two of the bilateral facilities from December 2022 (\$75.0 million) and June 2023 (\$100.0 million) to November 2025 and cancelled a \$50.0 million bilateral facility that was due to expire in April 2022.

In September 2020 the Group issued 10 year and 15 year A\$ Medium Term Note (A\$ MTN) with a face value of \$30.0 million and \$20.0 million respectively and in October 2020 the Group repaid an A\$ MTN with a face value of \$225.0 million. The \$225.0 million A\$ MTN had a coupon of 3.75% and was due to expire in April 2021 but could be repaid from October 2020 with no penalty or make whole obligation. This A\$ MTN was repaid with cash and cash equivalents (including funds that were on term deposit at June 2020) and undrawn debt facilities.

The Group's next debt expiries are a \$25.0 million bank facility which expires in December 2023, followed in June 2024 by an A\$ MTN of \$225 million and a bilateral facility of \$50.0 million.

As at 31 December 2020 the Group had cash and undrawn debt facilities of \$201.9 million (30 June 2020: \$622.8 million).

# Shopping Centres Australasia Property Group Directors' Report

For the half year ended 31 December 2020

The average debt facility maturity of the Group at 31 December 2020 was 6.2 years (30 June 2020: 5.1 years). At 31 December 2020 56.4% of the Group's debt was fixed or hedged (30 June 2020: 91.1%).

## **Gearing**

The Group maintains a prudent approach to managing the balance sheet with gearing of 29.1% as at 31 December 2020 (30 June 2020: 25.6%). 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. Gearing is below the target range following an institutional placement of 115.7 million securities on 16 April 2020 at \$2.16 a security raising \$250.0 million and a unit holder purchase plan on 15 May 2020 under which 13.6 million units were issued at \$2.16 per security raising \$29.3 million. The purpose of these equity raisings was to strengthen the Group's balance sheet and to provide funding flexibility to continue to deliver on the Group's strategy of investing in convenience-based supermarket-anchored centres as opportunities arise. Since that time the Group has completed \$178.9 million of acquisitions (excluding transaction costs).

## **9. Subsequent events**

In December 2020 the Group exchanged conditional contracts to purchase Katoomba Marketplace (New South Wales) for \$55.1 million (excluding transaction costs). This property is expected to settle in February 2021.

In January 2021 the Group exchanged conditional contracts on Cooloola Cove Shopping Centre (Queensland) for \$18.6 million (excluding transaction costs). This property is expected to settle in February 2021.

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.

## **10. 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.

## **11. 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

8 February 2021

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

8 February 2021

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 2020, 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



Andrew J Coleman  
Partner  
Chartered Accountant

# Shopping Centres Australasia Property Group

## Consolidated Statements of Comprehensive Income

For the half year ended 31 December 2020

Notes	SCA Property Group		Retail Trust	
	31 Dec 2020 \$m	31 Dec 2019 \$m	31 Dec 2020 \$m	31 Dec 2019 \$m
<b>Revenue</b>				
Rental income	118.9	128.4	118.9	128.4
Recoveries and recharge revenue	17.5	17.4	17.5	17.4
Fund management revenue	0.9	1.3	-	-
Distribution income	0.7	1.0	0.7	1.0
	<b>138.0</b>	148.1	<b>137.1</b>	146.8
<b>Expenses</b>				
Property expenses	(48.1)	(46.6)	(48.1)	(46.6)
Corporate costs	(7.9)	(6.8)	(7.9)	(6.8)
	<b>82.0</b>	94.7	<b>81.1</b>	93.4
Unrealised gain/(loss) including change in fair value through profit or loss				
- Investment properties	63.0	13.6	63.0	13.6
- Derivatives	(74.7)	0.7	(74.7)	0.7
- Foreign exchange	46.5	0.5	46.5	0.5
- Share of net profit from associates	3.3	0.4	3.3	0.4
<b>Earnings before interest and tax (EBIT)</b>	<b>120.1</b>	109.9	<b>119.2</b>	108.6
Interest income	0.2	0.1	0.2	0.1
Finance cost	(17.1)	(19.4)	(17.1)	(19.4)
<b>Net profit before tax</b>	<b>103.2</b>	90.6	<b>102.3</b>	89.3
Tax	(0.3)	(0.4)	-	-
<b>Net profit after tax</b>	<b>102.9</b>	90.2	<b>102.3</b>	89.3
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Movement on revaluation of Investment - fair value through other comprehensive income	2.2	(0.7)	2.2	(0.7)
<b>Total comprehensive income</b>	<b>105.1</b>	89.5	<b>104.5</b>	88.6
<b>Total comprehensive income for the period attributable to securityholders of:</b>				
SCA Property Management Trust	0.6	0.9		
SCA Property Retail Trust (non-controlling interest)	104.5	88.6		
<b>Total comprehensive income</b>	<b>105.1</b>	89.5		
<b>Distributions per stapled security (cents)</b>	4	5.70	7.50	5.70
Weighted average number of securities used as the denominator in calculating basic earnings per security below		1,075.1	929.8	1,075.1
<b>Basic earnings per stapled security (cents)</b>		9.57	9.70	9.52
Weighted average number of securities used as the denominator in calculating diluted earnings per stapled security below		1,079.5	932.5	1,079.5
<b>Diluted earnings per stapled security (cents)</b>		9.53	9.67	9.48
<b>Basic earnings per security (cents)</b>				
SCA Property Management Trust		0.05	0.10	
<b>Diluted earnings per unit of (cents)</b>				
SCA Property Management Trust		0.05	0.09	

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 2020

	Notes	SCA Property Group		Retail Trust	
		31 Dec 2020 \$m	30 June 2020 \$m	31 Dec 2020 \$m	30 June 2020 \$m
<b>Current assets</b>					
Cash and cash equivalents		2.9	183.8	1.5	182.7
Receivables		34.9	34.2	36.7	34.2
Derivative financial instruments	9	5.2	6.1	5.2	6.1
Investment in CQR	5	24.9	22.7	24.9	22.7
Other assets		15.3	2.8	12.4	2.3
<b>Total current assets</b>		<b>83.2</b>	<b>249.6</b>	<b>80.7</b>	<b>248.0</b>
<b>Non-current assets</b>					
Investment properties	6	3,403.3	3,138.2	3,403.3	3,138.2
Derivative financial instruments	9	103.8	177.7	103.8	177.7
Investment in associates (SURF funds)	7	18.6	15.9	18.6	15.9
Other assets		7.9	8.3	5.8	5.9
<b>Total non-current assets</b>		<b>3,533.6</b>	<b>3,340.1</b>	<b>3,531.5</b>	<b>3,337.7</b>
<b>Total assets</b>		<b>3,616.8</b>	<b>3,589.7</b>	<b>3,612.2</b>	<b>3,585.7</b>
<b>Current liabilities</b>					
Trade and other payables		56.4	58.3	66.7	68.5
Distribution payable	4	61.4	53.6	61.4	53.6
Derivative financial instruments	9	2.8	2.5	2.8	2.5
Provisions		2.0	1.7	-	-
Interest bearing liabilities	8	-	225.0	-	225.0
<b>Total current liabilities</b>		<b>122.6</b>	<b>341.1</b>	<b>130.9</b>	<b>349.6</b>
<b>Non-current liabilities</b>					
Interest bearing liabilities	8	1,051.2	858.6	1,051.2	858.6
Derivative financial instruments	9	7.3	7.7	7.3	7.7
Provisions		0.2	0.2	-	-
Other liabilities		7.9	8.1	6.3	6.3
<b>Total non-current liabilities</b>		<b>1,066.6</b>	<b>874.6</b>	<b>1,064.8</b>	<b>872.6</b>
<b>Total liabilities</b>		<b>1,189.2</b>	<b>1,215.7</b>	<b>1,195.7</b>	<b>1,222.2</b>
<b>Net assets</b>		<b>2,427.6</b>	<b>2,374.0</b>	<b>2,416.5</b>	<b>2,363.5</b>
<b>Equity</b>					
Contributed equity	10	10.2	10.2	1,972.0	1,962.6
Reserves		-	-	5.7	3.0
Accumulated profit/(loss)		0.9	0.3	438.8	397.9
Non-controlling interest		2,416.5	2,363.5	-	-
<b>Total equity</b>		<b>2,427.6</b>	<b>2,374.0</b>	<b>2,416.5</b>	<b>2,363.5</b>

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 2020

SCA Property Group					
Notes	Contributed equity \$m	Accumulated profit/(loss) \$m	Attributable to owners of parent \$m	Non-controlling interests \$m	Total \$m
<b>Balance at 1 July 2020</b>					
	10.2	0.3	10.5	2,363.5	2,374.0
Net profit after tax for the period	-	0.6	0.6	102.3	102.9
Other comprehensive income for the period, net of tax	-	-	-	2.2	2.2
Total comprehensive income for the period	-	0.6	0.6	104.5	105.1
Transactions with securityholders in their capacity as equity holders:					
Equity issued	-	-	-	9.5	9.5
Costs associated with equity raising	-	-	-	(0.1)	(0.1)
Employee share based payments	-	-	-	0.5	0.5
Distributions paid and payable	-	-	-	(61.4)	(61.4)
	-	-	-	(51.5)	(51.5)
<b>Balance at 31 December 2020</b>	<b>10.2</b>	<b>0.9</b>	<b>11.1</b>	<b>2,416.5</b>	<b>2,427.6</b>
<b>Balance at 1 July 2019</b>					
	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 securityholders in their capacity as equity holders:					
Equity issued	-	-	-	13.0	13.0
Employee share based payments	-	-	-	1.0	1.0
Distributions paid and payable	-	-	-	(69.9)	(69.9)
	-	-	-	(55.9)	(55.9)
<b>Balance at 31 December 2019</b>	<b>9.0</b>	<b>0.5</b>	<b>9.5</b>	<b>2,128.0</b>	<b>2,137.5</b>

Retail Trust					
Notes	Contributed equity \$m	Reserves		Accumulated profit/(loss) \$m	Total \$m
		Investment in CQR \$m	Share based payments \$m		
<b>Balance at 1 July 2020</b>					
	1,962.6	(3.3)	6.3	397.9	2,363.5
Net profit after tax for the period	-	-	-	102.3	102.3
Other comprehensive income for the period, net of tax	-	2.2	-	-	2.2
Total comprehensive income for the period	-	2.2	-	102.3	104.5
Transactions with securityholders in their capacity as equity holders:					
Equity issued	9.5	-	-	-	9.5
Costs associated with equity raising	(0.1)	-	-	-	(0.1)
Employee share based payments	-	-	0.5	-	0.5
Distributions paid and payable	-	-	-	(61.4)	(61.4)
	9.4	-	0.5	(61.4)	(51.5)
<b>Balance at 31 December 2020</b>	<b>1,972.0</b>	<b>(1.1)</b>	<b>6.8</b>	<b>438.8</b>	<b>2,416.5</b>
<b>Balance at 1 July 2019</b>					
	1,649.7	3.6	5.4	436.6	2,095.3
Net profit/(loss) 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 for the period	-	(0.7)	-	89.3	88.6
Transactions with securityholders in their capacity as equity holders:					
Equity issued	13.0	-	-	-	13.0
Employee share based payments	-	-	1.0	-	1.0
Distributions paid and payable	-	-	-	(69.9)	(69.9)
	13.0	-	1.0	(69.9)	(55.9)
<b>Balance at 31 December 2019</b>	<b>1,662.7</b>	<b>2.9</b>	<b>6.4</b>	<b>456.0</b>	<b>2,128.0</b>

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 2020

	SCA Property Group		Retail Trust	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	\$m	\$m	\$m	\$m
<b>Cash flows from operating activities</b>				
Property and other income received (inclusive of GST)	154.4	170.0	153.4	168.5
Property expenses paid (inclusive of GST)	(52.0)	(62.0)	(52.0)	(62.0)
Distribution received from associate (SURF funds)	0.9	1.0	0.9	1.0
Distribution received from investment in CQR	0.7	2.2	0.7	2.2
Corporate costs paid (inclusive of GST)	(9.7)	(9.1)	(9.7)	(9.0)
Interest received	0.4	0.1	0.4	0.1
Finance costs paid	(18.8)	(19.0)	(18.8)	(19.0)
Taxes paid including GST	(19.3)	(10.3)	(18.6)	(9.2)
<b>Net cash flow from operating activities</b>	<b>56.6</b>	72.9	<b>56.3</b>	72.6
<b>Cash flows from investing activities</b>				
Payments for investment properties purchased and capital expenditure	(208.3)	(102.3)	(208.3)	(102.3)
Repayment for term deposits	180.0	-	180.0	-
<b>Net cash flow from investing activities</b>	<b>(28.3)</b>	(102.3)	<b>(28.3)</b>	(102.3)
<b>Cash flow from financing activities</b>				
Proceeds from equity raising	9.5	13.0	9.5	13.0
Costs associated with equity raising	(0.1)	-	(0.1)	-
Net proceeds from borrowings	300.0	132.0	300.0	132.0
Repayment of borrowings	(285.0)	(47.0)	(285.0)	(47.0)
Distributions paid	(53.6)	(69.0)	(53.6)	(69.0)
<b>Net cash flow from financing activities</b>	<b>(29.2)</b>	29.0	<b>(29.2)</b>	29.0
Net change in cash held	(0.9)	(0.4)	(1.2)	(0.7)
Cash at the beginning of the period <sup>1</sup>	3.8	4.2	2.7	3.1
<b>Cash at the end of the period</b>	<b>2.9</b>	3.8	<b>1.5</b>	2.4

<sup>1</sup>Cash and cash equivalents at 30 June 2020 includes cash at bank of \$3.8 million and term deposits of \$180.0 million.

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

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2020

### 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 Interim Consolidated 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 8 February 2021.

### 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 Interim 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. The Group remains confident that it will be able to continue as a going concern. In reaching this position, it has been considered that the Group and Retail Trust are in a net current asset deficiency position of \$39.4 million. At 31 December 2020 the Group and Retail Trust have the ability to drawdown sufficient funds to pay the current liabilities having available, cash and cash equivalents and undrawn debt facilities of \$201.9 million.

The Group has prepared an assessment of its ability to continue as a going concern, taking into account information available.

The impact of COVID-19 pandemic has resulted in a portion of the tenants of the Group experiencing challenging and uncertain times. Whilst the COVID-19 situation is evolving, the Group remains confident that it will be able to continue as a going concern. This assumes the Group will be able to continue trading, realise assets and discharge liabilities in the ordinary course of business for at least 12 months from the date of the Interim Consolidated Financial Statements. In reaching this position, the following factors have been considered:

- The Group has cash and cash equivalents and undrawn facilities totalling of \$201.9 million
- The Group's major tenants continue to trade strongly and pay rent in a timely manner
- The Group has no debt facility expiries in the next 24 months
- The Group is well within its gearing and interest cover ratio for the purposes of its debt covenants
- Stress testing of the covenants results in adequate levels of headroom from both a gearing and interest cover ratio perspective

On the basis of these factors, the Directors of the Responsible Entity believe that the going concern basis of preparation is appropriate and that the Group will be able to pay its debts as and when they fall due. In the event that the Group cannot continue as a going concern, it may not realise its assets and settle its liabilities in the normal course of operations for the amounts stated in its Interim Consolidated Financial Statements. No allowance for such circumstances has been made in the Financial Statements.

#### (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 Consolidated Financial Statements, the Group is a for-profit entity.

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2020

### Application of new and revised Accounting Standards

The accounting policies adopted by the Group and the Retail Trust for the Interim Financial Report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2020.

#### (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 Consolidated Financial Statements are outlined below:

##### *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 of income and the discount rate. Other assumptions of lesser importance include consideration of the property type, location and tenancy profile together with market sales and other matters such market rents, current rents including possible rent reversion, capital expenditure, lease expiry profile including vacancy, type of tenants, capital expenditure and sales growth of the centre. If there is any change in these assumptions or economic conditions, the fair value of the investment properties may differ. See further disclosure regarding assumptions used in valuation of investment properties in note 6 and COVID-19 impact in note 3.

##### *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.

##### *Estimate – Expected credit loss (ECL)*

The ECL is based on management's estimates of probability of recoverability rent invoiced. The basis of these estimates are set out in the note 3. Should the actual results differ the actual credit loss will change and the difference will be included in a future financial period(s).

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2020

### 3. Impact of COVID-19 pandemic

The events relating to COVID-19 have had an adverse impact on both the operations and financial performance of the Group during the period. These impacts have included: volatility in the retail sales performance of our tenants; government-imposed trading restrictions on some of our tenants; legislation in each state and territory implementing the National Cabinet Mandatory Code of Conduct ("Code of Conduct") for small and medium sized enterprise tenants; an increase in rental arrears by our speciality tenants; an increase in expenses (for example extra cleaning and security); and movements in the valuation of our investment properties. As these COVID-19 related impacts are ongoing, there is continued uncertainty in relation to the future financial performance of the Group.

The implications of the above on the Interim Consolidated Financial Statements falls broadly into two areas: recording and collecting of rental income; and investment properties fair value. The accounting treatments and key estimates and significant judgements in each of these areas are set out below.

#### **Recording and collecting of rental income**

Under the Code of Conduct, the Group is obliged to grant rent waivers and deferrals to qualifying tenants. Rent that is waived is not recognised as rental income and no receivable has been raised. However, rent that is deferred is recognised as rental income and a corresponding receivable has also been raised. Any balance of unpaid rent that has not been waived or deferred is recognised as rental income and a corresponding receivable has also been raised.

As at 31 December 2020 the Group had a rental receivable of \$16.8 million, against which an expected credit loss provision ("ECL" provision) of \$12.9 million has been raised. In determining the size of the ECL provision, the following estimates have been made:

- Deferred rent: an ECL provision has been raised for 100% of the rent that has been, or is expected to be, deferred to future periods, or **\$6.8 million**;
- Other unpaid rent: a detailed assessment has been made of the remaining \$10.0 million in unpaid rent taking into account the age of the debt, location of the tenant and the retail segment of the tenant. Based on this assessment an ECL provision has been raised for 69% of the remaining unpaid rent amount, or **\$6.9 million**;
- Further loss allowances: in addition to the above, an assessment has been made about the risk of default and expected credit loss for all other receivables, resulting in an ECL provision of **\$0.9 million**; and
- Bank guarantees: it is assumed that the Group will draw on bank guarantees for tenants with remaining lease terms of 12 months or less, resulting in a reduction in the ECL provision of **(\$1.7) million**.

#### **Investment properties fair value**

In determining the fair value of investment properties it is necessary to make assumptions in relation to both the future financial performance of the investment properties (particularly forecast earnings and cash flows), and also to consider market transactional evidence as to the capitalisation rates and the discount rates investors are willing to pay for those earnings and cash flows. While significant uncertainty remains in relation to both of these assumptions, valuers are now more comfortable than they were at June 2020 due to:

- Future financial performance: more experience as to the actual impact of COVID-19 on convenience-based shopping centres; and
- Market transaction evidence: since June 2020 there have been a number of completed transactions for convenience-based shopping centres demonstrating that capitalisation rates for this asset class have stabilised or tightened.

As such, the like-for-like valuation of the Group's investment properties has increased by \$63.0 million since June 2020, due to:

- The allowance for future lost rents directly related to the COVID-19 pandemic has decreased by \$23.4 million (from \$27.4 million as at June 2020 to \$4.0 million as at December 2020);
- Valuation net operating income increased by \$1.5 million (or 0.7%) between June 2020 and December 2020;
- Capitalisation rates tightened 12bps from to 6.51% at June 2020 to 6.39% at December 2020; and
- Discount rates tightened from 7.08% to 7.03%.

Nevertheless, independent valuers continue to include a statement within their valuation reports highlighting a "material valuation uncertainty". This statement serves as a precaution, does not invalidate the valuation and does not mean that the valuation cannot be relied upon. Rather, it is intended to highlight that due to the current extraordinary circumstances, less certainty can be attached to the valuation than would otherwise be the case.

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2020

#### 4. Distributions paid and payable

	Cents per unit	Total amount \$m	Date of payment
<b>6 months to 31 December 2020</b>			
<b>SCA Property Group &amp; Retail Trust</b>			
Interim distribution <sup>1</sup>	5.70	61.4	29 January 2021
<b>2020 SCA Property Group &amp; Retail Trust</b>			
Interim distribution	7.50	69.9	29 January 2020
Final distribution	5.00	53.6	31 August 2020
	12.50	123.5	

<sup>1</sup> The interim distribution of 5.70 cents per security was declared on 10 December 2020 and was paid on 29 January 2021.

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 2020 (paid in January 2021). The distribution declared in December 2020 resulted in \$8.2 million being raised by the DRP through the issue of 3.4 million securities at \$2.40 in January 2021.

The equity raised through the DRP on 31 August 2020 was \$9.5 million by the issue of 4.3 million securities at a price of \$2.22.

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.

#### 5. Investment in CQR

Investment in CQR relates to the Group and the Retail Trust's 1.2% interest in Charter Hall Retail Trust (ASX: CQR) (30 June 2020: 1.2%). This interest is made up of 6.78 million units (30 June 2020: 6.78 million units) which cost an average of \$4.21 per unit. No units were sold during the period ended 31 December 2020 (30 June 2020: nil units were sold).

As at 31 December 2020 this interest was valued at \$3.67 per unit (30 June 2020 \$3.35). The value was based on the ASX closing price on the last trading day of the respective year.

The difference between the valuation of the units at 31 December 2020 and 30 June 2020 of \$2.2 million gain (31 December 2019: \$0.7 million revaluation loss) is 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.

On 14 December 2020 the Responsible Entity of CQR declared a distribution of 10.7 cents per unit with a payment date of 26 February 2021. As the Group and the Retail Trust hold 6.78 million units in CQR as at the record date for this distribution this is equivalent to \$0.7 million and has been included in the Group's and Retail Trust's Consolidated Statements of Comprehensive Income as Distribution income (31 December 2019: 14.52 cents per unit and \$1.0 million respectively).

#### 6. Investment properties

	<b>SCA Property Group &amp; Retail Trust</b>	
	31 Dec 2020 \$m	30 June 2020 \$m
<b>Movement in total investment properties</b>		
Opening balance	3,138.2	3,147.0
Disposals	-	(21.5)
Acquisitions (including transaction costs)	189.1	83.4
Development expenditure	8.8	6.8
Net other capital expenditure and straight lining	4.2	10.4
Unrealised movement recognised in total comprehensive income on investment properties valuations	63.0	(87.9)
Closing balance	3,403.3	3,138.2

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2020

### Investment properties

Property	State	Property Type	Book value cap rate <sup>1</sup> 31 Dec 2020	Book value discount rate 31 Dec 2020	Book value 31 Dec 2020 \$m	Book value 30 June 2020 \$m
<b>Sub-Regional</b>						
Lilydale	VIC	Sub-Regional	6.25%	6.75%	110.0	110.0
Pakenham	VIC	Sub-Regional	6.50%	6.50%	83.8	83.7
Central Highlands	QLD	Sub-Regional	7.75%	8.00%	60.6	60.0
Mt Gambier	SA	Sub-Regional	6.50%	7.40%	70.1	71.3
Murray Bridge	SA	Sub-Regional	7.75%	8.00%	57.0	60.0
Kwinana Marketplace	WA	Sub-Regional	7.00%	7.50%	131.5	130.6
Warnbro	WA	Sub-Regional	7.00%	7.75%	88.0	90.9
Lavington Square	NSW	Sub-Regional	7.25%	7.50%	62.3	57.4
Sturt Mall	NSW	Sub-Regional	6.50%	7.25%	70.0	72.3
West End Plaza	NSW	Sub-Regional	6.50%	7.25%	74.3	67.7
<b>Total Sub-Regional</b>					<b>807.6</b>	<b>803.9</b>
<b>Neighbourhood</b>						
Auburn <sup>2</sup>	NSW	Neighbourhood	6.00%	6.50%	129.5	-
Belmont	NSW	Neighbourhood	6.79%	8.01%	31.1	29.0
Berala	NSW	Neighbourhood	5.25%	6.00%	30.5	28.6
Cabarita	NSW	Neighbourhood	6.25%	7.00%	22.6	22.0
Cardiff	NSW	Neighbourhood	6.00%	6.75%	26.6	25.3
Clemon Park	NSW	Neighbourhood	5.75%	6.50%	55.6	51.3
Goonellabah	NSW	Neighbourhood	6.50%	7.00%	19.5	20.0
Greystanes	NSW	Neighbourhood	5.50%	6.75%	62.6	59.6
Griffin Plaza	NSW	Neighbourhood	6.50%	6.75%	27.0	25.8
Lane Cove <sup>4</sup>	NSW	Neighbourhood	5.75%	6.50%	54.1	57.5
Leura	NSW	Neighbourhood	5.50%	6.50%	19.5	18.5
Lismore	NSW	Neighbourhood	7.25%	7.50%	29.3	28.1
Macksville	NSW	Neighbourhood	5.75%	7.00%	15.6	14.3
Merimbula	NSW	Neighbourhood	6.25%	6.75%	20.3	18.2
Morisset	NSW	Neighbourhood	6.75%	7.00%	19.1	18.5
Muswellbrook	NSW	Neighbourhood	6.25%	7.25%	34.2	31.9
North Orange	NSW	Neighbourhood	6.00%	7.25%	37.0	34.0
Northgate	NSW	Neighbourhood	6.50%	7.25%	17.3	17.5
Ulladulla	NSW	Neighbourhood	5.75%	7.00%	27.3	24.7
West Dubbo	NSW	Neighbourhood	6.00%	6.75%	19.4	19.0
Shell Cove	NSW	Neighbourhood	5.75%	6.50%	39.5	34.0
Albury	VIC	Neighbourhood	6.25%	7.00%	24.5	23.5
Ballarat	VIC	Neighbourhood	7.25%	7.25%	17.4	17.2
Drouin	VIC	Neighbourhood	5.50%	6.00%	16.9	16.2
Epping North	VIC	Neighbourhood	5.75%	5.75%	30.5	30.0
Hihett	VIC	Neighbourhood	5.50%	6.25%	30.5	30.1
Langwarrin	VIC	Neighbourhood	5.75%	6.25%	24.7	23.9
Ocean Grove	VIC	Neighbourhood	6.25%	6.25%	36.4	37.1
Warrnambool East	VIC	Neighbourhood	6.25%	6.25%	15.7	15.7
Wonthaggi	VIC	Neighbourhood	6.50%	6.50%	45.8	40.0
Wyndham Vale	VIC	Neighbourhood	5.75%	5.50%	24.0	23.4
Bentons Square	VIC	Neighbourhood	6.00%	7.25%	88.4	82.6
The Gateway	VIC	Neighbourhood	6.75%	7.25%	52.0	51.7
Bakewell <sup>2</sup>	NT	Neighbourhood	6.92%	7.34%	39.4	-
Annandale	QLD	Neighbourhood	7.50%	7.50%	25.6	26.1
Ayr	QLD	Neighbourhood	6.75%	7.50%	21.4	19.0
Brookwater Village	QLD	Neighbourhood	6.00%	6.75%	35.5	35.1
Carrara	QLD	Neighbourhood	6.00%	6.25%	17.5	17.1
Chancellor Park Marketplace	QLD	Neighbourhood	6.00%	6.50%	46.5	45.9
Collingwood Park	QLD	Neighbourhood	6.25%	7.00%	12.4	11.8
Coorparoo	QLD	Neighbourhood	5.50%	6.00%	38.8	36.9

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2020

### Investment properties (continued)

Property	State	Property Type	Book value cap rate <sup>1</sup> 31 Dec 2020	Book value discount rate 31 Dec 2020	Book value 31 Dec 2020 \$m	Book value 30 June 2020 \$m
<b>Neighbourhood</b>						
Gladstone	QLD	Neighbourhood	7.00%	7.25%	23.9	24.5
Greenbank <sup>3</sup>	QLD	Neighbourhood	6.00%	6.75%	32.3	21.8
Jimboomba	QLD	Neighbourhood	6.25%	6.75%	28.6	27.8
Lillybrook	QLD	Neighbourhood	6.00%	7.25%	28.4	28.7
Mackay	QLD	Neighbourhood	6.75%	7.25%	25.5	25.5
Marian Town Centre	QLD	Neighbourhood	7.00%	7.50%	31.5	32.5
Mission Beach	QLD	Neighbourhood	6.50%	7.00%	12.0	11.6
Mt Warren Park	QLD	Neighbourhood	6.00%	6.50%	18.2	17.8
Mudgeeraba	QLD	Neighbourhood	6.25%	7.00%	34.9	33.7
Sugarworld Shopping Centre	QLD	Neighbourhood	6.75%	7.25%	25.9	25.4
The Markets	QLD	Neighbourhood	7.25%	7.25%	29.4	29.4
Whitsunday	QLD	Neighbourhood	7.50%	7.75%	33.9	33.8
Worongary	QLD	Neighbourhood	6.00%	6.75%	48.3	46.8
Bushland Beach	QLD	Neighbourhood	6.75%	7.00%	22.5	22.5
Miami One	QLD	Neighbourhood	6.25%	7.25%	30.3	30.7
North Shore Village	QLD	Neighbourhood	5.75%	7.25%	29.1	27.3
Oxenford	QLD	Neighbourhood	5.75%	6.50%	35.0	33.4
Warner Marketplace	QLD	Neighbourhood	5.75%	6.75%	77.1	76.2
Blakes Crossing	SA	Neighbourhood	6.50%	7.50%	21.5	22.2
Walkerville	SA	Neighbourhood	6.00%	6.75%	26.0	26.0
Busselton	WA	Neighbourhood	6.00%	6.25%	26.7	26.7
Treendale	WA	Neighbourhood	6.25%	7.00%	31.6	30.5
Currambine Central <sup>4</sup>	WA	Neighbourhood	7.00%	7.50%	90.3	90.4
Kalamunda Central	WA	Neighbourhood	6.00%	7.00%	44.9	41.8
Stirlings Central	WA	Neighbourhood	6.75%	7.25%	40.6	40.6
Burnie	TAS	Neighbourhood	7.50%	7.50%	23.5	22.5
Claremont Plaza	TAS	Neighbourhood	6.50%	7.25%	42.2	38.5
Glenorchy Central	TAS	Neighbourhood	6.50%	7.25%	28.1	27.1
Greenpoint	TAS	Neighbourhood	6.75%	7.25%	19.8	17.5
Kingston	TAS	Neighbourhood	6.30%	7.03%	31.5	31.0
Meadow Mews	TAS	Neighbourhood	6.50%	7.00%	64.6	63.5
New Town Plaza	TAS	Neighbourhood	6.25%	7.25%	47.0	43.6
Prospect Vale	TAS	Neighbourhood	6.50%	7.25%	30.7	29.2
Riverside	TAS	Neighbourhood	6.25%	6.50%	9.5	5.2
Shoreline	TAS	Neighbourhood	6.25%	6.75%	38.0	37.6
Sorell	TAS	Neighbourhood	6.25%	7.50%	30.9	29.9
<b>Total Neighbourhood</b>					<b>2,595.7</b>	2,334.3
<b>Total investment properties</b>					<b>3,403.3</b>	3,138.2

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

<sup>2</sup> Properties acquired during the half year ended 31 December 2020 being Auburn (New South Wales) for \$129.5 million, Bakewell Shopping Centre (Northern Territory) for \$33.0 million and Bakewell Petrol (Northern Territory) for \$6.4 million (excluding transaction costs).

<sup>3</sup> Land adjacent to the Greenbank (Queensland) neighbourhood centre was acquired for \$10.0 million in December 2020.

<sup>4</sup> 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.

Refer to note 3 for additional information on the impact of COVID-19 on investment properties valuations.

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2020

### **Investment property commitments**

Estimated investment property commitments at the balance sheet date but not provided for:

	<b>SCA Property Group &amp; Retail Trust</b>	
	<b>31 Dec 2020</b>	<b>30 June 2020</b>
	<b>\$m</b>	<b>\$m</b>
Investment property commitments	<b>50.4</b>	10.0

### **31 December 2020**

**Katoomba (NSW) (\$49.6 million):** During the period Group paid a deposit of \$5.5 million for Katoomba shopping centre with the remaining commitment to be paid on settlement.

**Marian (QLD) (\$0.8 million):** During the period Group paid a deposit of \$0.1 million for land adjacent to our existing Marian Town Centre with the remaining commitment to be paid on settlement.

### **30 June 2020**

**Greenbank (QLD) (\$10.0 million):** The commitment at 30 June 2020 of \$10.0m related to the call option that the group has entered into in 2016 when the Greenbank neighbourhood shopping centre was acquired. The call option was exercised in December 2020 with the vacant land being acquired for the \$10 agreed price.

## **7. Investment in associates (SCA Unlisted Retail Fund (SURF))**

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

- SURF 1: nil units, SURF 1 was wound up on 16 October 2020
- 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 2 and SURF 3 are unlisted closed end property funds, as was SURF 1. The Group recognises its 28.6% interest in SURF 2 (28.6% 30 June 2020), and 26.2% interest in SURF 3 (26.2% 30 June 2020) as investment in associates using the equity method of accounting.

	<b>SCA Property Group &amp; Retail Trust</b>	
	<b>31 Dec 2020</b>	<b>30 June 2020</b>
	<b>\$m</b>	<b>\$m</b>
<b>Movement in investment in associates</b>		
Opening balance	15.9	26.5
Share of profits after income tax	3.3	-
Distributions received or receivable	(0.6)	(1.6)
Return of capital receivable (SURF 1)	-	(9.0)
Closing balance	<b>18.6</b>	15.9

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

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2020

### 8. Interest bearing liabilities

	SCA Property Group & Retail Trust	
	31 Dec 2020 \$m	30 June 2020 \$m
<b>Unsecured bank and syndicated facilities</b>		
- A\$ denominated	340.0	150.0
<b>Unsecured A\$ Medium term notes (MTN)</b>		
- A\$ denominated	275.0	450.0
<b>Unsecured US Notes</b>		
- US\$ denominated (converted to A\$)	388.8	435.3
- A\$ denominated	50.0	50.0
<b>Total unsecured debt outstanding</b>	<b>1,053.8</b>	1,085.3
- Less: unamortised establishment fees and unamortised MTN discount and premium	(2.6)	(1.7)
<b>Interest bearing liabilities</b>	<b>1,051.2</b>	1,083.6

### Financing facilities and financing resources

The financing capacity available to the Group is under the Bank and syndicated facilities as the other debt facilities are fully drawn. Debt facilities are carried at amortised cost. To reduce liquidity risk the Group has in place financial facilities with multiple banks and other sources such as A\$ Medium Term Notes (A\$ MTN) and US Notes. Additional details of these debt facilities are below.

#### Unsecured bank and syndicated facilities

The Group has in place unsecured bank or bilateral facilities and syndicated facilities. Some of these are revolving. The revolving facilities can be used interchangeably.

One of the bilateral facilities is partially used to support bank guarantees. As at 31 December 2020, in addition to the bilateral facilities used above, \$11.0 million of a bilateral facility available was used to support bank guarantees (30 June 2020: \$11.0 million). The bank guarantees assist with the Group's obligations under its Australian Financial Services Licences.

During the half year the Group extended the maturity of two of the bilateral facilities from December 2022 (\$75.0 million) and June 2023 (\$100.0 million) to November 2025 and cancelled a \$50.0 million bilateral facility that was due to expire in April 2022.

#### Interest bearing liabilities – next expiries

The Group's next debt expiries are a \$25.0 million bank facility which expires in December 2023, followed in June 2024 by an A\$ MTN of \$225 million and a bilateral facility of \$50.0 million.

#### Financing capacity

The A\$ MTN and US Notes are fully drawn. The financing capacity available to the Group under the bank and syndicated facilities, including cash, is as follows:

	SCA Property Group & Retail Trust	
	31 Dec 2020 \$m	30 June 2020 \$m
<b>Financing facilities and financing resources</b>		
<b>Unsecured bank and syndicated facilities</b>		
Committed bank and syndicated facility limit	550.0	600.0
Less: bank and syndicated facilities drawn	(340.0)	(150.0)
	210.0	450.0
Less: amounts utilised for bank guarantee	(11.0)	(11.0)
Net bank and syndicated facilities available	199.0	439.0
Add: cash and cash equivalents	2.9	183.8
<b>Financing resources available</b>	<b>201.9</b>	622.8

As at 31 December 2020 the Group had undrawn debt facilities and cash of \$201.9 million (30 June 2020: \$622.8 million).

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.

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2020

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

In September 2020 the Group issued 10 year and 15 year A\$ Medium Term Note (A\$ MTN) with a face value of \$30.0 million and \$20.0 million respectively and in October 2020 the Group repaid an A\$ MTN with a face value of \$225.0 million. The \$225.0 million A\$ MTN had a coupon of 3.75% and was due to expire in April 2021 but could be repaid from October 2020 with no penalty or make whole obligation. This A\$ MTN was repaid with cash and cash equivalents (including funds that were on term deposit at June 2020) and undrawn debt facilities.

Details of the notes on issue at 31 December 2020 are below.

A\$ MTN	Tranche	Issue date	Maturity	Coupon	Face value	Issue consideration	Discount / (premium) on issue
					\$m	\$m	\$m
Series 2	Tranche 1	Jun-17	Jun-24	3.90%	175.0	174.5	0.5
	Tranche 2	Apr-19	Jun-24	3.90%	50.0	51.3	(1.3)
Series 3	Tranche 1	Sep-20	Sep-30	3.25%	30.0	29.8	0.2
Series 4	Tranche 1	Sep-20	Sep-35	3.50%	20.0	19.8	0.2
					275.0		(0.4)

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 June 2024. Under the terms of this MTN it can be repaid (with appropriate notice) from March 2024 with no make whole obligation.

### 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.

#### US Notes

Issue date - US\$ denominated notes	Maturity	US\$ value	Economic hedged AUD:USD FX rate	Economically hedged value A\$m	31 Dec 2020 AUD:USD FX rate	31 Dec 2020 Book value A\$m
August 2014	August 2027	100.0	0.9387	106.5	0.7717	129.6
September 2018	September 2028	30.0	0.7604	39.4	0.7717	38.9
August 2014	August 2029	50.0	0.9387	53.3	0.7717	64.8
September 2018	September 2031	70.0	0.7604	92.1	0.7717	90.7
September 2018	September 2033	50.0	0.7604	65.8	0.7717	64.8
		300.0		357.1		388.8
AUD notes				50.0		50.0
				407.1		438.8

### 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 2020.

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2020

### 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 maintains a prudent approach to managing the balance sheet with gearing of 29.1% as at 31 December 2020 (30 June 2020: 25.6%). 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.

Gearing (management)	31 Dec 2020 \$m	30 June 2020 \$m
<b>Bilateral, Syndicated and A\$ notes – unsecured</b>		
Bank and syndicated facilities drawn	340.0	150.0
Unsecured A\$ MTN	275.0	450.0
	<b>615.0</b>	600.0
<b>US Notes</b>		
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	<b>407.1</b>	407.1
Total debt drawn and drawn AU\$ equivalent	<b>1,022.1</b>	1,007.1
Less: cash and cash equivalents	<b>(2.9)</b>	(183.8)
<b>Net finance debt for gearing</b>	<b>1,019.2</b>	823.3
Total assets	<b>3,616.8</b>	3,589.7
Less: cash and cash equivalents	<b>(2.9)</b>	(183.8)
Less: derivative value included in total assets	<b>(109.0)</b>	(183.8)
<b>Net total assets for gearing</b>	<b>3,504.9</b>	3,222.1
<b>Gearing (management)<sup>1</sup></b>	<b>29.1%</b>	25.6%

<sup>1</sup> As noted under Bank bilateral facilities, the Group also has \$11.0 million (30 June 2020: \$11.0 million) used to support bank guarantees. The bank guarantees assist 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:

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2020

	SCA Property Group & Retail Trust	
	31 Dec 2020 \$m	30 June 2020 \$m
<b>Current assets</b>		
Cross currency interest rate swap contracts	5.2	6.1
	<b>5.2</b>	<b>6.1</b>
<b>Non-current assets</b>		
Interest rate swap contracts	9.1	9.7
Cross currency interest rate swap contracts	94.7	168.0
	<b>103.8</b>	<b>177.7</b>
<b>Current liabilities</b>		
Interest rate swap contracts	2.8	2.5
	<b>2.8</b>	<b>2.5</b>
<b>Non-current liabilities</b>		
Interest rate swap contracts	7.3	7.7
	<b>7.3</b>	<b>7.7</b>

### 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 2020 (which was AUD 1.00 = USD 0.7717) (30 June 2020: AUD 1.00 = USD 0.6891), is \$438.8 million (30 June 2020: \$485.3 million) (refer note 8). The amortised value of the A\$ medium term notes is \$275.0 million (30 June 2020: \$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 \$496.6 million and \$298.9 million respectively (30 June 2020: \$528.9 million and \$466.6 million respectively). The change in value of the A\$ MTN includes consideration of in September 2020 the Group issued 10 year and 15 year A\$ Medium Term Note (A\$ MTN) with a face value of \$30.0 million and \$20.0 million respectively and in October 2020 the Group repaid an A\$ MTN with a face value of \$225.0 million.

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.

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2020

The Group's only Level 3 financial instrument at 30 June 2020 related to the call option that the group has entered into in 2016 when the Greenbank neighbourhood shopping centre was acquired. The call option was exercised in December 2020 with the vacant land being acquired for the \$10.0 million agreed price, refer note 6. There were no transfers between hierarchy levels during the half year.

### 10. Contributed equity

	SCA Property Group		Retail Trust	
	31 Dec 2020	30 June 2020	31 Dec 2020	30 June 2020
	\$m	\$m	\$m	\$m
Equity	2,023.0	2,013.5	2,012.7	2,003.2
Issue costs	(40.8)	(40.7)	(40.7)	(40.6)
	<b>1,982.2</b>	1,972.8	<b>1,972.0</b>	1,962.6
	Management Trust		Retail Trust	
Opening balance	10.2	9.0	1,962.6	1,649.7
Equity raised through Distribution Reinvestment Plan – August 2019	-	-	-	13.0
Equity raised through Distribution Reinvestment Plan - January 2020	-	0.1	-	27.8
Equity raised through Institutional Placement – April 2020	-	1.0	-	249.0
Equity raised through Unit Purchase Plan – May 2020	-	0.1	-	29.2
Equity raised through Distribution Reinvestment Plan – August 2020	-	-	9.5	-
Equity raising costs	-	-	(0.1)	(6.1)
Closing balance	<b>10.2</b>	10.2	<b>1,972.0</b>	1,962.6
<b>Balance at the end of the period is attributable to unit holders of:</b>				
Shopping Centres Australasia Property Management Trust	10.2	10.2		
Shopping Centres Australasia Property Retail Trust	1,972.0	1,962.6		
	<b>1,982.2</b>	1,972.8		

### Securities on Issue

	SCA Property Group & Retail Trust	
	31 Dec 2020	30 June 2020
	No. of securities	No. of securities
Opening balance	1,071,416,350	925,582,982
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
Equity raised through Distribution Reinvestment Plan - 29 January 2020	-	10,309,664
Equity raised through Institutional Placement - 16 April 2020	-	115,740,741
Equity raised through Unit Purchase Plan - 15 May 2020	-	13,570,066
Equity issued for executive security-based compensation arrangements – 22 July 2020	902,330	-
Equity raised through Distribution Reinvestment Plan - 31 August 2020	4,253,334	-
Equity issued for staff security-based compensation arrangements – 16 December 2020	15,520	-
Closing balance	<b>1,076,587,534</b>	1,071,416,350

There were 902,330 securities issued during the period ended 31 December 2020 in respect of executive compensation plans and 15,520 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 securityholders 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 \$48.2 million in rental income (31 December 2019: \$46.0 million) was from Woolworths Limited and its affiliates. Further, \$16.5 million in rental income (31 December 2019: \$15.2 million) was from Coles Limited and its affiliates.

# Shopping Centres Australasia Property Group

## Notes to the Interim Consolidated Financial Statements

For the half year ended 31 December 2020

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### 12. Subsequent events

In December 2020 the Group exchanged conditional contracts to purchase Katoomba Marketplace (New South Wales) for \$55.1 million (excluding transaction costs). This property is expected to settle in February 2021.

In January 2021 the Group exchanged conditional contracts on Cooloola Cove Shopping Centre (Queensland) for \$18.6 million (excluding transaction costs). This property is expected to settle in February 2021.

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.

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# Shopping Centres Australasia Property Group Directors Declaration

For the half year ended 31 December 2020

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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 Interim 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 22 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 2020 and of their performance, for the half year ended 31 December 2020; 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 2020.

Signed in accordance with a resolution of the Directors.



Chair

Sydney

8 February 2021

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

### *Conclusion*

We have reviewed the half-year financial report of:

- Shopping Centres Australasia Property Management Trust ("SCA Property Management Trust") and its controlled entities ("SCA Property Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.
- Shopping Centres Australasia Property Retail Trust and its controlled entities ("SCA Property Retail Trust"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of 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 SCA Property Group and SCA Property Retail Trust's financial positions as at 31 December 2020 and of their performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of SCA Property Group and SCA Property Retail Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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 SCA Property Group RE Limited, the Responsible Entity of SCA Property Management Trust, and SCA Property Retail Trust, (“the directors”) would be in the same terms if given to the directors as at the time of this auditor’s review report.

### *Directors’ Responsibilities for the Half-year 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 half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor’s Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of SCA Property Group and SCA Property Retail Trust’s financial positions as at 31 December 2020 and their performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman  
Partner  
Chartered Accountants  
Sydney, 8 February 2021