

CARINDALE PROPERTY TRUST: Appendix 4D
(ASX Code: CDP) ARSN 093 261 744
Half Yearly Report under ASX listing rule 4.2A
For the half year ended 31 December 2020
(previous corresponding period being the half year ended 31 December 2019)

Interim report

The attached half-year financial report has been prepared under AASB 134. The half-year financial report should be read in conjunction with the annual financial report of Carindale Property Trust as at 30 June 2020 which was prepared based on Australian equivalents to International Financial Reporting Standards. It is also recommended that the half-year financial report be considered together with any public announcements made by Carindale Property Trust during the half-year ended 31 December 2020 in accordance with the continuous disclosure obligations under the Corporations Act 2001.

Results for announcement to the market

			31-Dec-20	31-Dec-19
Revenue (\$'000)	down	4.8%	25,042	26,317
Expected credit charge relating to COVID-19 (\$'000)	n/a	n/a	(412)	-
Unrealised movements in property valuation (non-cash) (\$'000)	down	54.7%	(1,109)	(2,446)
Profit attributable to members of the Trust (\$'000)	up	1.9%	10,454	10,260
Funds from operations (FFO) attributable to members of the Trust (\$'000)	down	12.8%	11,070	12,691
FFO per unit attributable to members of the Trust (cents per unit) ⁽ⁱ⁾	down	12.8%	15.81	18.13

⁽ⁱ⁾ In calculating the FFO per unit, 70,000,000 (31 December 2019: 70,000,000) weighted average units was used.

Distributions for Carindale Property Trust

	Cents per unit
Interim distribution	11.50
Previous corresponding period ⁽ⁱ⁾	18.10

⁽ⁱ⁾ The number of units entitled to distributions on the record date, 31 December 2020 was 70,000,000.

The distributions per unit have been determined by reference to the number of units on issue at the record date. The record date for determining entitlements to the final distribution was 31 December 2020 and the distribution will be paid on 26 February 2021.

Details of the full year components of distributions will be provided in the Annual Tax Statements which will be sent to members in September 2021.

Commentary and analysis on the results for the current period can be found in the attached Carindale Property Trust ASX Announcement dated 24 February 2021. This ASX announcement forms part of the Appendix 4D.

The half-year report should be read in conjunction with the most recent annual financial report.
The "Previous corresponding period" is 31 December 2019 unless otherwise stated.

Carindale Property Trust Half-year Report

For the half-year ended 31 December 2020

	Page
Statement of Comprehensive Income	1
Balance Sheet	2
Statement of Changes in Equity	3
Cash Flow Statement	4
Notes to the Financial Statements	5
Directors' Declaration	11
Independent Auditor's Report	12
Directors' Report	13
Directory	16

Scentre Management Limited ABN 41 001 670 579

AFS Licence 230329 as responsible entity of

Carindale Property Trust ARSN 093 261 744

Carindale

CARINDALE PROPERTY TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 Dec 20 \$'000	31 Dec 19 \$'000
Revenue		
Property revenue	25,042	26,317
Expenses		
Property expenses and outgoings	(7,802)	(7,368)
Net property income	17,240	18,949
Other expenses		
Manager's service charge	(2,236)	(2,572)
Other costs	(181)	(224)
	(2,417)	(2,796)
Interest income	9	16
Financing costs	(3,838)	(4,022)
Net fair value gain on interest rate derivatives	981	559
Expected credit charge relating to COVID-19	(412)	-
Property revaluation	(1,109)	(2,446)
Net profit attributable to members of the Trust	10,454	10,260
Total comprehensive income attributable to members of the Trust	10,454	10,260
	cents	cents
Basic earnings per unit	14.93	14.66
Diluted earnings per unit	14.93	14.66

CARINDALE PROPERTY TRUST
BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	31 Dec 20 \$'000	30 Jun 20 \$'000
Current assets			
Cash and cash equivalents		4,348	4,818
Trade and other receivables	3	3,179	3,721
Prepayments and deferred costs		549	421
Total current assets		8,076	8,960
Non current assets			
Trade and other receivables	3	125	155
Investment properties	2	735,311	735,312
Prepayments and deferred costs		486	699
Total non current assets		735,922	736,166
Total assets		743,998	745,126
Current liabilities			
Trade and other payables		16,934	11,484
Derivative liabilities		301	229
Total current liabilities		17,235	11,713
Non current liabilities			
Interest bearing liabilities	4	273,561	281,562
Derivative liabilities		7,776	8,829
Total non current liabilities		281,337	290,391
Total liabilities		298,572	302,104
Net assets		445,426	443,022
Equity attributable to members of the Trust			
Contributed equity		187,934	187,934
Reserves		11,303	8,283
Retained profits		246,189	246,805
Total equity attributable to members of the Trust		445,426	443,022

CARINDALE PROPERTY TRUST
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Contributed equity \$'000	Reserves \$'000	Retained profits \$'000	31 Dec 20 Total \$'000	Contributed equity \$'000	Reserves \$'000	Retained profits \$'000	31 Dec 19 Total \$'000
Changes in equity attributable to members of the Trust								
Balance at the beginning of the period, as reported	187,934	8,283	246,805	443,022	187,934	436	375,028	563,398
- Profit after tax for the period	-	-	10,454	10,454	-	-	10,260	10,260
- Amount transferred to other reserves	-	3,020	(3,020)	-	-	21	(21)	-
Transactions with owners in their capacity as owners:								
- Distributions paid or provided for	-	-	(8,050)	(8,050)	-	-	(12,670)	(12,670)
Closing balance of equity attributable to members of the Trust	187,934	11,303	246,189	445,426	187,934	457	372,597	560,988

CARINDALE PROPERTY TRUST
CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 Dec 20 \$'000	31 Dec 19 \$'000
Cash flows from operating activities		
Receipts in the course of operations (including Goods and Services Tax (GST))	28,540	29,769
Payments in the course of operations (including GST)	(9,038)	(11,544)
GST paid ⁽ⁱ⁾	(1,649)	(2,003)
Payments of financing costs	(3,621)	(3,787)
Interest received	9	16
Net cash inflow from operating activities ⁽ⁱ⁾	14,241	12,451
Add/(less): GST received/(paid) on outstanding trade debtors	34	20
Net cash inflow from operating activities	14,275	12,471
Cash flows from investing activities		
Capital expenditure on property investments	(6,610)	(7,935)
Financing costs capitalised to qualifying development projects and construction in progress	(135)	(441)
Net cash outflow from investing activities	(6,745)	(8,376)
Cash flows from financing activities		
(Repayment of)/proceeds from interest bearing liabilities	(8,000)	9,500
Distribution paid to members	-	(12,670)
Net cash outflow from financing activities	(8,000)	(3,170)
Net (decrease)/increase in cash and cash equivalents held	(470)	925
Add: opening cash and cash equivalents brought forward	4,818	1,889
Cash and cash equivalents at the end of the period	4,348	2,814

⁽ⁱ⁾ Excludes GST received/(paid) on outstanding trade debtors.

CARINDALE PROPERTY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Trust as the full financial report. The half-year financial report should be read in conjunction with the annual financial report of the Trust for the year ended 30 June 2020.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Trust during the Financial Period in accordance with the continuous disclosure obligations under the Corporations Act 2001 (Cth).

(a) Corporate information

This financial report of Carindale Property Trust (Trust) for the half-year ended 31 December 2020 (Financial Period) was approved in accordance with a resolution of the Board of Directors of Scentre Management Limited (Directors) as responsible entity of the Trust (Responsible Entity).

The nature of the operations and principal activities of the Trust are described in the Directors' Report.

(b) Impact of the COVID-19 pandemic

On 11 March 2020, the World Health Organisation declared the outbreak of the COVID-19 virus a pandemic. Both Australia and New Zealand experienced an outbreak of the virus, and the governments of both countries implemented a number of measures, including significant restrictions on people movement and activity. This impacted the Trust's operations and financial results for the half-year ended 31 December 2020.

(c) Going concern

This financial report has been prepared on a going concern basis. In making this assessment, the Directors have considered:

- the Trust's ability to meet its financial obligations over the next twelve months, using cash flow sensitivity analysis and having regard to debt maturities, funding requirements, operating cash earnings and available financing facilities; and
- the Trust's ability to meet its financial covenants over the next twelve months, assuming various scenarios for the potential impact of the COVID-19 pandemic.

(d) Statement of Compliance

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards issued by the International Accounting Standards Board. The accounting policies adopted are consistent with those of the previous financial year except that the Trust has adopted the following new or amended standards which became applicable on 1 July 2020.

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform Phase 1
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

For the financial period, the adoption of these amended standards and interpretation had no impact on the financial statements of the Trust.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the half-year ended 31 December 2020. The impact of these new standards (to the extent relevant to the Trust) and interpretations is as follows:

- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform Phase 2 (effective from 1 January 2021)
This amends AASB 9 Financial Instruments, AASB 139 Financial Instruments: Recognition and Measurement, AASB 7 Financial Instruments: Disclosures, AASB 4 Insurance Contracts and AASB 16 Leases to address issues that arise during the reform of an interest rate benchmark (IBOR), including the replacement of one benchmark with an alternative one. This amendment is not expected to have a significant impact on the financial statements on application.
- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective from 1 January 2022)

This amends AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures to address an inconsistency between the requirements of AASB 10 and AASB 128 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. This amendment is not expected to have a significant impact on the financial statements on application.

CARINDALE PROPERTY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (Continued)

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments (effective from 1 January 2022)

This amends (to the extent relevant to the Trust):

- (i) AASB 9 Financial Instruments to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;
- (ii) AASB 3 Business Combinations to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations; and
- (iii) AASB 137 Provisions, Contingent Liabilities and Contingent Assets to specify the costs that an entity includes when assessing whether a contract will be loss-making.

These amendments are not expected to have a significant impact on the financial statements on application.

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Noncurrent (effective from 1 January 2023)

This amends AASB 101 Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non-current. This amendment is not expected to have a significant impact on the financial statements on application.

(e) Basis of Accounting

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 (Cth) and AASB 134 Interim Financial Reporting. The half-year financial report has been prepared on a historical cost basis, except for investment properties and derivative financial instruments that have been measured at fair value.

This financial report is presented in Australian dollars.

CARINDALE PROPERTY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 Dec 20 \$'000	30 Jun 20 \$'000
NOTE 2 INVESTMENT PROPERTIES		
Shopping centre investment	724,061	724,062
Sundry property	11,250	11,250
	735,311	735,312

The Trust's interest in Westfield Carindale is independently valued annually, with the latest independent valuation being at 30 June 2020. The latest independent valuation of the Trust's 50% interest in Westfield Carindale was \$724.1 million with a capitalisation rate of 5.02% and a discount rate of 6.51%. This valuation was conducted by Jones Lang LaSalle Advisory Services Pty Ltd in accordance with guidelines set by the International Valuation Standards Council. The key assumptions in determining the valuation of the Trust's interest in Westfield Carindale are the estimated capitalisation rate and net operating income. Significant movements in each of these assumptions in isolation would result in a higher/(lower) fair value. As of 31 December 2020, the Trust's interest in Westfield Carindale has been assessed by the Directors at \$724.1 million with a capitalisation rate of 5.02% as approximating fair value.

The Trust's interest in the Millennium Boulevard Office and Retail Centre adjoining Westfield Carindale is also independently valued annually, with the latest independent valuation being at 30 June 2020. The valuation of the Trust's 50% interest in this property is \$11.3 million with a capitalisation rate of 5.75% and a discount rate of 7.00%. This valuation was conducted by Jones Lang LaSalle Advisory Services Pty Ltd in accordance with guidelines set by the International Valuation Standards Council. The key assumptions in determining the valuation of the Trust's interest in this property are the estimated capitalisation rate and net operating income. Significant movements in each of these assumptions in isolation would result in a higher/(lower) fair value. As of 31 December 2020, the Trust's interest in Millennium Boulevard Office and Retail Centre has been assessed by the Directors at \$11.3 million with a capitalisation rate of 5.75% as approximating fair value.

Impact of the COVID-19 pandemic

As at 31 December 2020 there was significant valuation uncertainty relating to the investment property valuations. The COVID-19 pandemic and the regulatory response has significantly impacted our operations as well those of our tenants. This uncertainty affects our ability to reliably determine the key judgements and assumptions used in the property valuations. The Income Capitalisation approach and the Discounted Cash Flow approach are used to arrive at a range of valuation outcomes, from which a best estimate of fair value is derived at a point in time. The key assumptions and estimates used in these valuation approaches which have been impacted by COVID-19 include:

- forecast future income, based on the location, type and quality of the property, which are supported by the terms of any existing leases, other contracts or external evidence such as current market rents for similar properties adjusted to recognise the COVID-19 impact;
- lease assumptions based on current and expected future market conditions after expiry of any current lease;
- the capitalisation rate and discount rate derived from recent comparable market transactions adjusted for COVID-19 to reflect the uncertainty in the amount and timing of cash flows; and
- the impact of government support on tenants and rental schemes giving rise to rent deferrals, rent waivers, and eviction moratoriums.

Due to the valuation uncertainty the property values may change significantly and unexpectedly over a relatively short period of time. The property valuations have been prepared based on information that is available at 31 December 2020.

CARINDALE PROPERTY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 Dec 20 \$'000	30 Jun 20 \$'000
NOTE 3 TRADE AND OTHER RECEIVABLES		
Current		
Trade debtors	2,939	3,698
Other receivables	240	23
	3,179	3,721
Non current		
Trade debtors	125	155
Total trade and other receivables	3,304	3,876
(a) Trade and other receivables comprise:		
Trade and other receivables	10,288	10,496
Expected credit loss allowance	(6,984)	(6,620)
Total trade and other receivables	3,304	3,876
(b) Movement in expected credit loss allowance		
Balance at the beginning of the year	(6,620)	(1,316)
Expected credit charge relating to COVID-19	(412)	(5,090)
Amounts written-off relating to COVID-19	206	-
Other increases in expected credit loss	(158)	(214)
Balance at the end of the year	(6,984)	(6,620)

Impact of the COVID-19 pandemic

Many of the Trust's retailers have been adversely impacted as a result of the pandemic and the government restrictions on people movement and activity, resulting to loss of revenue which impacted many tenants' financial position. In response to the pandemic, the Australian Governments issued the Code of Conduct for small to medium sized retailers in April 2020, which mandated a framework for temporary lease arrangements to reduce cash rent in proportion to the retailers' revenue impact during the pandemic period. The Trust has also worked with retail partners that are not subject to the code on a case-by-case basis to determine appropriate ways to assist with their cash flow issues.

The expected credit charge relating to COVID-19 recognised for the half-year ended 31 December 2020 is solely related to the COVID-19 pandemic and has been separately disclosed in the statement of comprehensive income to highlight its significant impact on the Trust's results. The charge reflects the expected rental abatements and the additional credit risk associated with tenants. The expected rental abatements are based on management's expectations of the level of rental abatements that will be provided to tenants for the period to 31 December 2020. The level of expected rental abatements has been determined after discussions and agreements with tenants. Where abatements have not been agreed with tenants, estimates have been made giving reference to outcomes with similar retailers.

For trade and other receivables outstanding at 31 December 2020 in excess of the expected rental abatements, management have assessed that there is an increased level of credit risk on the collection of these balances. Rather than primarily applying historical loss rates, the assumptions used in estimating lifetime expected credit loss include the following:

- the extent and duration of the pandemic;
- the effectiveness of government policies in response to the pandemic;
- the credit quality of tenants based on shared credit risk characteristics (eg size, industry, aging);
- future economic conditions which are based on forward looking information such as economic growth and inflation; and
- consumer and business sentiment.

In determining the expected credit loss the Responsible Entity has taken into account security deposits received from tenants generally in the form of bank guarantees, which can be called upon if the tenant is in default under the terms of the lease contract. Trade debtors also include GST which is fully recoverable from the relevant tax authorities and therefore excluded from the loss allowance.

Trade and other receivables written-off include rent abated relating to past occupancy that is part of rent relief arrangements with tenants applying to the COVID-19 pandemic period.

Uncertainties over the near-term and longer-term impact of the COVID-19 pandemic affect management's ability to reliably determine key judgements, estimates and assumptions used in determining expected credit loss. The expected credit loss allowance has been determined based on available information of conditions that existed at 31 December 2020. In the event that the Governments in Australia were to mandate future lockdowns and depending on the length and severity this could result in further write-downs of trade debtors. However, after allowing for the GST element of trade debtors and bank guarantees any further write-down would not be material to the Trust's financial position at 31 December 2020.

CARINDALE PROPERTY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 Dec 20 \$'000	30 Jun 20 \$'000
NOTE 4 INTEREST BEARING LIABILITIES		
Non current		
Loans payable - secured	273,500	281,500
Finance leases	61	62
	273,561	281,562

The maturity profile in respect of the interest bearing liabilities is set out below:

Due within one year	4	4
Due between one and five years	273,521	281,519
Due after five years	36	39
	273,561	281,562

The Trust has a \$300 million floating interest rate syndicated facility. Drawings under this facility are secured by a registered mortgage over the Trust's interest in Westfield Carindale and a fixed and floating charge over all assets and undertakings of the Trust. The facility is subject to negative pledge arrangements and matures in the first half of calendar year 2023.

NOTE 5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Set out below is a comparison by category of carrying amounts and fair values of all the Trust's financial instruments.

		Fair value		Carrying amount	
	Fair value Hierarchy	31 Dec 20 \$'000	30 Jun 20 \$'000	31 Dec 20 \$'000	30 Jun 20 \$'000
Assets					
Cash		4,348	4,818	4,348	4,818
Trade and other receivables ⁽ⁱ⁾		3,304	3,876	3,304	3,876
Liabilities					
Trade and other payables ⁽ⁱ⁾		16,934	11,484	16,934	11,484
Interest bearing liabilities ⁽ⁱⁱ⁾					
- Floating rate debt	Level 2	273,500	281,500	273,500	281,500
- Finance lease	Level 2	61	62	61	62
Derivative liabilities ⁽ⁱⁱ⁾	Level 2	8,077	9,058	8,077	9,058

⁽ⁱ⁾ These financial assets and liabilities are not subject to interest rate risk and the fair value approximates carrying amount.

⁽ⁱⁱ⁾ These financial assets and liabilities are subject to interest rate and market risks, the basis of determining the fair value is set out in the fair value hierarchy below.

Determination of fair value

The Trust uses the following hierarchy for determining and disclosing the fair value of a financial instrument. The valuation techniques comprise:

Level 1: the fair value is calculated using quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: the fair value is estimated using inputs other than quoted prices that are observable, either directly (as prices) or indirectly (derived from prices).

Level 3: the fair value is estimated using inputs that are not based on observable market data.

In assessing the fair value of the Trust's financial instruments, consideration is given to the available market data and if the market for a financial instrument changes then the valuation technique applied will change accordingly.

During the Financial Period, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Investment properties are considered Level 3.

CARINDALE PROPERTY TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 Dec 20 Units	30 Jun 20 Units
NOTE 6 TRUST UNITS		
Number of units on issue		
Balance at the beginning and end of the period	70,000,000	70,000,000

	31 Dec 20 \$'000	31 Dec 19 \$'000
NOTE 7 DISTRIBUTIONS PAID AND PAYABLE TO MEMBERS		
(a) Current/prior period distribution payable/paid to members		
Interim distribution payable to members:		
- Ordinary units: 11.50 cents per unit	8,050	
Distribution in respect of the 6 months to 31 December 2019		
- Ordinary units: 18.10 cents per unit		12,670
	8,050	12,670
(b) Distributions paid to members		
Distribution in respect of the 6 months to 30 June 2020		
- Ordinary units: nil	-	
Distribution in respect of the 6 months to 30 June 2019		
- Ordinary units: 18.10 cents per unit		12,670
	-	12,670

NOTE 8 SEGMENT INFORMATION

The Trust operates in one operating segment, being the ownership of an interest in one shopping centre in Brisbane, Australia.

NOTE 9 SUBSEQUENT EVENTS

No event has occurred since the end of the period which would significantly affect the operations of the Trust.

NOTE 10 OTHER SIGNIFICANT ACCOUNTING POLICIES

(a) Rounding

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts shown in this financial report have, unless otherwise indicated, been rounded to the nearest thousand dollars, unless otherwise indicated. Amounts shown as 0.0 represent amounts less than \$500 that have been rounded down.

CARINDALE PROPERTY TRUST
DIRECTORS' DECLARATION

The Directors of Scentre Management Limited, the Responsible Entity of Carindale Property Trust (Trust) declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the financial position of the Trust as at 31 December 2020 and the performance of the Trust for the half-year ended on that date in accordance with section 305 of the Corporations Act 2001.

Made on 24 February 2021 in accordance with a resolution of the Board of Directors.



Brian Schwartz AM
Chairman



Michael Ihlein
Director

Independent Auditor's Review Report to the Members of Carindale Property Trust

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Carindale Property Trust (The Trust), which comprises the balance sheet as at 31 December 2020, statement of comprehensive income, statement of changes in equity and cash flow statement 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, nothing has come to our attention that causes us to believe that the half-year financial report of the Trust is not in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Trust's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter - Impact of the Coronavirus (COVID-19) Pandemic

We draw attention to Note 2 of the financial report which describes the impact of the COVID-19 pandemic on the determination of fair value of investment properties and how this has been considered by the Directors in the preparation of the financial report. Due to the heightened degree of valuation uncertainty, property values may change significantly and unexpectedly over a relatively short period of time. Our opinion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of Scentre Management Limited, the Responsible Entity of the Trust, 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

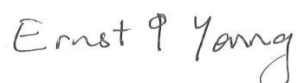
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Trust's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

We have given to the directors of Scentre Management Limited a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.



Ernst & Young

Sydney

24 February 2021



St Elmo Wilken
Partner

Liability limited by a scheme approved under
Professional Standards Legislation

CARINDALE PROPERTY TRUST
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

The Directors of Scentre Management Limited (Responsible Entity), the responsible entity of Carindale Property Trust (Trust) submit the following report for the half-year ended 31 December 2020 (Financial Period).

REVIEW AND RESULTS OF OPERATIONS

Operating environment

The principal activity of the Trust during the Financial Year was the long term ownership of a 50% interest in Westfield Carindale shopping centre. Westfield Carindale is located in the suburb of Carindale, approximately 12 kilometres south east of the Brisbane CBD. There were no significant changes in the nature of that activity during the Financial Period.

Westfield Carindale has annual retail sales of \$840 million and has average sales per store of \$1.7 million. As at 31 December 2020, the centre was 97% leased.

The property was valued as of 31 December 2020 at \$1,470.6 million (Trust share \$735.3 million), in line with the independent valuation at 30 June 2020.

Financial results

The Trust's net property income for the Financial Period was \$17.2 million representing a 9.0% decrease from the previous period.

Funds from operations, which excludes tenant allowances amortisation and unrealised fair value adjustments of \$0.6 million, was \$11.1 million.

The net tangible asset backing as at 31 December 2020 was \$6.36 per unit.

The Trust has a secured loan facility. As at 31 December 2020, borrowings were \$273.5 million with a gearing of 37.2%.

As of 31 December 2020, Scentre Management Limited as responsible entity for Scentre Group Trust 1 (SGT1) held 43,808,977 units in the Trust equating to a 62.58% ownership interest (30 June 2020: 43,808,977 units or 62.58% ownership interest).

The primary reporting measure for the Trust is Funds from Operations (FFO) which is a widely recognised measure of performance of real estate groups.

	31 Dec 20	31 Dec 19
	\$'000	\$'000
Profit after tax, funds from operations and distribution for the period ⁽ⁱ⁾		
Net property income	17,240	18,949
Manager's service charge	(2,236)	(2,572)
Overheads	(181)	(224)
Net fair value gain on interest rate derivatives	981	559
Net financing costs	(3,829)	(4,006)
Expected credit charge relating to COVID-19	(412)	-
Property revaluation	(1,109)	(2,446)
Profit attributable to members of the Trust	10,454	10,260
Adjustments:		
- Property revaluation	1,109	2,446
- Tenant allowances amortised	513	544
- Straightlining of rent	(25)	0
- Net fair value gain on interest rate derivatives	(981)	(559)
FFO	11,070	12,691
Amount transferred to other reserves	(3,020)	(21)
Distributable Amount	8,050	12,670
	cents	cents
FFO per unit	15.81	18.13
Distributable Amount per unit	11.50	18.10

⁽ⁱ⁾ The Trust's measure of FFO is based upon the National Association of Real Estate Investment Trusts' (NAREIT, a US industry body) definition, adjusted to reflect the Trust's profit/(loss) reported in accordance with the Australian Accounting Standards and International Financial Reporting Standards. FFO is a non-statutory reporting measure and has not been audited.

CARINDALE PROPERTY TRUST
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

PRINCIPAL ACTIVITY

The principal activity of the Trust during the Financial Period was the long term ownership of a 50% interest in Westfield Carindale shopping centre.

There were no significant changes to the nature of the principal activity of the Trust or the state of affairs of the Trust during the Financial Period.

OUTLOOK

Subject to no material change in conditions, the Trust expects to distribute 23.00 cents per unit for the year ending 30 June 2021.

DISTRIBUTION

The distribution for the Financial Period is \$8.05 million or 11.50 cents per unit. The distribution will be paid to members on 26 February 2021.

THE DIRECTORS

The following Directors served on the Board of the Responsible Entity during the Financial Period: Mr Brian Schwartz AM (Chairman), Mr Peter Allen, Mr Andrew Harmos, Mr Michael Ihlein, Ms Carolyn Kay, Mr Steven Leigh, Ms Margaret Seale, Mr Michael Wilkins and (from 1 September 2020) Mr Guy Russo.

AUDITOR'S INDEPENDENCE DECLARATION

The Directors have obtained the following independence declaration from the auditors, Ernst & Young.



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
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Auditor's Independence Declaration to the Directors of Scentre Management Limited,
the Responsible Entity of Carindale Property Trust

As lead auditor for the review of the financial report of Carindale Property Trust for the half-year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) No contraventions of any applicable code of professional conduct in relation to the review.

Ernst & Young

Sydney
24 February 2021

St Elmo Wilken
Partner

Liability limited by a scheme approved under
Professional Standards Legislation

CARINDALE PROPERTY TRUST
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

ASIC Disclosures

Rounding

Pursuant to ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts shown in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated. Amounts shown as 0.0 represent amounts less than \$500 that have been rounded down.

Synchronisation of Financial Year

The Trust is a consolidated entity of each of Scentre Group Trust 1 and Scentre Group Limited. By orders dated 21 November 2001 and 27 June 2005 respectively made by the Australian Securities and Investment Commission, the directors of the Company, as responsible entity of Scentre Group Trust 1 and Scentre Group Limited have been relieved of compliance with the requirement to ensure that the financial year of the Trust coincides with the financial year of Scentre Group Trust 1 and Scentre Group Limited.

This report is made in accordance with a resolution of the Board of Directors of the Responsible Entity and is signed for and on behalf of the Directors.



Brian Schwartz AM
Chairman
24 February 2021



Michael Ihlein
Director

DIRECTORY

CARINDALE PROPERTY TRUST

ABN 29 192 934 520

ARSN 093 261 744

RESPONSIBLE ENTITY

Scentre Management Limited

ABN 41 001 670 579

AFS Licence 230329

REGISTERED OFFICE

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Telephone +61 2 9358 7000

Facsimile +61 2 9028 8500

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Paul F Giugni

AUDITORS

Ernst & Young

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Sydney NSW 2000

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Facsimile +61 2 9358 7881

E-mail investor@scentregroup.com

Website www.carindalepropertytrust.com.au

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LISTINGS

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