

Acceptance of Land Tender – Kwun Tong, Hong Kong

31 August 2022



Project Summary

- **Attractive standalone parcel of non-office commercial-use land sale by Hong Kong government in Kowloon,** situated within the Anderson Road Quarry Development Area in Kwun Tong, a new development area housing an anticipated circa 30,000 population. It will also connect to existing populous estates and Sau Mau Ping district, and sits strategically amidst a cluster of Link's shopping centres in close proximity
- **Link intends to develop the land into a community commercial facility (including retail facilities, a fresh market and car parks)**

Lot Number	Lot No.1078 in Survey District No.3
Location	Off Anderson Road, Kwun Tong, Kowloon, Hong Kong
Expected Completion	2027 ⁽¹⁾
Site Area	5,880 sqm approx.
Max. GFA of the Development	12,936 sqm
Total Development Costs	~HK\$1.6B (comprise land premium of HK\$766M)



Note: (1) The land grant requires completion by 30 June 2028



1. Land Potential

- Situated at a strategically central location of the **Anderson Road Quarry Development Area in Kwun Tong**, expected to house an anticipated circa **30,000 population** in the coming years
- **Attractive** standalone non-office commercial land with potential to be developed as a **community commercial facility** (including retail facilities, a fresh market and car parks) to capture future spending of the immediate catchment with **limited** foreseeable supply and **competition**
- **With adjoining planned central community park and other recreational facilities, the development will be well connected** with ease of access to public transport ⁽¹⁾

2. Synergies with Existing Link's Portfolio

- **Economies of scale with other assets of Link at the hillside of Sau Mau Ping district⁽²⁾**. It is approximately 350m / 10-12 min walk from Link's Sau Mau Ping Shopping Centre via uphill connection with covered footbridge and lift system to be built by the Government
- **Strengthens Link's commercial portfolio in the area** by creating synergies and optimising trade/tenant mix

Notes:

(1) Via an interchange just next to the Land and a covered pedestrian footbridge and lift system to be built by the Government to Link's Sau Mau Ping Shopping Centre and other residential estates in Sau Mau Ming district

(2) Including Sau Mau Ping Shopping Centre, Po Tat Shopping Centre and Hiu Lai Shopping Centre



Investment Rationale (cont'd)

3. Economic Recovery from COVID

- **Hong Kong GDP and economy are expected to gradually recover** from COVID; the development will be well positioned to benefit from Hong Kong's economic recovery upon completion
- With the revival of the economy over the medium term, **rent and valuation are expected to stabilise**

4. Invest in a Non-Discretionary Commercial Asset Built to Specifications

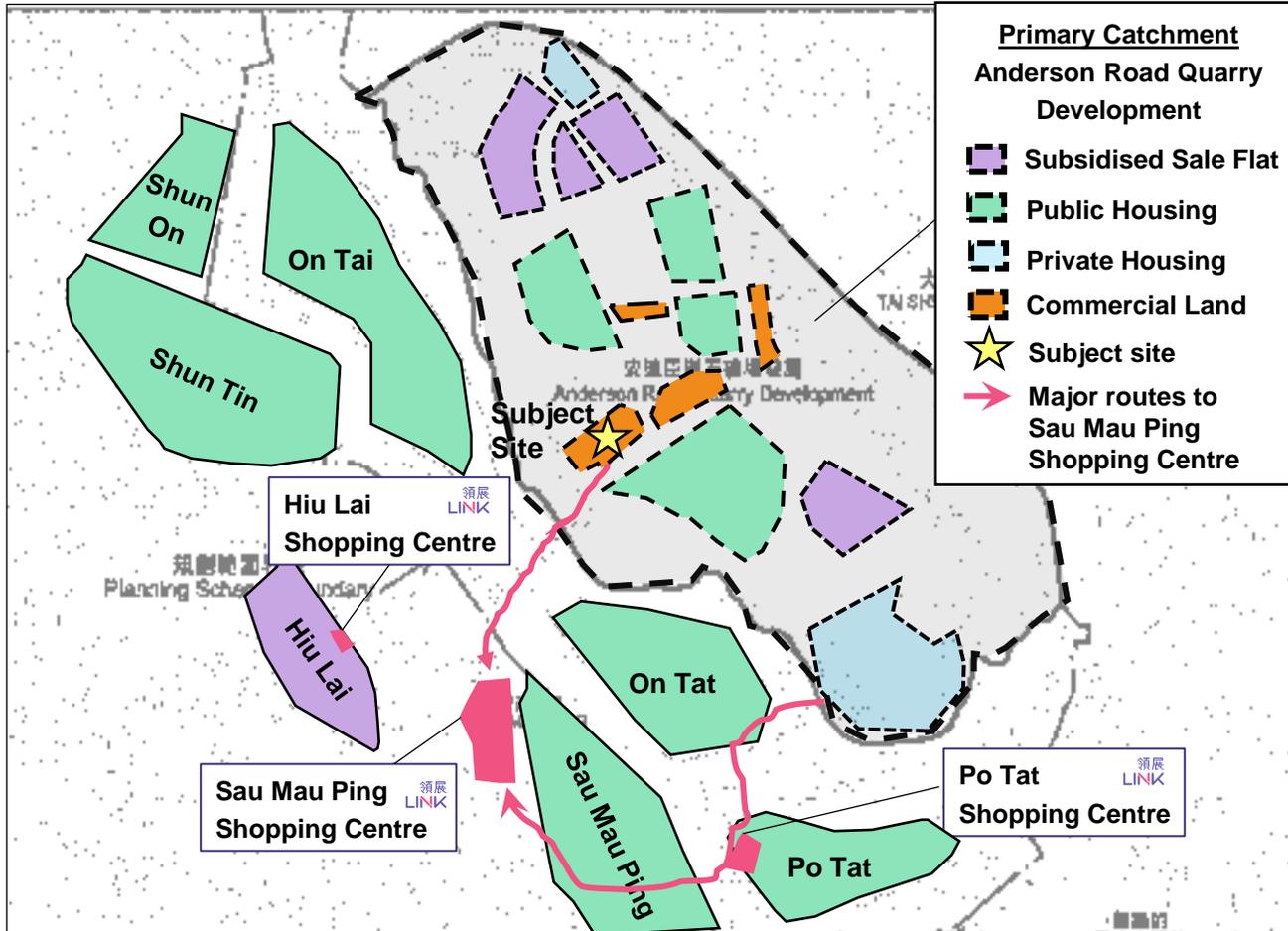
- Build to specifications and planned trade/tenant-mix could **accommodate the stakeholders' evolving needs, generate attractive yield** in terms of both income growth and capital appreciation potential, and **qualify for sustainability and green building/BEAM Plus ⁽¹⁾ certifications**

5. Early Stage Acquisition With Lower Entry Cost

- Early participation in the development phase will result in a **lower purchase price closer to “at-cost” pricing**, making it a more attractive investment opportunity than acquiring completed assets

The site will be developed as a community commercial facility, offering Link with an unparalleled position in the Sau Mau Ping district and potential upside from Hong Kong's economic recovery

Future Development – Anderson Road Quarry Development Area



Site will serve 8 public / subsidised housing estates and 2 private residential projects in its primary catchment area



Planned footbridge connecting the site and Sau Mau Ping Estate



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