

# The Link Real Estate Investment Trust

**Acquisition of Nan Fung Plaza**

**9 June 2011**



# Disclaimer



This document has been prepared by The Link Management Limited in its capacity as the Manager (the “Manager”) of The Link Real Estate Investment Trust (“The Link REIT”) solely for use at the press / research analyst presentations held in connection with the announcement of the transaction and may not be reproduced or redistributed to any other person or the press or other media. Neither this document nor any copy may be taken or transmitted into or distributed, directly or indirectly, in the United States or to any U.S. person (within the meaning of Regulation S under the United States Securities Act of 1933, as amended). Neither this document nor any copy may be taken or transmitted into or distributed or redistributed in Canada or to the resident thereof. The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe any such restrictions. By attending this presentation, you are deemed to agree to be bound by the foregoing restrictions and represent that you have understood and accepted the terms of this disclaimer. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

All information and data are provided for information purposes only. All opinions expressed by The Link REIT herein are based on information available as of the date hereof and are subject to change without notice.

The information contained in this document is not intended to provide, and you may not rely on this document as providing, a complete or comprehensive analysis of The Link REIT’s financial or trading position or prospects. The past performance of The Link REIT is not necessary indicative of the future performance of The Link REIT and nothing contained in this document is, or shall be relied on, as a promise or forecast as to the future.

This document may contain forward-looking statements. Investors are cautioned that the actual results may differ materially from those set forth in any forward-looking statements herein. The slides forming part of this document have been prepared solely as a support for oral discussion about information of The Link REIT. No representation or warranty, express or implied, is made as to, and no reliance should be place on, the fairness, accuracy, completeness or suitability of any information or opinion contained herein. None of the Manager, The Link REIT, or any of its Directors, officers, employees, agents or advisors shall be in any way responsible for the contents hereof, nor shall they be liable for any loss arising from use of the information contained in this presentation or otherwise arising in connection therewith.

This document does not constitute an offer or invitation to purchase or subscribe for any units of The Link REIT and neither any part of it shall form basis of or be relied upon in connection with any contract, commitment or investment decision whatsoever. No action has been taken or will be taken by the Manager or The Link REIT or any of its Directors, officers, employees, agents or advisors, to register this document as an offering document or otherwise to permit public distribution of this document.

# Transaction Summary

<b>Property</b>	:	Nan Fung Plaza – Commercial Podium, Hang Hau, Tseung Kwan O
<b>Location</b>	:	Adjacent to Hang Hau MTR Station and close to Hau Tak Shopping Centre of The Link REIT
<b>Developer</b>	:	Nan Fung Group
<b>Year of completion</b>	:	1999
<b>Gross Floor Area</b>	:	Approx. 176,000 sq. ft.
<b>Occupancy rate*</b>	:	98%
<b>No. of Shops*</b>	:	over 200
<b>Major trades*</b>	:	Fashion, F&B, education/tutorial
<b>Consideration</b>	:	<b>HK\$1,170mn</b>



\* Latest available information as at 7 June 2011

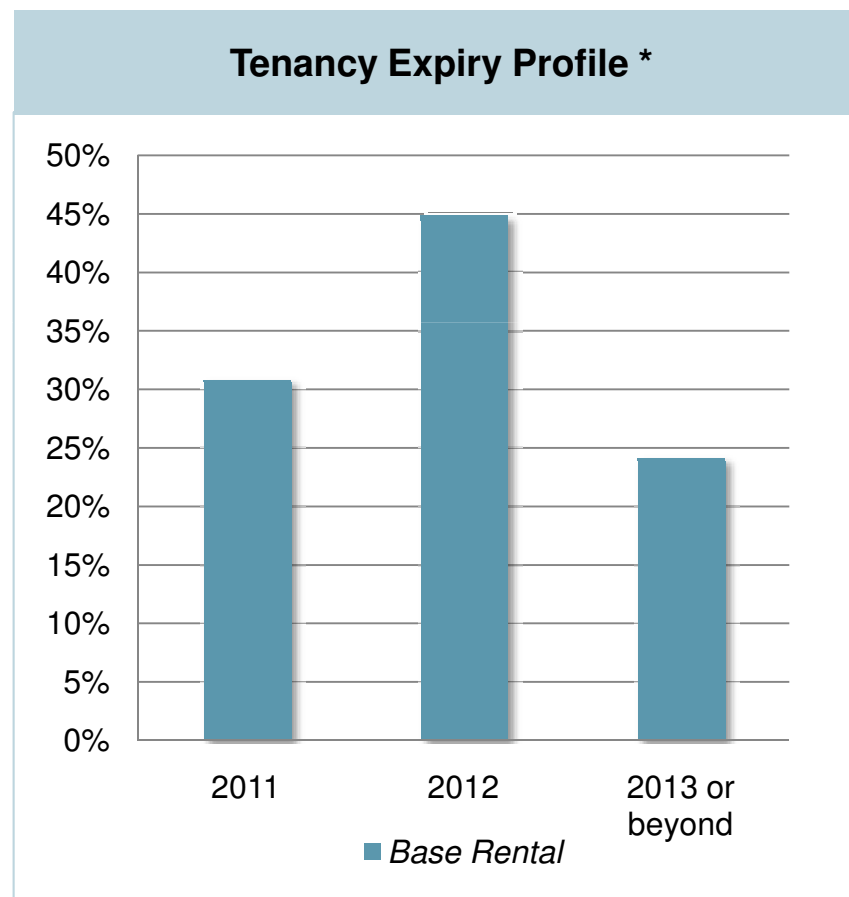
# Trade Mix and Lease Expiry

- “Clothing” and “Services” trades contribute over half of the overall base rent.

Trade Mix	Rental Contribution *
Services (incl. property agency, clinic , education etc.)	32%
Clothing, Footwear & Allied Products	22%
Food and Beverage	17%
Personal Care, Medicine, Valuable Goods, Optical, Books & Stationery	15%
Others	10%
Supermarket & FoodStuff	4%

\* By rental contribution and based on latest available information as at 7 June 2011

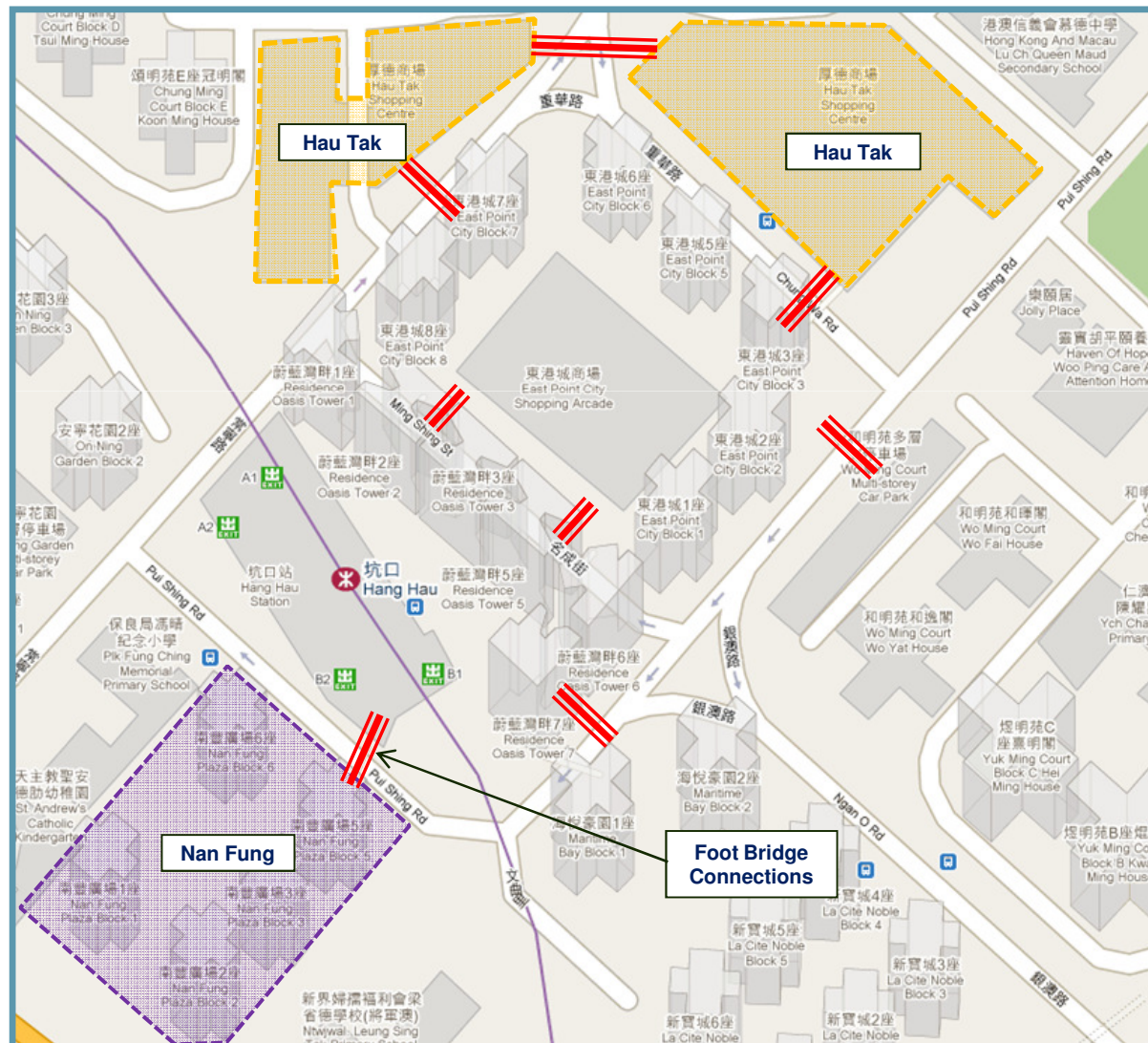
- Existing tenancies typically have 2-year lease terms





# Location

- The Link REIT will own > 50% of the retail space in Hang Hau



## **Hau Tak Shopping Centre**

Completed in 1993, comprises two 5-storey commercial/car park blocks.

**Completion of AEI: 2008/09**

**No. of Shops: 90 (Approx.)**

**No. of Carparks: 623**

## **Nan Fung Plaza**

Completed in 1999, comprises various commercial units on the ground floor and level 1 of the estate connected to MTR station via a footbridge.

**Completion of AEI: 2007/08**

**No. of Shops: 200 (Approx.)**

## 1 Synergy value with The Link's existing portfolio

- Opportunity to create marriage value with Hau Tak Shopping Centre
- Increase to over 50% market share of retail space in Hang Hau District

## 2 Expand exposure to large catchment of middle-high income group

- Hang Hau District is a relatively affluent area
- Capture shoppers from Sai Kung District – Clear Water Bay Region

## 3 Quality asset with high occupancy

- High quality retail asset producing steady income
- Attractive estimated yield at 4.3% based on committed monthly rental of \$4.21mn

# Financial Impact

## ✓ Financing

- Acquisition to be funded by internal resources and existing debt facilities
- No material impact on financial position

## ✓ Yield Accretive

- Leverages on low funding cost relative to rental yield to enhance distribution

## ✓ Impact on Gearing

- |  |       |
|--|-------|
| ➤ Gearing level as at 31 March 2011            | 15.1% |
| ➤ Proforma gearing level as at 31 March 2011 * | 16.6% |

*\* Adjusted to take into account effect of the acquisition*

# Thank You





# Appendix

## Distribution of Major Shopping Centres in Tseung Kwan O District

