



**Acquisition of a
mixed use
commercial building
in Mong Kok**

19 February 2016

The Property

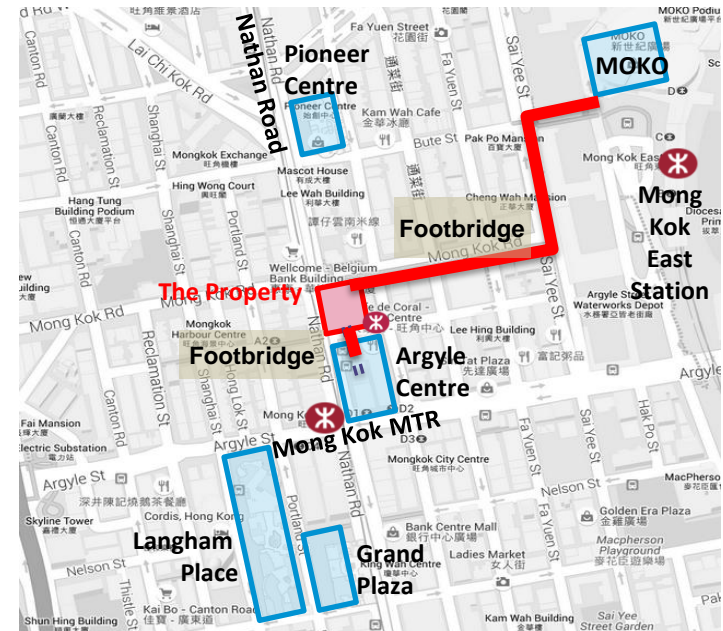


Property particulars

Address	700 Nathan Road, Mong Kok
Completion	1983
Total GFA	284,829 sq.ft
Use	Non-industrial/ commercial

Note:

(1) Represents total consideration for the acquisition of 99% undivided shares .



Acquisition details

Total consideration	HK\$5,910 ⁽¹⁾
Completion of acquisition	No later than 15 April 2016

Investment rationale

Prime location with excellent connectivity at the heart of Kowloon

- On top of Mong Kok MTR station — the central interchange station connecting East & West Kowloon — with direct access to concourse in basement and 3 above-ground exits next to the Property
- At the corner of Mong Kok Road and Nathan Road, the key artery of Central Kowloon served by >80 bus/minibus routes from New Territories to Hong Kong Island
- Excellent foot traffic around the clock

Stable, established retail market in a district earmarked for revitalisation

- Historically a hub for mass market retail, F&B and services attracting shoppers of all age groups
- Mong Kok is targeted under Government urban revitalisation plans with multiple redevelopment projects under planning and construction
- Limited supply of new retail space in the coming 5 years

Consistent with Link's focus on mass market retail

- The Property is ideal for targeting mass market retail, F&B and service trades
- Link has unparalleled experience in this sub-segment and strong relations with retail tenants
- Link intends to increase the share of wallet of the same shoppers that Link has been serving for the last 10 years

Leverage on Link's expertise in retail revitalisation and asset management

- The Property requires wholesale conversion from current office use into retail space
- Link will utilise its core competency in asset enhancement to ensure project is completed in the shortest timetable and in a cost efficient manner

Well-connected by vast transportation network



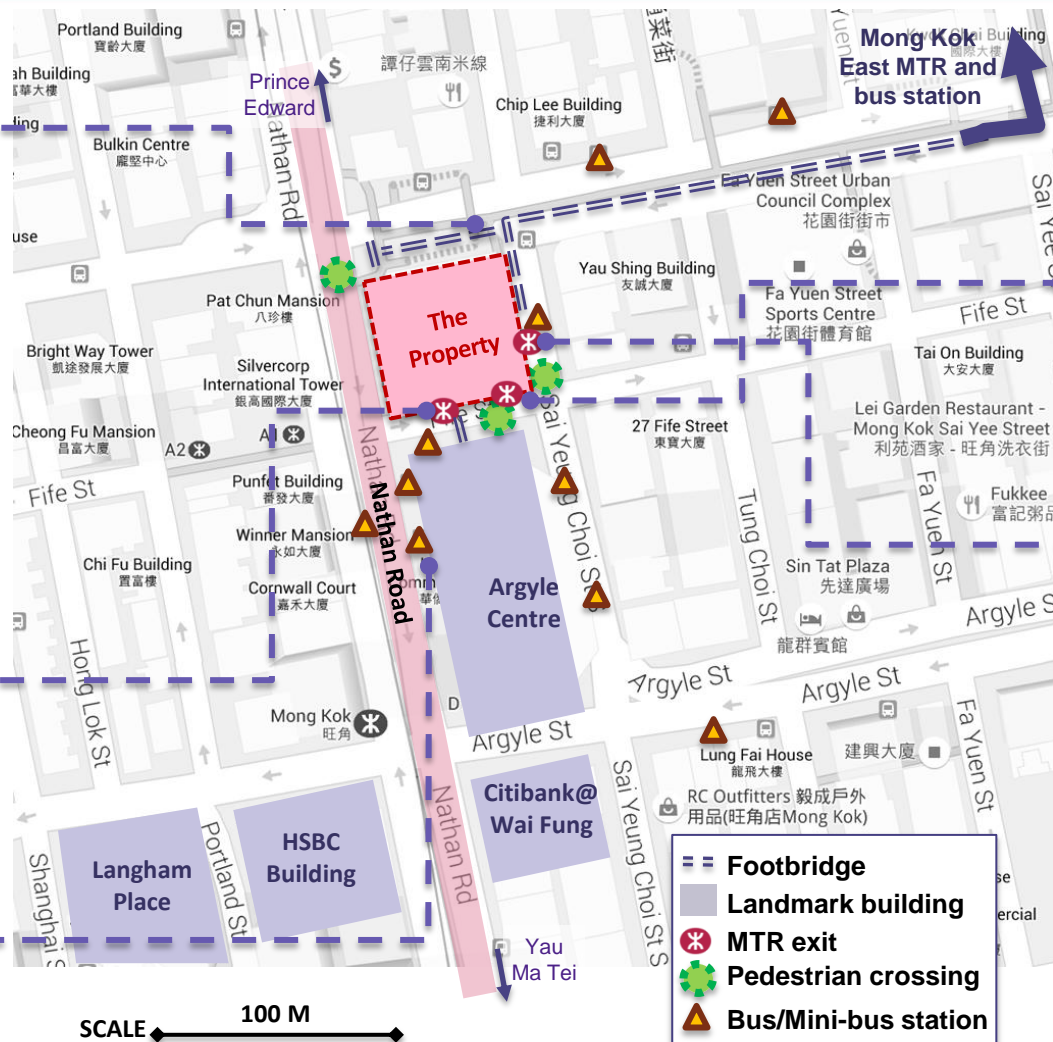
Footbridge to Mong Kok East MTR and bus stop



Footbridge to Argyle Centre



>80 bus / mini-bus routes within 100m distance



Direct MTR access on B1



B1 Exit



B2 Exit

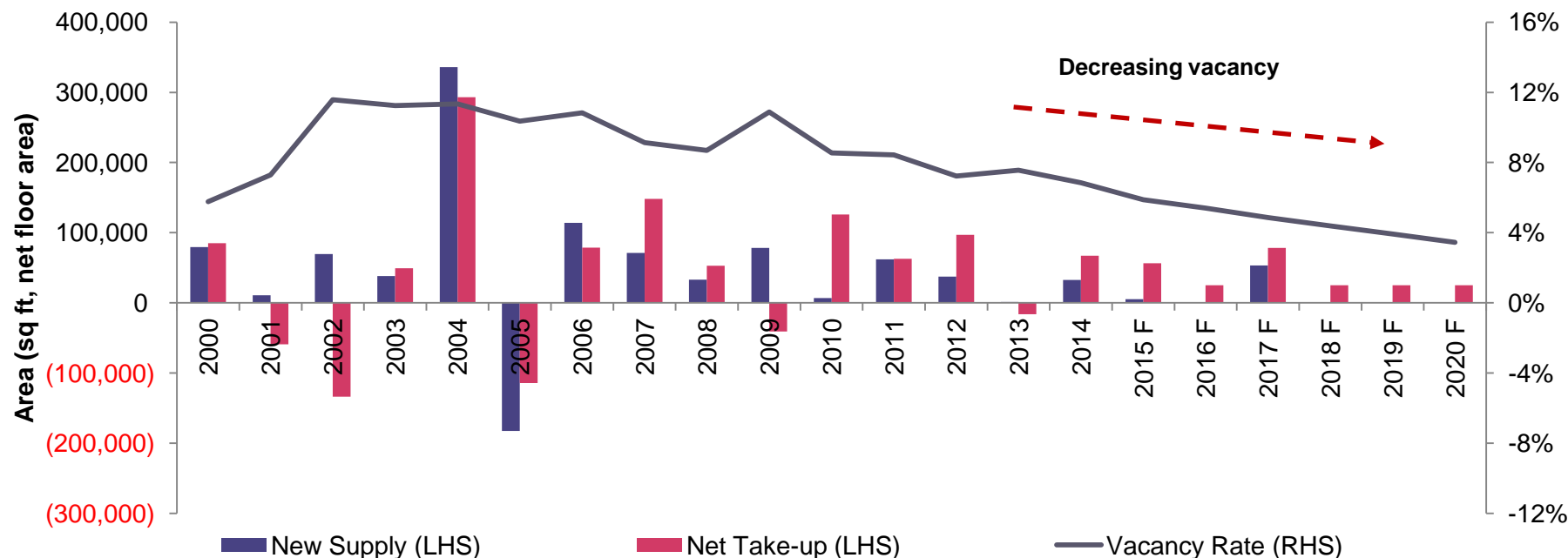


B3 Exit

Three MTR exits right next to the property

Scarce supply in an established retail market

Limited new retail supply in Mong Kok



Source: Colliers

Mong Kok retail market

- One of the busiest public transportation hubs in Hong Kong
- Great variety of mass market trades attracting shoppers of all ages
- Limited new supply of retail space supports Mong Kok's rental and occupancy levels

District revitalisation re-energises and inject new life to Mong Kok

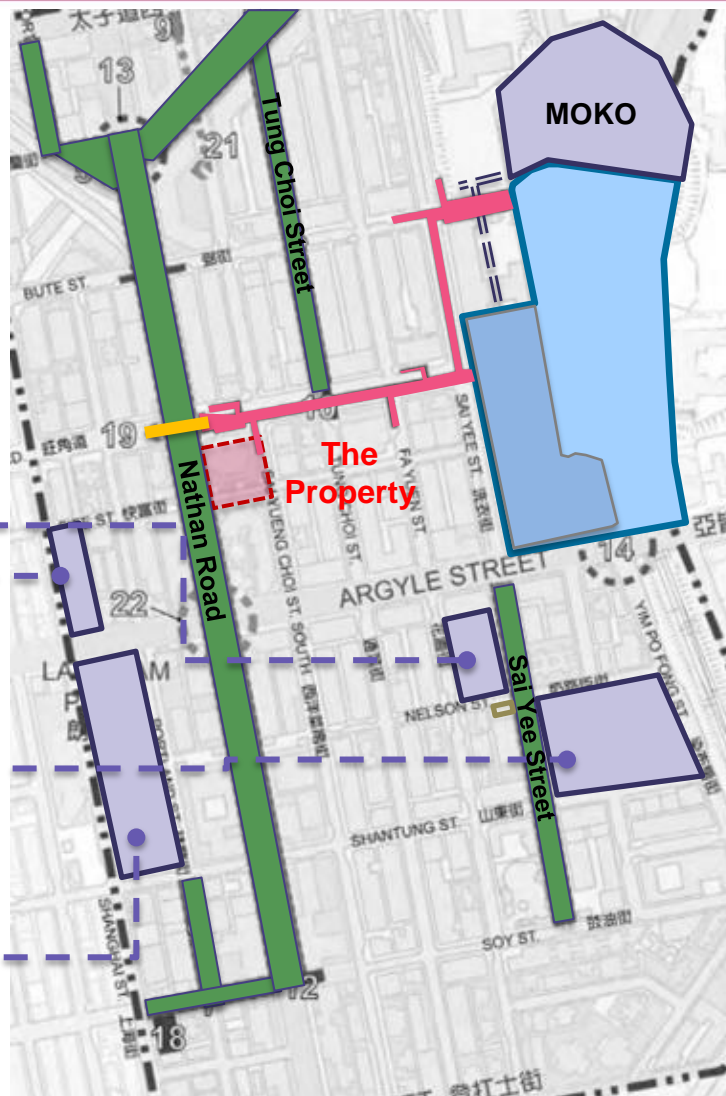
Existing/completed revitalisation

URA 600-626
Shanghai Street
Project
(Preservation of
heritage buildings)

URA Sai Yee Street/
Fa Yuen Street Project
(Residential/specialty
sports-related retail)

MacPherson Place
(Residential,
playground and
stadium)

Langham Place
(Retail/office)



Future improvement/ revitalisation plans

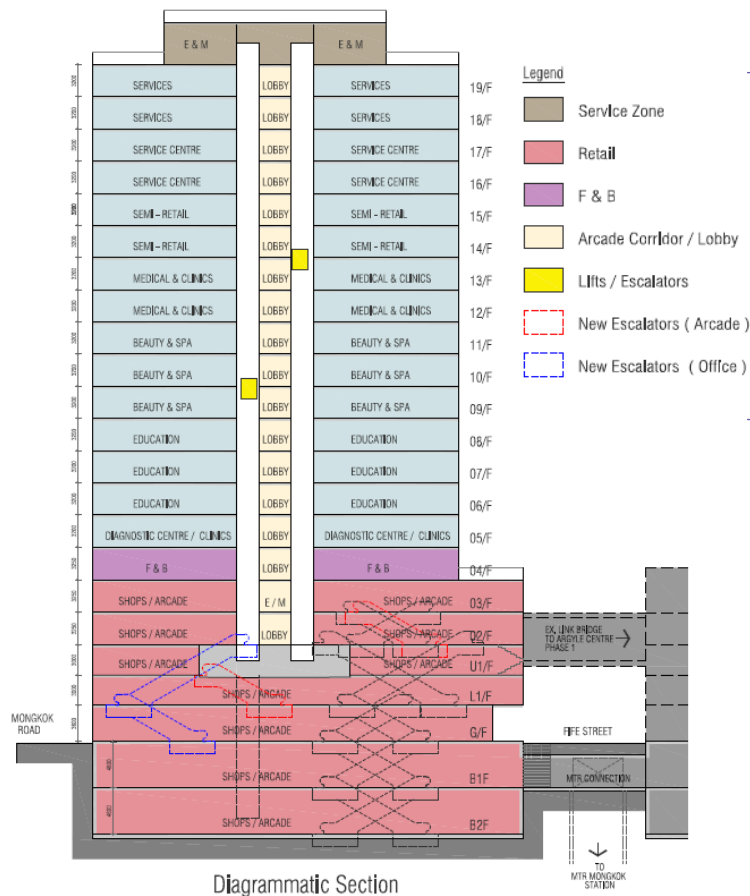
Greening and Streetscape
Improvement

Mong Kok Footbridge
Identity Project
(Improve physical
appearance of the
footbridge)

Sai Yee Street
Redevelopment Project
(Government offices to be
relocated in 2017-2018 with
demolition works to be
completed by 2019)

Mong Kok Footbridge
Extension

Focused leasing strategy targeting retail, F&B and services



Building specification

Leasing strategy

- GFA: approx. 170,600 sq.ft.
- Typical floorplate: approx. 11,000 sq.ft.
- 5 passenger lifts, 2 service lifts

- Medical clinic
- Education
- Semi-retail/services (e.g. sport & fitness, beauty salon, spa, etc)

- GFA: approx. 114,200 sq.ft.
- Footbridge connecting to Argyle Centre on U1/F
- Direct access to MTR station in basement

- Wide range of F&B and light refreshment
- Mass to mid-mass fashion
- Audio & visual gadgets
- Cosmetics
- Daily necessities & services (e.g. banks)
- General retail

Position as mass market retail destination targeting local, young and trendy shoppers

Leverage on Link's expertise in asset enhancement to unlock value

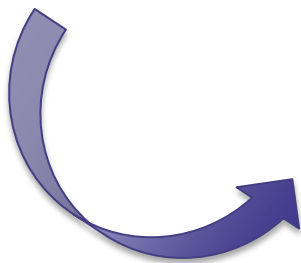
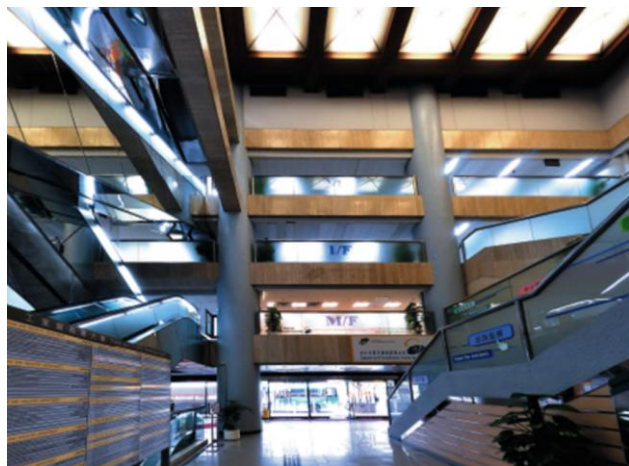
- Renovate lift lobbies, common corridors and toilets
- Add barrier free access facilities
- Upgrade podium façade and signage on all fronts
- Add street-level entrance and barrier free access facilities
- Improve lighting and add new escalators



- General re-layout and re-partitioning
- Retrofit up to meet latest fire and building regulations
- Lift modernisation
- Chiller plant retrofit

Target to complete in phases within 18-24 months

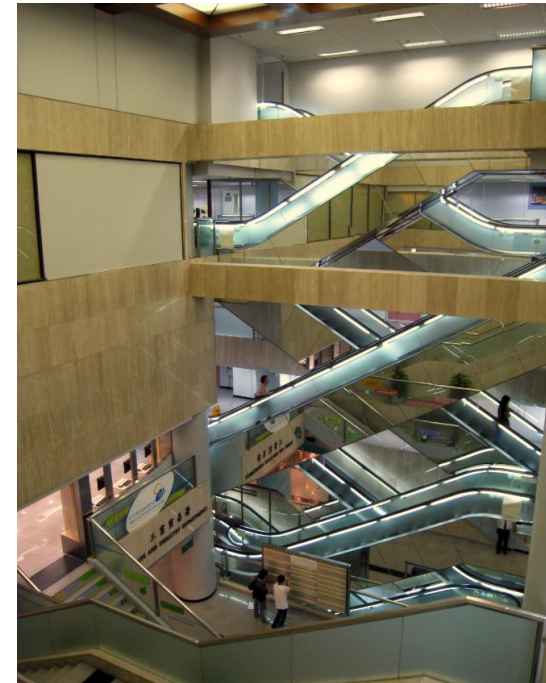
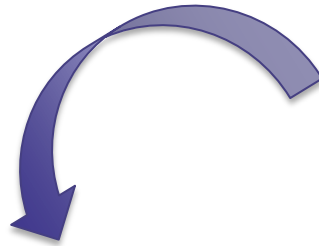
Transformation of an aged property into a new destination in Mong Kok



Artist rendering

Creates attractive environment for mass market tenants and customers

New identity to revitalise the Property



Financial impact

Valuation

by CBRE (Link's Principal Valuer)	HK\$'M
Tower	2,400
Podium	4,000
Total	6,400

Impact on gearing

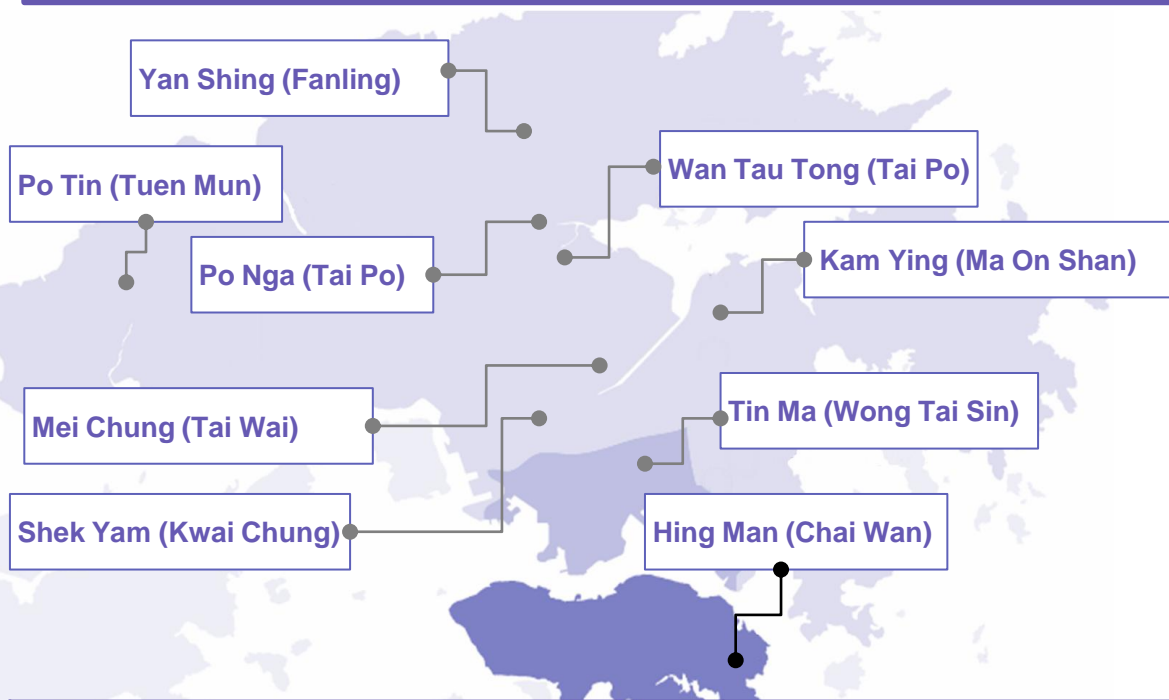
- Debt to total assets as at 30 September 2015 16.9%
- Pro-forma adjusted ratio of debt to total assets (as at 30 September 2015) 20.4%⁽¹⁾

Note:

(1) After adjustments for the impact of the interim distribution paid on 4 December 2015 and the disposal of five properties completed on 31 December 2015, and assume an adjustment to include the appraised value of the Property as if the acquisition took place on 30 September 2015.

Latest asset disposal

On 19 February 2016, Link also announced the potential disposal of 9 properties



Rationale

- Part of the ongoing strategy for capital recycling and to enhance portfolio quality

Use of proceeds

- For new investments to expand and upgrade portfolio
- For debt repayment and general working capital
- Unit buyback to neutralise loss in distribution

Number of assets to be disposed	9
Aggregate valuation of properties ⁽¹⁾	HK\$2,805M
Expected date of tender close	Late March / early April 2016

Note:

(1) Valuation as at 31 March 2015.

Active capital recycle strategy



Capital recycle strategy

- Dispose non-core assets
- Acquire better quality assets
- Utilise our leasing and asset enhancement expertise on better assets
- Improve operational efficiency
- Invest in long-term growth

Recycle capital for better quality assets to create better value

Selective acquisition tying in investment strategies

Prime location with excellent connectivity at the heart of Kowloon

Stable, established retail market in a district earmarked for revitalisation

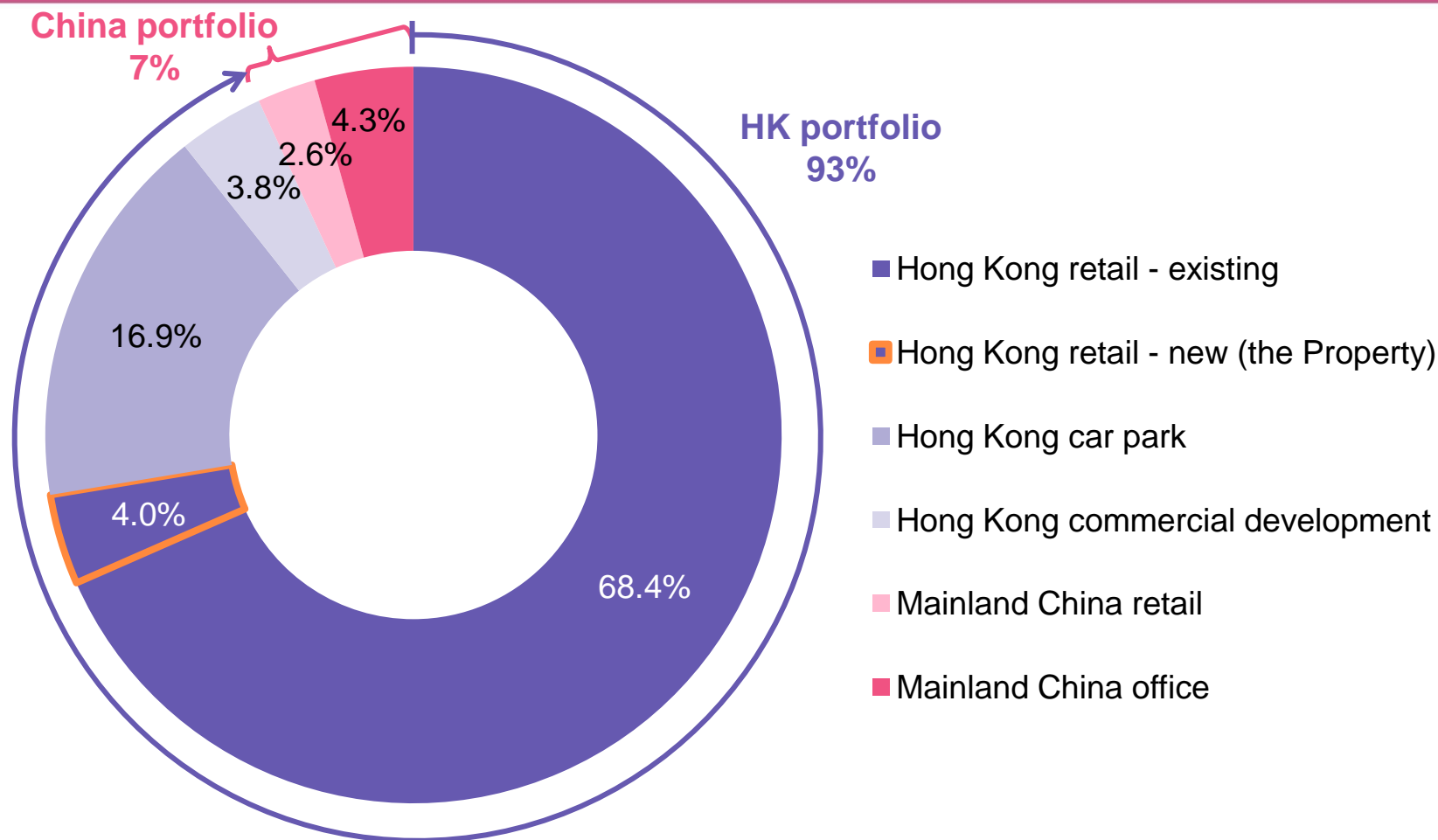
Consistent with Link's focus on mass market retail

Leverage on Link's expertise in retail revitalisation and asset management

Improve portfolio quality

Sustain DPU growth

Appendix: Pro-forma portfolio mix (by value) ⁽¹⁾



Hong Kong remains as Link's core portfolio

Note:

(1) Calculated based on the valuation of the Property as at 1 January 2016, valuation of other assets as at 30 September 2015 and excluded the five properties disposed in December 2015.

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