



**Link Real Estate  
Investment Trust**

**Corporate Presentation  
February 2017**

# About Link

## Link is

- #1**
- REIT listed in Hong Kong
  - REIT in Asia by market capitalisation
  - Only internally-managed REIT in Asia

**100%** Free float publicly held by institutions and private investors

## Our portfolio <sup>(2)</sup>



Includes retail facilities, car parks and offices

Spanning across Hong Kong, Beijing and Shanghai

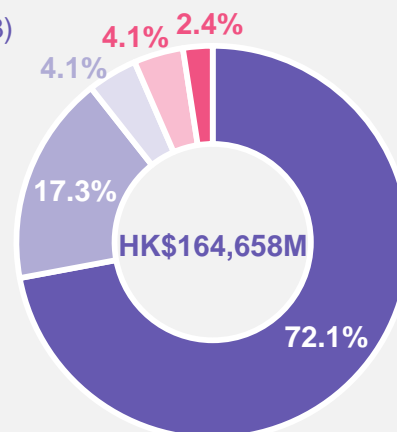
**155** Properties  
~ 10M sq ft Retail space

**~70,000** Car park spaces  
~ 0.9M sq ft Under development

**2** Properties  
~ 1.8M sq ft Retail and office space

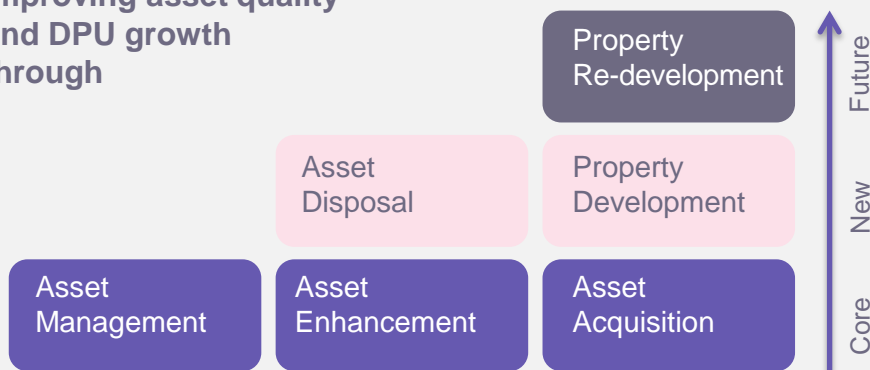
## Portfolio mix by value <sup>(3)</sup>

- Hong Kong retail
- Hong Kong car park
- Hong Kong office
- Mainland China office
- Mainland China retail



## Our business growth drivers

Improving asset quality and DPU growth through



Notes:

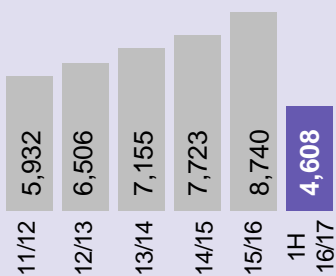
(1) All data for the period ended 30 September 2016 (unless stated otherwise).

(2) As at 15 February 2017.

(3) As at 30 September 2016, minus 5 assets disposed on 14 February 2017.

# Continuous Value Creation

## Revenue (HK\$'M)



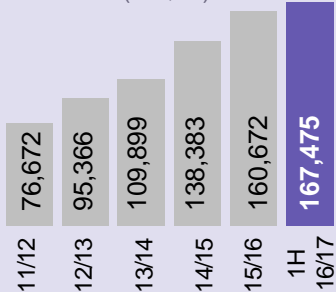
5-Year  
CAGR<sup>(2)</sup>  
+10.3%

## Net Property Income (HK\$'M)



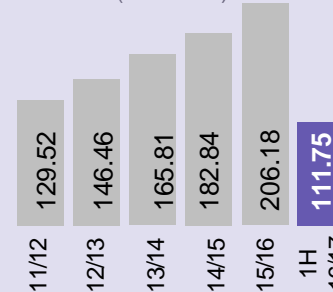
5-Year  
CAGR<sup>(2)</sup>  
+12.3%

## Valuation (HK\$'M)



5-Year  
CAGR<sup>(2)</sup>  
+19.0%

## Distribution per unit (HK cents)



5-Year  
CAGR<sup>(2)</sup>  
+13.3%

96.0%<sup>(3)</sup>

Occupancy in  
Hong Kong



99.3%<sup>(3)</sup>

Occupancy in  
Mainland China



48

Enhancement  
projects  
completed to  
date

27.1%

Reduction in energy  
consumption since 2010



HK\$38.1 million

Invested in community through  
Link Together Initiatives since 2013



Global recognition

MEMBER OF  
**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM



FTSE4Good



G R E S B<sup>®</sup>  
Green Star 2015

Notes:

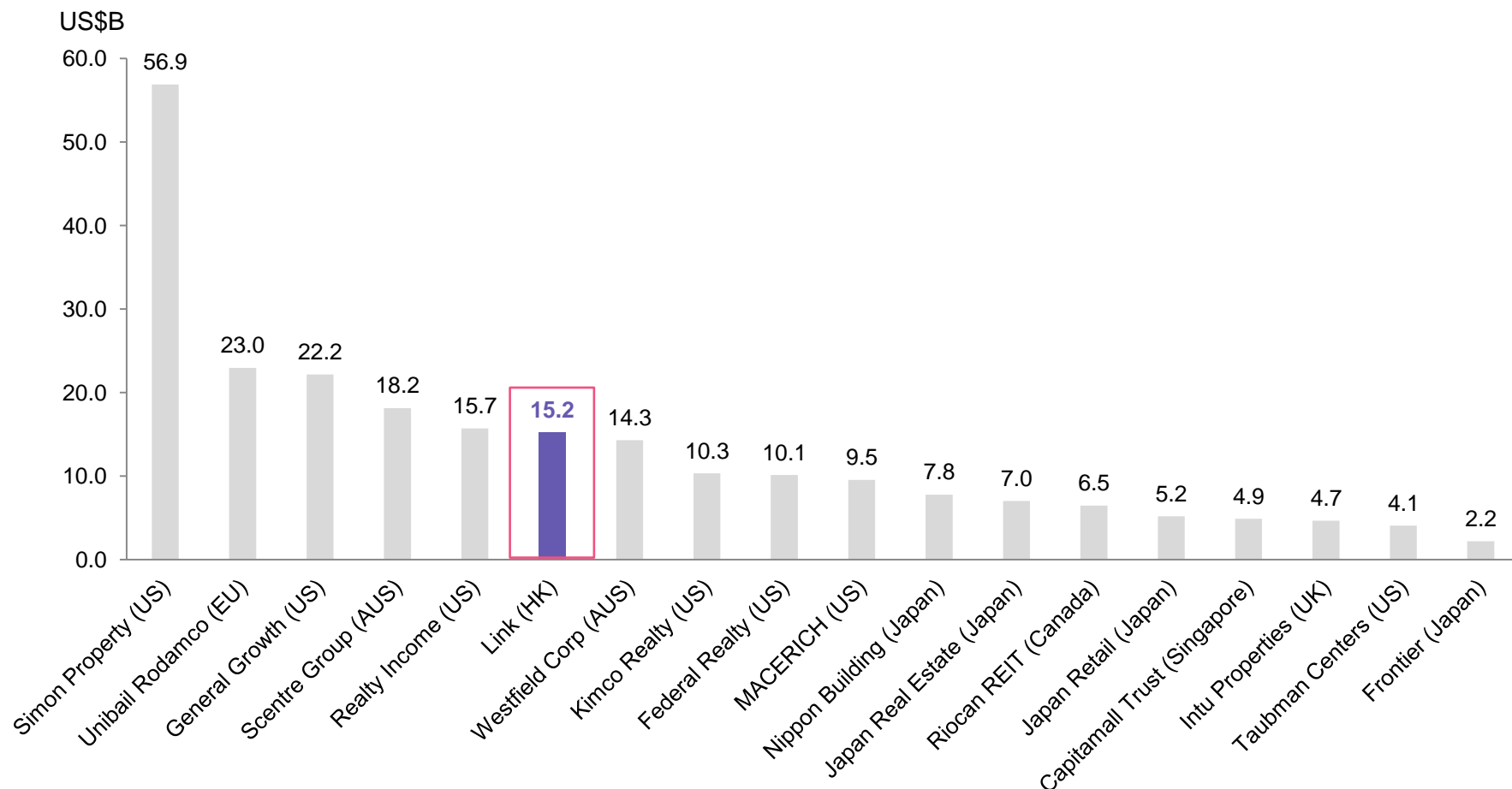
(1) All data for the period ended 30 September 2016 (unless stated otherwise).

(2) CAGR from FY2010/11 to FY2015/16.

(3) As at 31 December 2016.

# One of the Top Retail-focused REITs in the World

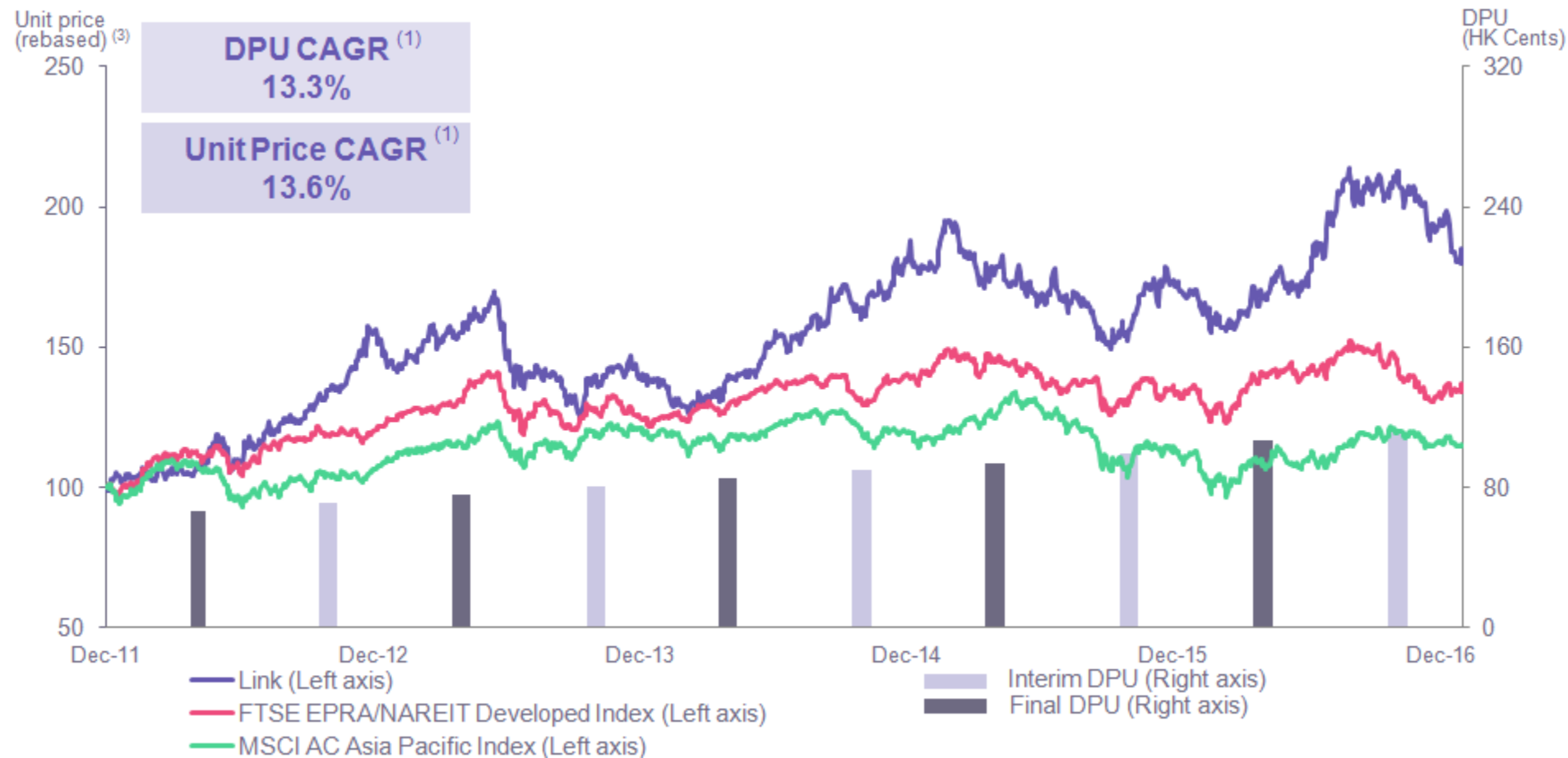
## Link is the largest REIT in Asia



Note: Comparison of selected major REITs in the world based on market capitalisation.

Source: Bloomberg as of 21 February 2017.

# Sustainable Growth that Outperforms Market



**Compound annualised total return since listing +17.9% <sup>(2)</sup>**

Notes:

(1) 5-year CAGR from FY2010/11 to FY2015/16.

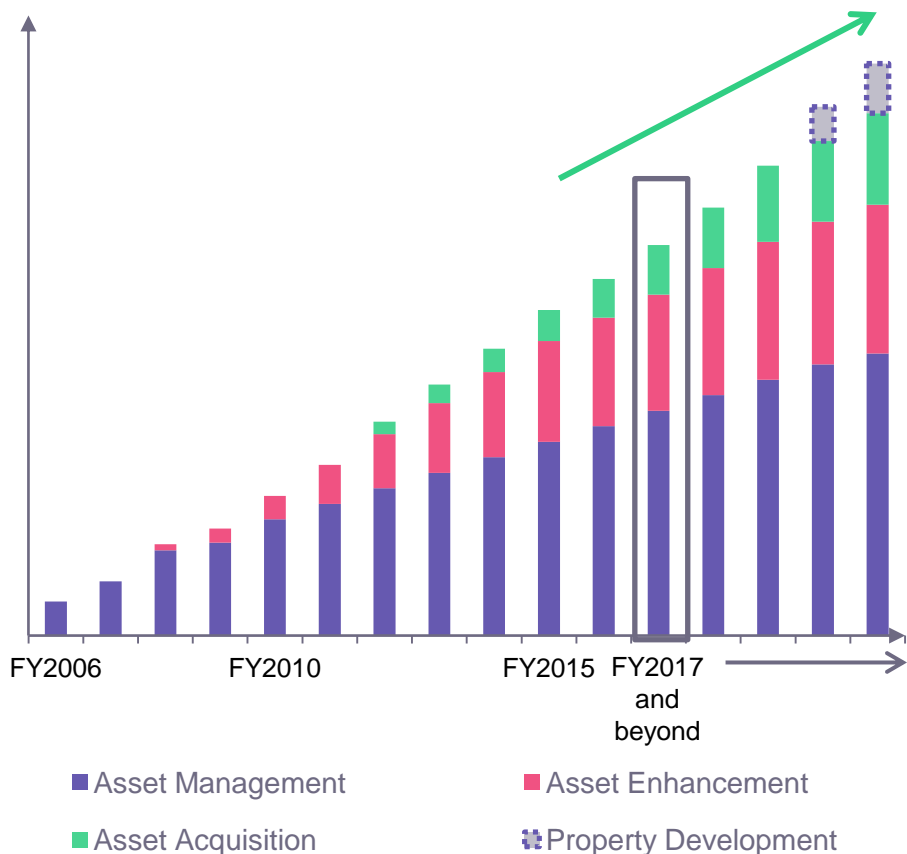
(2) A combination of unit price appreciation and distribution paid out since listing in 25 November 2005 to 30 December 2016.

(3) Data rebased as at 1 December 2011.

# Key Growth Drivers to Sustain DPU Growth

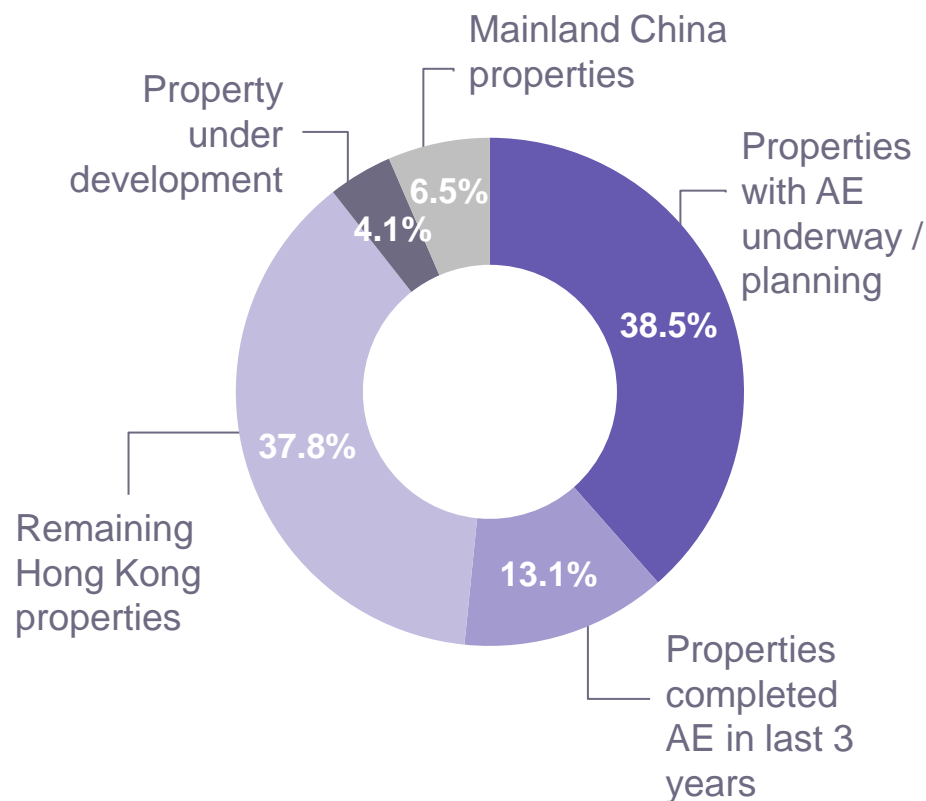
## Sustain DPU growth

DPU <sup>(1)</sup>



Note:  
(1) For illustration purpose only, not to scale.

## Active management of asset portfolio

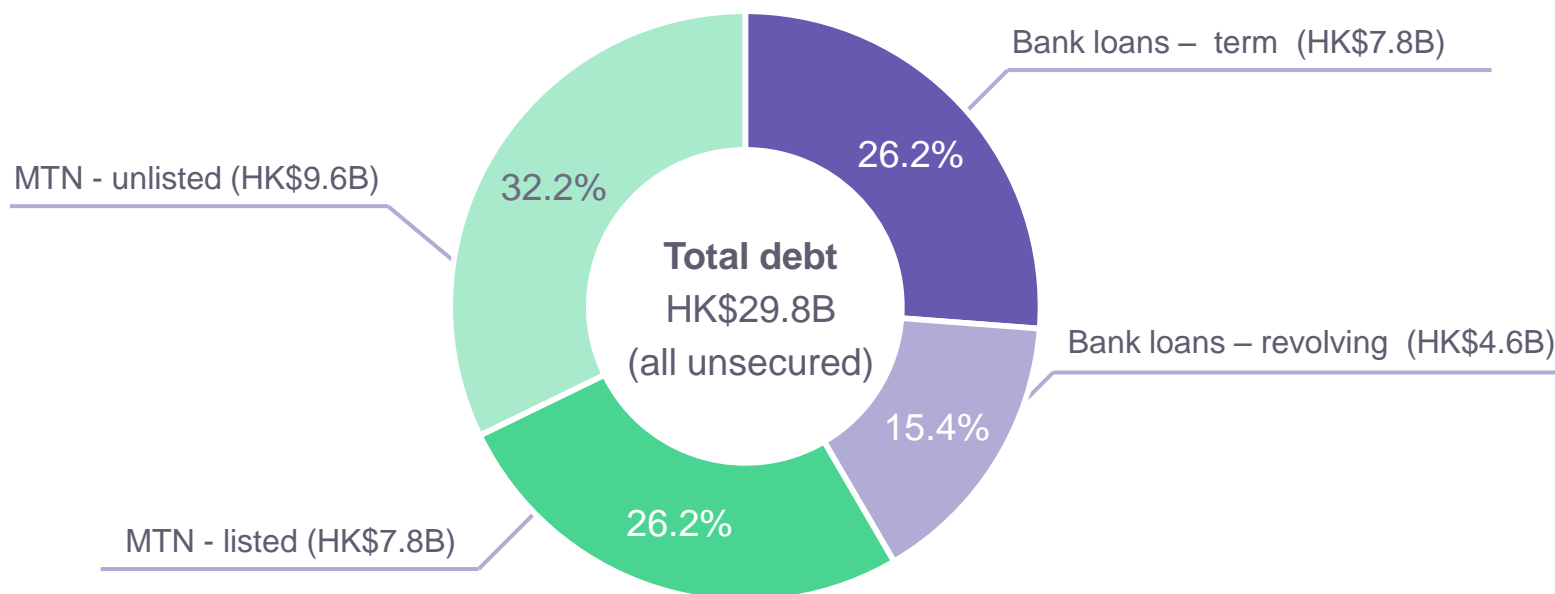


Note:

(1) Based on valuation as at 30 September 2016, minus 5 assets disposed on 14 February 2017.

# Strong Capital Base Through Prudent Capital Management Strategy

## Diverse funding base



Effective  
interest rate

**2.53%**

Gearing ratio

**17.6%**

Fixed rate debt/  
total debt

**60.1%**

Committed debt  
maturity

**5.1 years**

Credit ratings

**A/Stable  
A2/Stable**

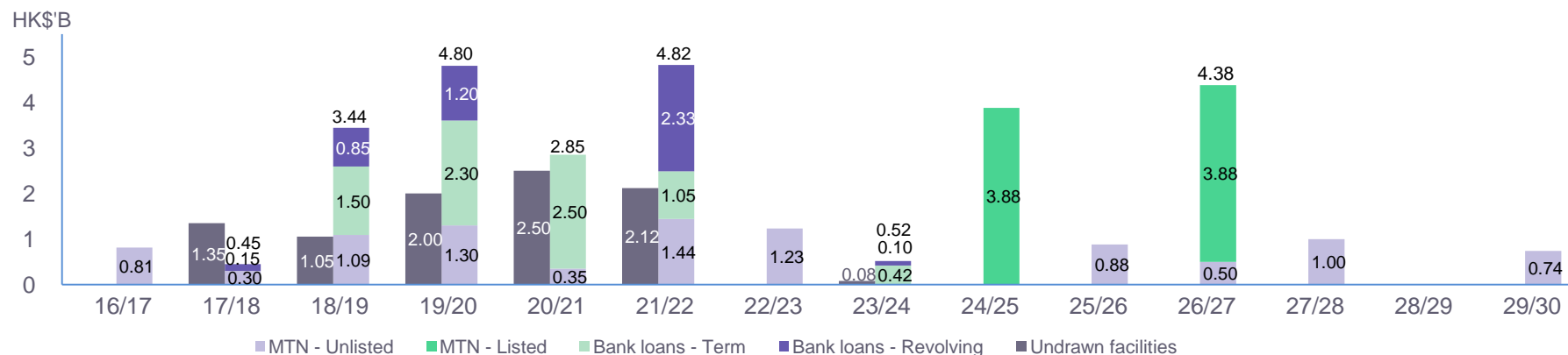
Note:

(1) All figures as at 30 September 2016.

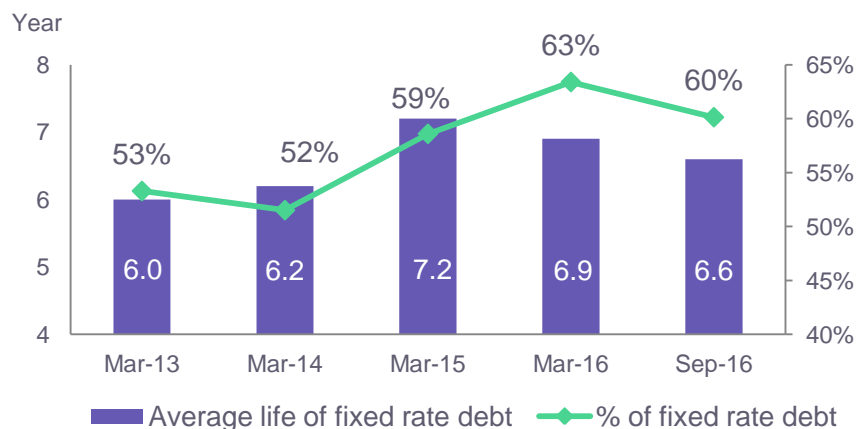


# Active Financing To Strengthen Capital Base

## Extending maturity with longer tenor debt (1)



## Maintained fixed rate debt portion at ~60%



## Green bond issuance in July 2016

- US\$500 million for 10 years at coupon rate of 2.875%
- First green bond issued by a
  - Hong Kong business enterprise
  - Asia property company
- Proceeds to be used to fund eligible green projects

Note:

(1) All amounts are at face value as at 30 September 2016.

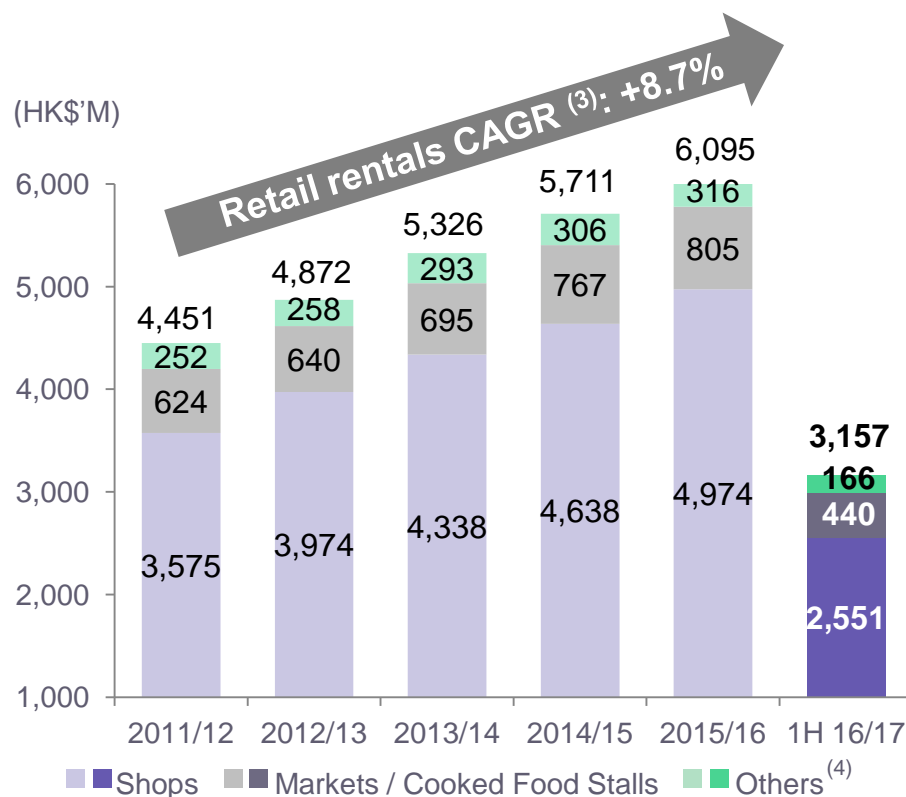


# Hong Kong Portfolio

# Resilient Retail Portfolio Drives Consistent Performance

1H 2016/17 reversion rate <sup>(1)</sup>: 21.0%

## Retail rentals <sup>(2)</sup>



## Defensive new tenants



## Continuous expansion by tenants

翠河餐廳

Sep-14: 2 shops  
Sep-16: 6 shops

Cottex<sup>®</sup>  
Australia Collection

Sep-14: 17 shops  
Sep-16: 20 shops



Sep-14: 0 shops  
Sep-16: 3 shops



中醫診所  
Chinese Medicine Clinic

Sep-14: 0 shops  
Sep-16: 7 shops

Notes:

(1) Percentage change in per square foot average unit rent between old and new leases on the same unit during 1H 2016/17.

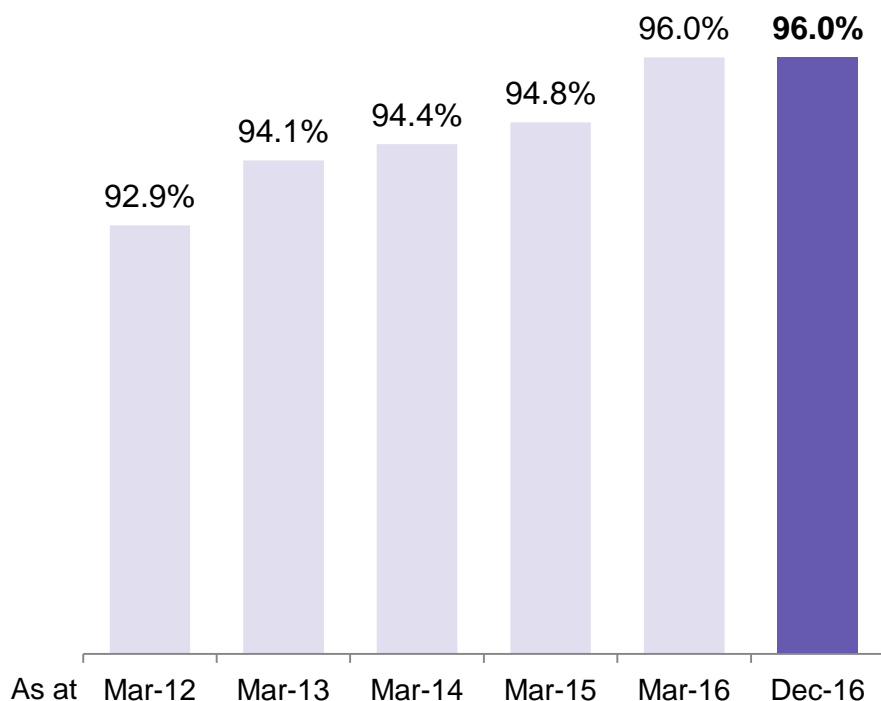
(2) Rental from shops includes base and turnover rents.

(3) CAGR from FY2010/11 to FY2015/16.

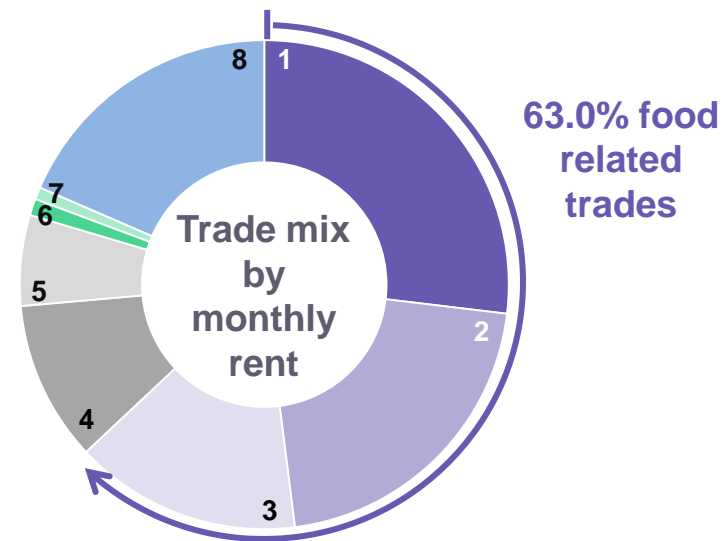
(4) Include education/welfare and ancillary and mall merchandising.

# Operational Updates for 3Q 2016/17

## Stable occupancy



## Non-discretionary trade mix



	Dec-16
1. Food and beverage	26.9%
2. Supermarket and foodstuff	21.1%
3. Markets/ Cooked food stalls	15.0%
4. Services	10.6%
5. Personal care/ Medicine	6.0%
6. Education/ Welfare and ancillary	1.1%
7. Valuable goods (jewellery, watches and clocks)	0.8%
8. Others <sup>(1)</sup>	18.5%

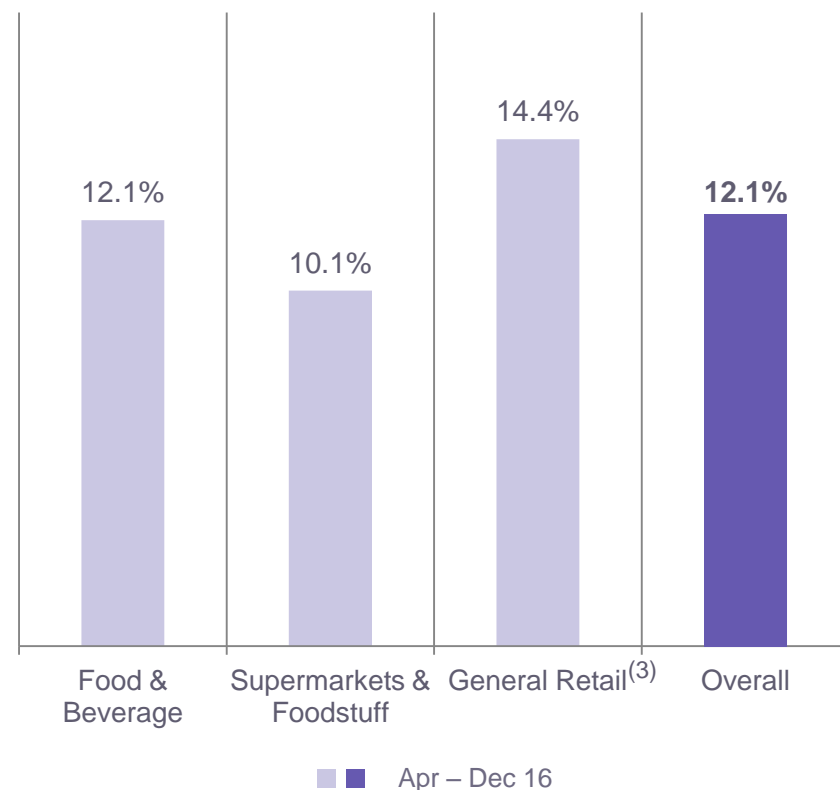
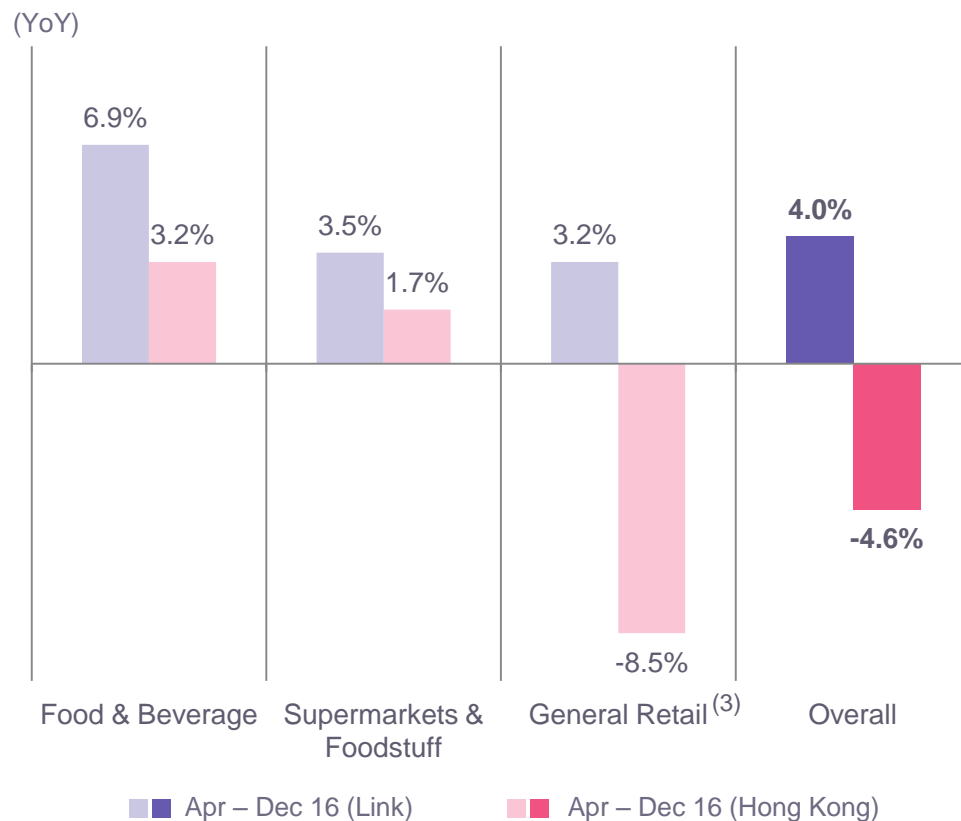
Note:

(1) Include clothing, department store, electrical and household products, optical, books and stationery, newspaper, leisure and entertainment.

# Tenants Continue to Grow in 3Q 2016/17

## Tenants sales growth <sup>(1)</sup> supported by continuous efforts in tenant mix refinement

## Stable rent-to-sales ratio <sup>(2)</sup> implies rent is still within tenants' affordable range



### Notes:

(1) Percentage figures represent year-on-year change in tenants' average monthly sales per square foot of the respective periods.

(2) A ratio of base rent plus management fee to tenants' gross sales.

(3) Including clothing, department store, electrical and household products, personal care/medicine, optical, books and stationery, newspaper, valuable goods, services, leisure and entertainment, and retail others.

# Better Management Through Portfolio Segmentation



Lok Fu  
Place

6

**Destination**  
(flagship shopping  
centres)



Hoi Fu  
Shopping Centre

38

**Community**  
(mid-size shopping  
centres)



Tsui Ping North  
Shopping Centre

86

**Neighbourhood**  
(smaller shopping  
centres)

	Total area <sup>(1)</sup> (’000 sq ft)	Retail Rentals <sup>(2)</sup> (HK\$’M)	Average monthly unit rent <sup>(1)</sup> (HK\$ psf)	Occupancy rate <sup>(1)</sup> (%)
<b>Destination</b>	1,184	526	71.8	96.9
<b>Community</b>	4,184	1,629	63.1	96.6
<b>Neighbourhood</b>	4,385	971	36.5	95.0

Notes:

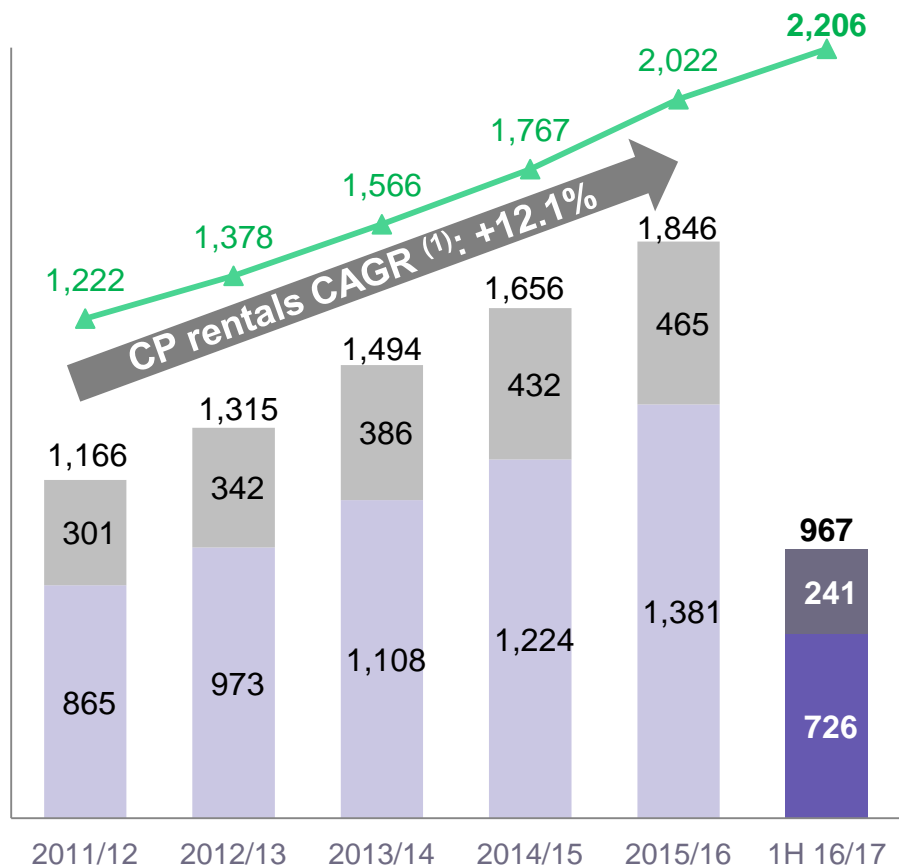
(1) Data as at 30 September 2016.

(2) For the period ended 30 September 2016.

# Car Park Performance Remains Strong

Rentals  
(HK\$M)

Income per space  
per month  
(HK\$)



■ Monthly ■ Hourly ▲ Car park income per space per month

## Key growth drivers



Average valuation  
per space <sup>(2)</sup>

HK\$409K

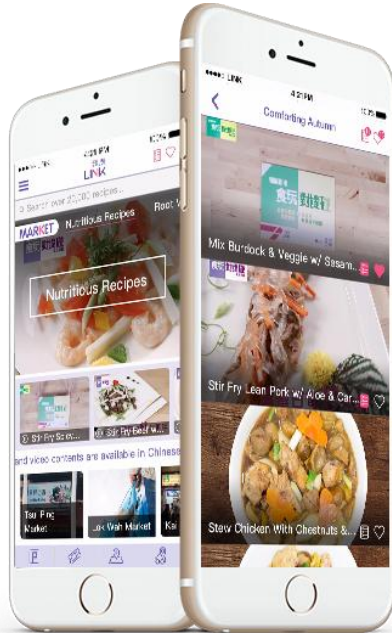
Note:

(1) CAGR from FY2010/11 to FY2015/16.

(2) As at 30 September 2016.

# Park & Dine App

## Extending Functions to Create More Opportunities



**120,000<sup>(1)</sup>**  
downloads since  
launch in early 2016

### PARK

- Doubled “**Find My Car**” coverage to 32 car parks

### ACCESS

- Expanded “**LINKwifi**” to 69 shopping centres
- Introduced “**in app e-directory**” at Temple Mall

### DINE

- Expanded “**E-Queuing**” covering 7 restaurant brands



### COOK

- >20,000 recipe search
- Food purchase and delivery service
- Nearest market recommendation

COOK 1 COOK

煮一煮

點點點

### SHOP

- To expand **E-coupons** covering 60+ shopping centres and 150 tenants



# Extracting More Value through Asset Enhancement LINK

## Overview

Number of projects completed since IPO	48
Project ROI target	>15%
Estimated CAPEX per year	HK\$600-800 million
Expected number of projects to be completed each year	4-6 projects

## Projects completed in 1H 2016/17

**Butterfly Plaza  
(incl. fresh market)**



**CAPEX: HK\$286M**  
**ROI: 15.1%**

**Lei Tung  
Commercial Centre**



**CAPEX: HK\$62M**  
**ROI: 20.3%**

**Tin Chak  
Shopping Centre**



**CAPEX: HK\$20M**  
**ROI: 23.1%**

**Sau Mau Ping  
Shopping Centre**



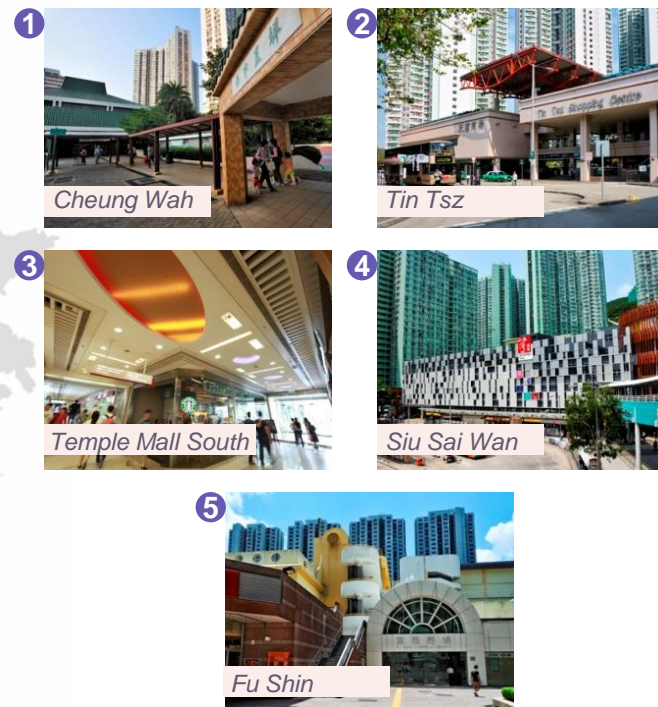
**CAPEX: HK\$59M**  
**ROI: 28.9%**

### Notes:

- (1) All data for the period ended 30 September 2016.
- (2) Estimated return on investment ("ROI") is calculated based on projected annualised net property income post-project minus net property income pre-project divided by estimated project capital expenditures and loss of rental.

# Strong Asset Enhancement Pipeline

## Projects underway <sup>(1)</sup>



## Pipeline extending to 2022

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Projects underway</b>	12 (HK\$1,311M)					
<b>Projects to commence</b>		9 (HK\$686M)				
<b>Others under planning</b>			>16 (>HK\$1,100M)			

Note:  
 (1) Estimated costs/ target completion dates as at 30 September 2016.

# Property Development Project – 77 Hoi Bun Road Top of the Class Commercial Development

## Project features

- Twin towers with connected floors of about 50,000 sq ft floor plate and a three-level retail podium

## Latest updates

- Confirmed J.P. Morgan as anchor tenant taking up one quarter of office space (~225,000 sq ft).
- Approx. HK\$600M savings from lower contracted construction costs; total project cost is revised to HK\$9.9B
- Starting construction of main structure; received LEED and BEAM Plus platinum pre-certification, and WELLS gold pre-certification

## Timing

- Scheduled to be completed in early 2019



Land premium paid: HK\$5,860M  
Joint development by Link (60%) and Nan Fung (40%)

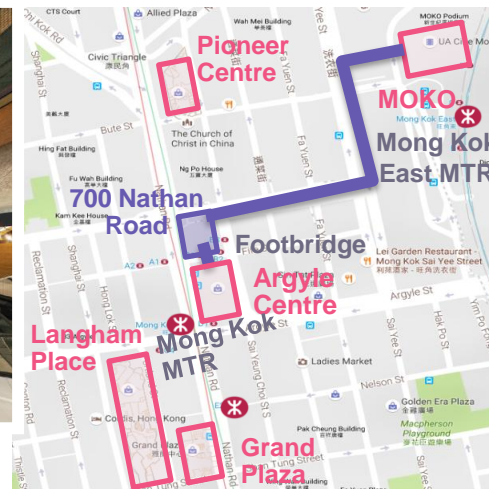


# Latest Acquisition – 700 Nathan Road

## A New Landmark in Mong Kok



Artist rendering



### Target trade mix

- **Tower (approx 170,600 sq ft)**
  - Offices and semi-retail/services such as medical clinics, education, sport & fitness, beauty, etc
- **Retail podium (approx 114,200 sq ft)**
  - General retail and F&B targeting young shoppers
  - Direct basement access to Mong Kok MTR Station

### Latest updates

- Construction work in progress; conducting leasing discussions

### Timing

- Scheduled to start operation around the end of 2017

Acquisition cost: HK\$5,910M

# Enhance Portfolio Quality and Recycle Capital Through Asset Disposal

## Rationale

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

## Use of proceeds

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

## Disposal criteria

Relatively smaller assets

Lack of synergy

Limited AE potential

	No. of disposed properties	Total area (sq ft)	Total transacted price (HK\$M)	Premium to valuation	Holding period IRR <sup>(5)</sup>
FY2014/2015	9	308,992	2,956	33% <sup>(1)</sup>	14% - 30%
FY2015/2016	5	181,055	1,716	30% <sup>(2)</sup>	15% - 23%
FY2016/2017	14	749,300	7,288	19% <sup>(3)</sup> / 29% <sup>(4)</sup>	13% - 22%
<b>Total</b>	<b>28</b>	<b>1,239,347</b>	<b>11,960</b>		

Notes:

(1) Compared to valuation as at 31 March 2014.

(2) Compared to valuation as at 30 September 2015.

(3) Involve 9 properties. Compared to valuation as at 31 March 2016.

(4) Involve 5 properties. Compared to valuation as at 30 September 2016.

(5) Property level unleveraged IRR from IPO to disposal.

# Mainland China Portfolio

# EC Mall in Beijing

## Strong Performing Retail Asset

1H 2016/17 reversion rate <sup>(1)</sup>: 43.9%



### Latest updates

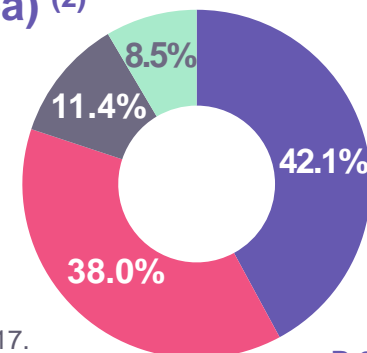
- Occupancy <sup>(2)</sup> : **99.4%**
- Opened the first Nike and Jordan Basketball Experience store in Mainland China in January 2017, providing personalised store experiences such as training zones

### Selected tenants



### Trade mix (by leased area) <sup>(2)</sup>

- Food and beverage
- Fashion
- Services
- General retail and others



#### Notes:

(1) Percentage change in per square foot average unit rent between old and new leases on the same unit during 1H 2016/17.

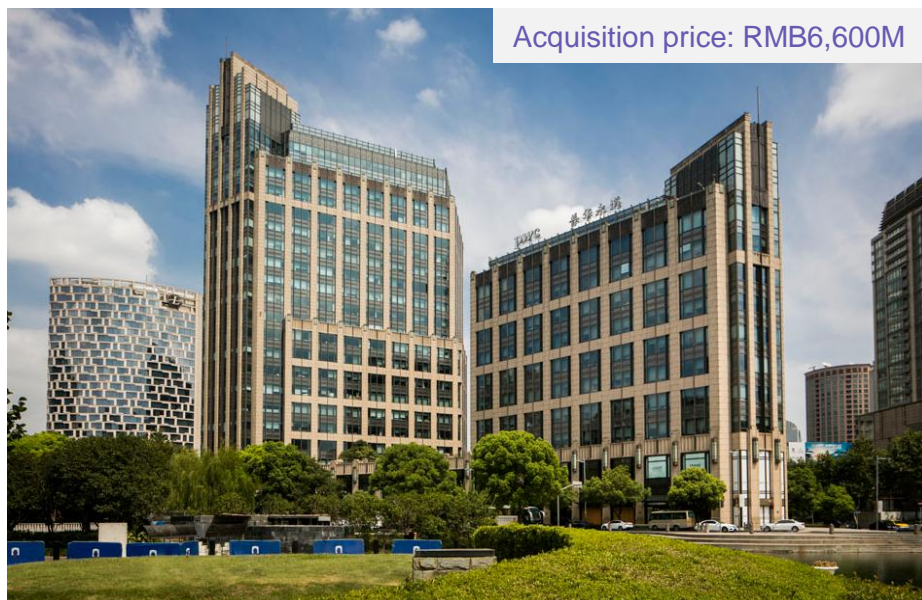
(2) As at 31 December 2016.



# Corporate Avenue 1 & 2 in Shanghai

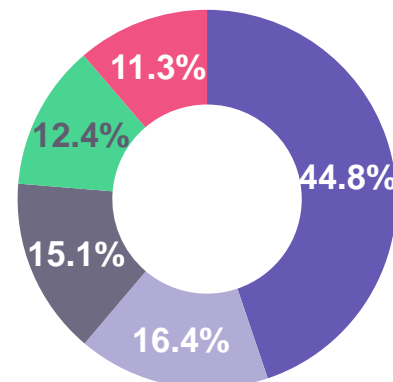
## LEED-Platinum Certified Commercial Complex

1H 2016/17 office reversion rate <sup>(1)</sup>: 8.3%



### Office tenant mix (by leased area) <sup>(2)</sup>

- Professional services
- TMT
- Pharmacy
- Industrial Goods and Services
- Others



### Selected tenants



Disney



### Latest updates

- Office occupancy <sup>(2)</sup>: **99.4%**
- Received **LEED platinum certification** in February 2017 with **highest score in Mainland China**



Notes:

(1) Percentage change in per square foot average unit rent between old and new leases on the same unit during 1H 2016/17.

(2) As at 31 December 2016.

# Outlook & Strategy

# Strong Domestic Markets Amidst Weakening Macro Conditions

## Hong Kong

Positive GDP growth

**+3.1%** (4Q16, YoY)

Steady retail sales value growth for non-discretionary trades

**+1.7%** (4Q16, YoY)

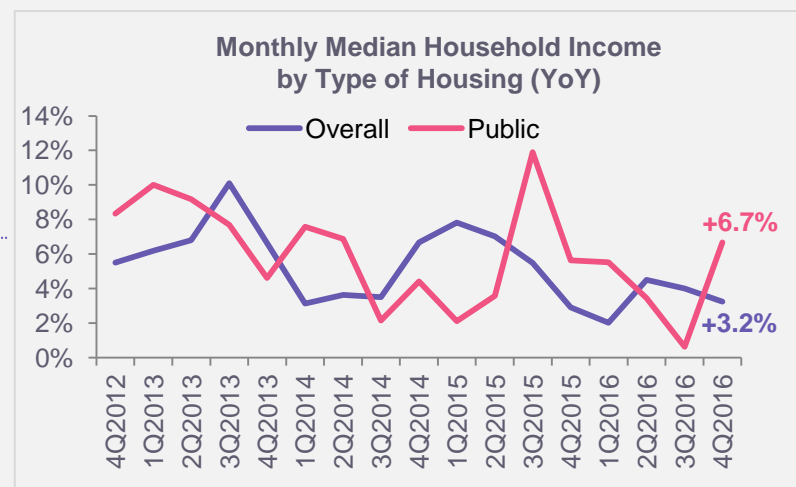
Source: HK Census & Statistics Department

Continuously low unemployment rate

**3.3%** (4Q16, YoY)

Moderate growth in monthly median household income for public housing

**+6.7%** (4Q16, YoY)



## Mainland China

Moderate GDP growth

**+6.8%** (4Q16, YoY)

Source: National Bureau of Statistics

Increasing per capita disposable income of urban households in Beijing

**+8.4%** (2016, YoY)

Source: Beijing Statistical Information Net

Stable retail sales growth in Beijing

**+6.5%** (2016, YoY)

Source: Beijing Statistical Information Net

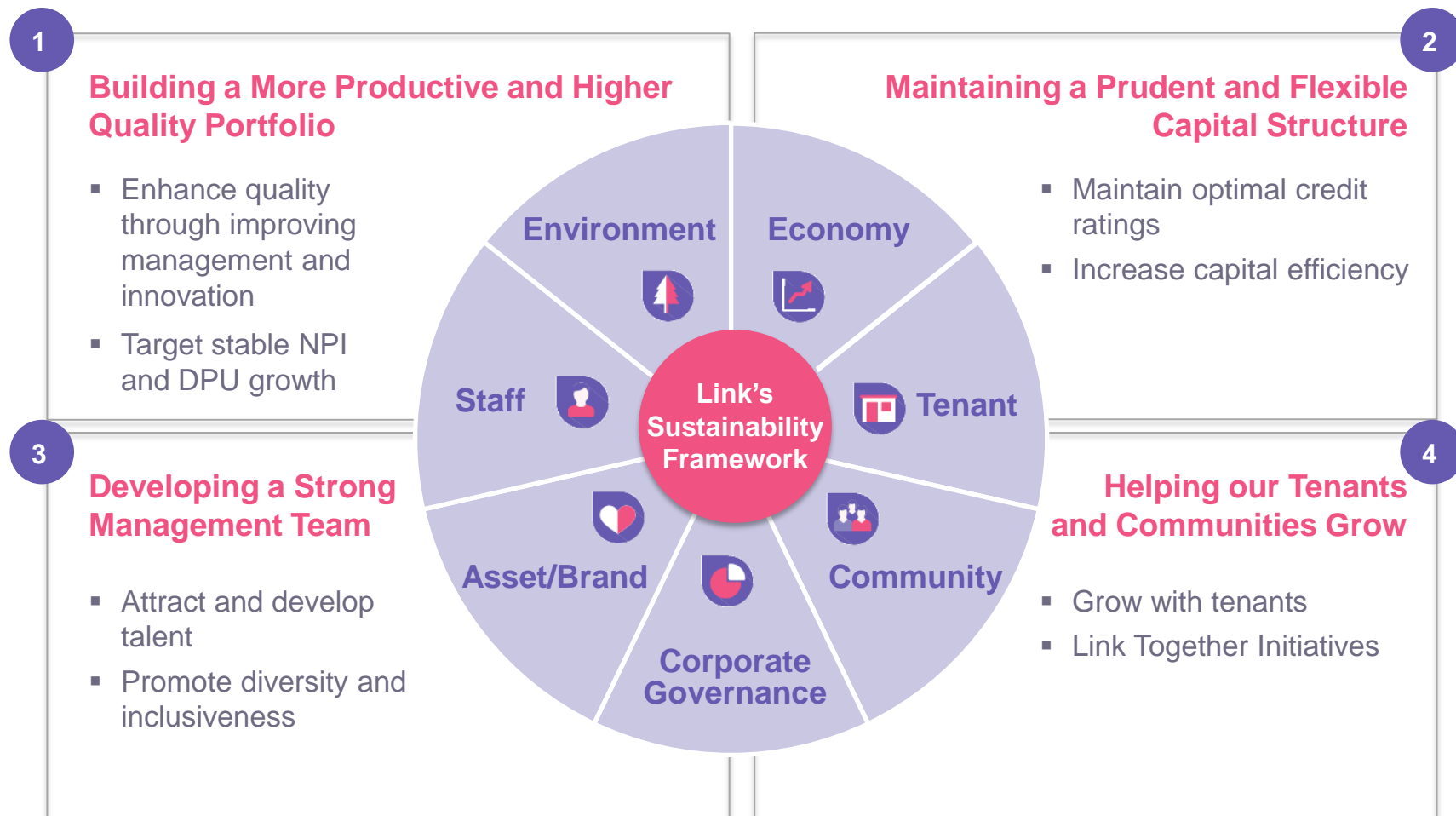
Stable Shanghai CBD office rental index

**+0.8%** (4Q16, YoY)

Source: JLL



# Long-term business strategies



# Appendix

# Additional Data 1: Income Statement Summary

	6 months ended 30 Sep 2016 HK\$'M	6 months ended 30 Sep 2015 HK\$'M	YoY %
Revenue <sup>(1)</sup>	4,608	4,185	10.1
Property operating expenses	(1,168)	(1,089)	7.3
Net property income	3,440	3,096	11.1
General and administrative expenses	(157)	(163)	(3.7)
Interest income	2	4	(50.0)
Finance costs on interest bearing liabilities	(275)	(216)	27.3
Gain on disposal of investment properties	586	-	N/A
Profit before taxation, change in fair values of investment properties and transactions with Unitholders	3,596	2,721	32.2
Change in fair values of investment properties	2,978	5,785	(48.5)
Taxation	(517)	(466)	10.9
Non-controlling interest	(104)	(31)	235.5
<b>Profit for the period, before transactions with Unitholders attributable to Unitholders</b>	<b>5,953</b>	<b>8,009</b>	<b>(25.7)</b>

Note:

(1) Revenue recognised during the period comprise retail and commercial properties rentals of HK\$3,439M, car parks rentals of HK\$967M and other revenues of HK\$202M.

## Additional Data 2: Distribution Statement Summary

	6 months ended 30 Sep 2016 HK\$'M	6 months ended 30 Sep 2015 HK\$'M	YoY %
Profit for the period, before transactions with Unitholders	5,953	8,009	(25.7)
Change in fair values of investment properties attributable to Unitholders	(2,874)	(5,754)	(50.1)
Deferred taxation on change in fair values of investment properties attributable to Unitholders	8	17	(52.9)
Other non-cash income	(36)	(42)	(14.3)
Depreciation charge on investment properties under China Accounting Standards	(42)	(24)	75.0
Gain on disposal of investment properties, net of transaction costs	(557)	-	N/A
Total distributable income	2,452	2,206	11.2
Discretionary distribution <sup>(1)</sup>	42	24	75.0
<b>Total distributable amount</b>	<b>2,494</b>	<b>2,230</b>	<b>11.8</b>
<b>Distribution per unit (HK cents)</b>	<b>111.75</b>	<b>98.99</b>	<b>12.9</b>

Note:

(1) Discretionary distribution was related to adjustment for depreciation charge on investment properties under China Accounting Standards during the period.



# Additional Data 3:

## Financial Position & Investment Properties

### Financial Position Summary

HK\$'M	As at 30 Sep 2016	As at 31 Mar 2016	As at 30 Sep 2015
Total Assets	169,299	163,452	157,405
Total Liabilities	39,270	36,011	35,209
Non-controlling interest	158	54	31
<b>Net Assets Attributable to Unitholders</b>	<b>129,871</b>	<b>127,387</b>	<b>122,165</b>
Units in Issue (M)	2,231.3	2,243.1	2,252.5
<b>Net Asset Value Per Unit</b>	<b>\$58.20</b>	<b>\$56.79</b>	<b>\$54.24</b>

### Fair Value of Investment Properties

HK\$'M	As at 30 Sep 2016	As at 31 Mar 2016	As at 30 Sep 2015
At beginning of period / year	160,672	138,383	138,383
Acquisition	6,414 <sup>(1)</sup>	10,974 <sup>(2)</sup>	10,974
Exchange adjustments	(348)	(225)	(49)
Additions	818	1,594	658
Disposals	(3,059)	(1,317)	-
Change in fair values of investment properties	2,978	11,263	5,785
	167,475	160,672	155,751
Reclassify to "Investment properties held for sale"	-	(3,060)	(1,317)
At end of period / year	167,475	157,612	154,434

Notes:

(1) Including acquisition consideration of HK\$5,910 million and related transaction costs for 700 Nathan Road in Mong Kok.

(2) Represents acquisitions of EC Mall in Beijing and Corporate Avenue 1 & 2 in Shanghai.

## Additional Data 4: Valuation

	As at 30 Sep 2016	As at 31 Mar 2016	As at 30 Sep 2015
Retail properties	120,479	114,492	111,355
Car parks	29,490	28,888	27,250
Property under development	6,780	6,300	6,050
Properties in Mainland China	10,726	10,992	11,096
<b>Total</b>	<b>167,475</b>	<b>160,672</b>	<b>155,751</b>

### Income Capitalisation Approach – Capitalisation Rate

#### Hong Kong

Retail properties	3.40-5.20%	3.40 – 5.20%	3.40 – 5.20%
Retail properties: weighted average	4.53%	4.54%	4.56%
Car parks	3.80 – 6.00%	3.80 – 6.00%	3.80 – 6.00%
Car parks: weighted average	4.79%	4.78%	4.77%
Overall weighted average	4.58%	4.59%	4.60%

#### Mainland China<sup>(1)</sup>

Retail properties	4.50 – 5.00%	4.50 – 5.00%	4.50 – 5.00%
Office properties	4.00%	4.00%	4.00%

### DCF Approach – Discount Rate

#### Hong Kong

	7.50%	7.50%	7.50%
<b>Mainland China <sup>(1)</sup></b>			
Retail properties	8.00 – 9.00%	8.00 – 9.00%	8.00 – 9.00%
Office properties	7.50%	7.50%	7.50%

Independent valuer: CBRE

Note:

(1) Acquisitions of EC Mall in Beijing and Corporate Avenue 1 & 2 in Shanghai were completed on 1 April 2015 and 31 August 2015, respectively.

## Additional Data 5: HK Portfolio - Revenue Analysis

	6 months ended 30 Sep 2016 HK\$'M	6 months ended 30 Sep 2015 HK\$'M	YoY %	Percentage contribution 6 months ended 30 Sep 2016 %
<b>Retail rentals:</b>				
Shops <sup>(1)</sup>	2,551	2,415	5.6	59.1
Markets / Cooked Food Stalls	440	390	12.8	10.2
Education / Welfare and Ancillary	74	72	2.8	1.7
Mall Merchandising	92	84	9.5	2.1
<b>Car park rentals:</b>				
Monthly	726	680	6.8	16.8
Hourly	241	229	5.2	5.6
<b>Expenses recovery and other miscellaneous revenue:</b>				
Property related revenue <sup>(2)</sup>	195	186	4.8	4.5
<b>Total</b>	<b>4,319</b>	<b>4,056</b>	<b>6.5</b>	<b>100.0</b>

Notes:

(1) Rental from shops includes turnover rent of HK\$65 million (2015: HK\$67 million).

(2) Including other revenue from retail properties of HK\$193 million (2015:HK\$183 million) and car park portfolio of HK\$2 million. (2015:HK\$3 million).

## Additional Data 6: HK Portfolio - Expenses Analysis

	6 months ended 30 Sep 2016 HK\$'M	6 months ended 30 Sep 2015 HK\$'M	YoY %	Percentage contribution 6 months ended 31 Mar 2016 %
Property managers' fees, security and cleaning	279	285	(2.1)	25.1
Staff costs	215	182	18.1	19.4
Repair and maintenance	117	109	7.3	10.5
Utilities	180	173	4.0	16.2
Government rent and rates	147	129	14.0	13.2
Promotion and marketing expenses	49	48	2.1	4.4
Estate common area costs	53	62	(14.5)	4.8
Other property operating expenses	71	67	6.0	6.4
<b>Total property expenses</b>	<b>1,111</b>	<b>1,055</b>	<b>5.3</b>	<b>100.0</b>

# Additional Data 7:

## HK Retail Portfolio by Shopping Centre Categories

	No. of properties	Total area ('000 sq. ft.)	Valuation (HK\$'M)	Retail rentals (HK\$'M)	Average monthly unit rent (HK\$ psf)		Occupancy rate (%)	
		As at 30 Sep 2016	As at 30 Sep 2016	6 months ended 30 Sep 2016	As at 30 Sep 2016	As at 30 Sep 2015	As at 30 Sep 2016	As at 30 Sep 2015
Destination	6	1,184	21,522	526	71.8	66.7	96.9	98.4
Community	38	4,184	59,564	1,629	63.1	58.2	96.6	95.6
Neighbourhood	86	4,385	33,277	971	36.5	34.2	95.0	93.8
700 Nathan Road <sup>(1)</sup>	1	N/A	6,116	13	N/A	-	N/A	-
9 properties disposed in May 2016	-	-	-	18	-	27.1	-	93.8
Overall	131	9,753	120,479	3,157	52.5	47.4	95.9	95.1

Note:

(1) The acquisition of 700 Nathan Road was completed on 15 Apr 2016. As at 30 Sep 2016, the tower portion and retail podium were vacant in preparation for renovation; only several street shops were leased which were expired at the end of 2016.

# Additional Data 8:

## HK Portfolio - Retail Trade Mix by Monthly Base Rent

	As at 30 Sep 2016 %	As at 30 Sep 2015 %
Food and Beverage	26.2	25.5
Supermarket and Foodstuff	20.9	22.7
Markets / Cooked Food Stalls	15.1	14.0
Services	10.7	10.9
Personal Care/ Medicine	6.5	8.2
Education / Welfare and Ancillary	1.2	1.3
Valuable Goods (Jewellery, Watches and Clocks)	0.8	0.7
Others <sup>(1)</sup>	18.6	16.7
<b>Total</b>	<b>100.0</b>	100.0

Note:

(1) Including clothing, department store, electrical and household products, optical, books and stationery, newspaper, leisure and entertainment.

# Additional Data 9:

## HK Portfolio - Portfolio Metrics

	As at 30 Sep 2016	As at 31 Mar 2016	Change
<b>Average monthly unit rent (psf pm)</b>			
■ Shops	HK\$ 52.6	HK\$ 50.6	4.0%
■ Overall (ex Self use office)	HK\$ 52.5	HK\$ 50.0	5.0%
<b>Occupancy rate</b>			
■ Shops	97.1%	97.1%	-
■ Markets/Cooked Food Stalls	89.4%	89.1% <sup>(1)</sup>	0.3ppts
■ Education/Welfare and Ancillary	91.3%	92.4%	(1.1)pts
■ Overall	95.9%	96.0%	(0.1)pts
	6 months ended 30 Sep 2016	6 months ended 30 Sep 2015	YoY Change
<b>Composite reversion rate</b>			
■ Shops	21.2%	29.5%	(8.3)ppts
■ Markets/Cooked Food Stalls	17.8%	1.1% <sup>(1)</sup>	16.7ppts
■ Education/Welfare and Ancillary	19.1%	18.7%	0.4ppts
■ Overall	21.0%	23.6%	(2.6)ppts
<b>Net property income margin</b>	74.3%	74.0%	0.3ppts
<b>Car park income per space per month</b>	HK\$ 2,206	HK\$ 1,986	11.1%

Note:

(1) Despite a slower increase in reversion due to partnership with experienced fresh market operators, improvements in occupancy and cost savings have been observed.



## Additional Data 10: HK Portfolio - Lease Expiry Profile

As at 30 September 2016	As % of total area %	As % of monthly rent %
FY2016/2017	14.8	16.6
FY2017/2018	26.5	29.9
FY2018/2019	27.2	25.3
FY2019/2020	10.6	10.3
FY2020/2021 and beyond	13.0	13.8
Short-term Lease and Vacancy	7.9	4.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

# Additional Data 11: Mainland China Portfolio - Lease Expiry Profile

## EC Mall lease expiry profile

As at 30 September 2016	As % of total area (%)	As % of monthly rent (%)
FY2016/2017	6.5	14.7
FY2017/2018	20.8	27.4
FY2018/2019 and beyond	71.7	57.9
Vacancy	1.0	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Corporate Avenue 1 & 2 office lease expiry profile

As at 30 September 2016	As % of total area (%)	As % of monthly rent (%)
FY2016/2017	27.4	27.4
FY2017/2018	15.5	18.4
FY2018/2019 and beyond	55.5	54.2
Vacancy	1.6	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Additional Data 12: Key Credit Metrics by Rating Agencies

	As at 30 Sep 2016 <sup>(3)</sup>	As at 31 Mar 2016 <sup>(4)</sup>	S&P (A / Stable)	Moody's (A2 / Stable)
Total debt / total assets	<b>17.6%</b>	16.5%	N/A	< 30%
Debt / debt and equity <sup>(1)</sup>	<b>18.7%</b>	17.5%	< 35%	N/A
FFO <sup>(2)</sup> / debt (annualised)	<b>16.8%</b>	17.8%	> 15%	N/A
EBITDA interest coverage	<b>8.6 x</b>	10.0 x	N/A	> 5.0x
Total debt / EBITDA (annualised)	<b>4.5 x</b>	4.4 x	N/A	< 5.5x

Notes:

(1) Equity is equal to net assets attributable to Unitholders.

(2) Funds from operations is calculated by net cash generated from operating activities with adjustments for operating lease expense, interest expenses and income.

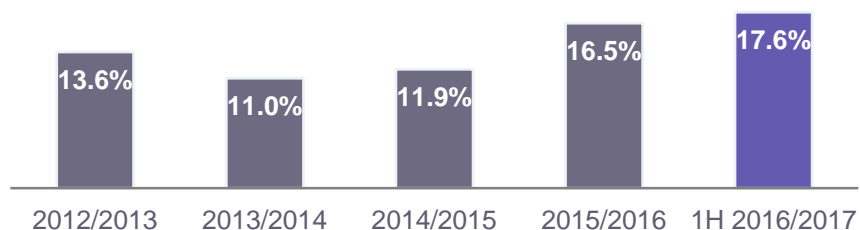
(3) Preliminary figures to be confirmed by rating agencies.

(4) Figures based on reports of rating agencies.

# Additional Data 13: Credit Profile – Strong Credit Metrics

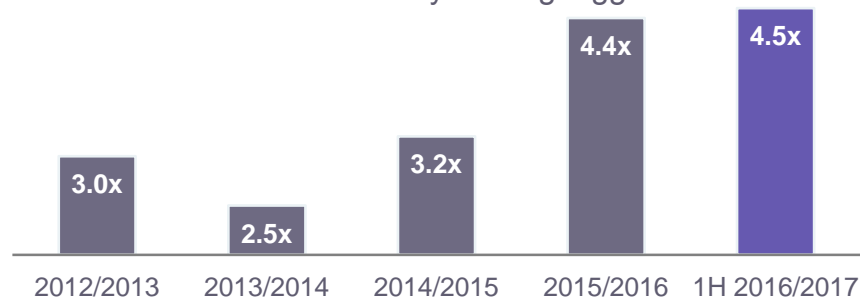
Total Debt <sup>(1)</sup> / Total Asset

>30% – Moody's rating trigger



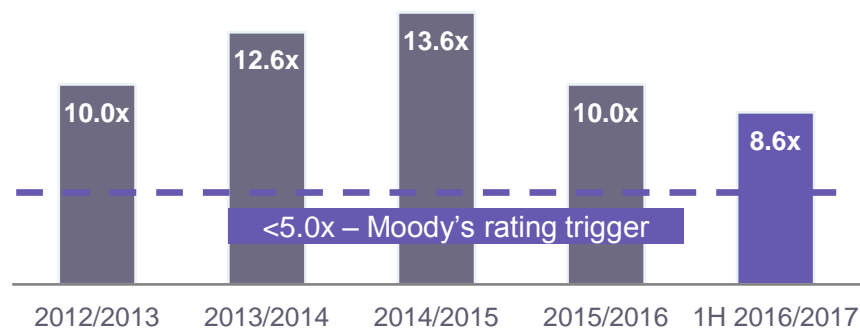
Total Debt / EBITDA

>5.5x – Moody's rating trigger



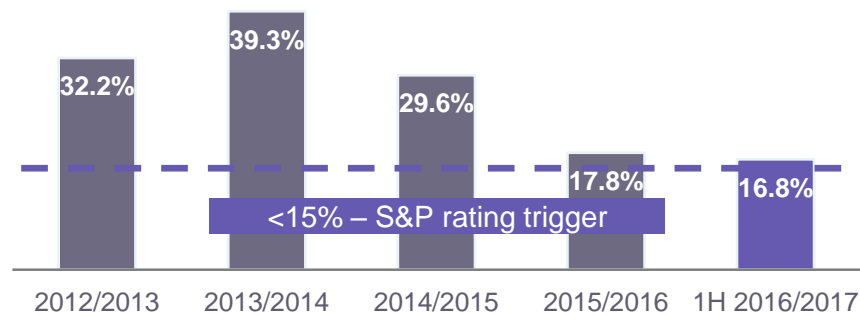
EBITDA Interest Coverage

<5.0x – Moody's rating trigger



Funds from Operations <sup>(2)</sup> / Total Debt

<15% – S&P rating trigger

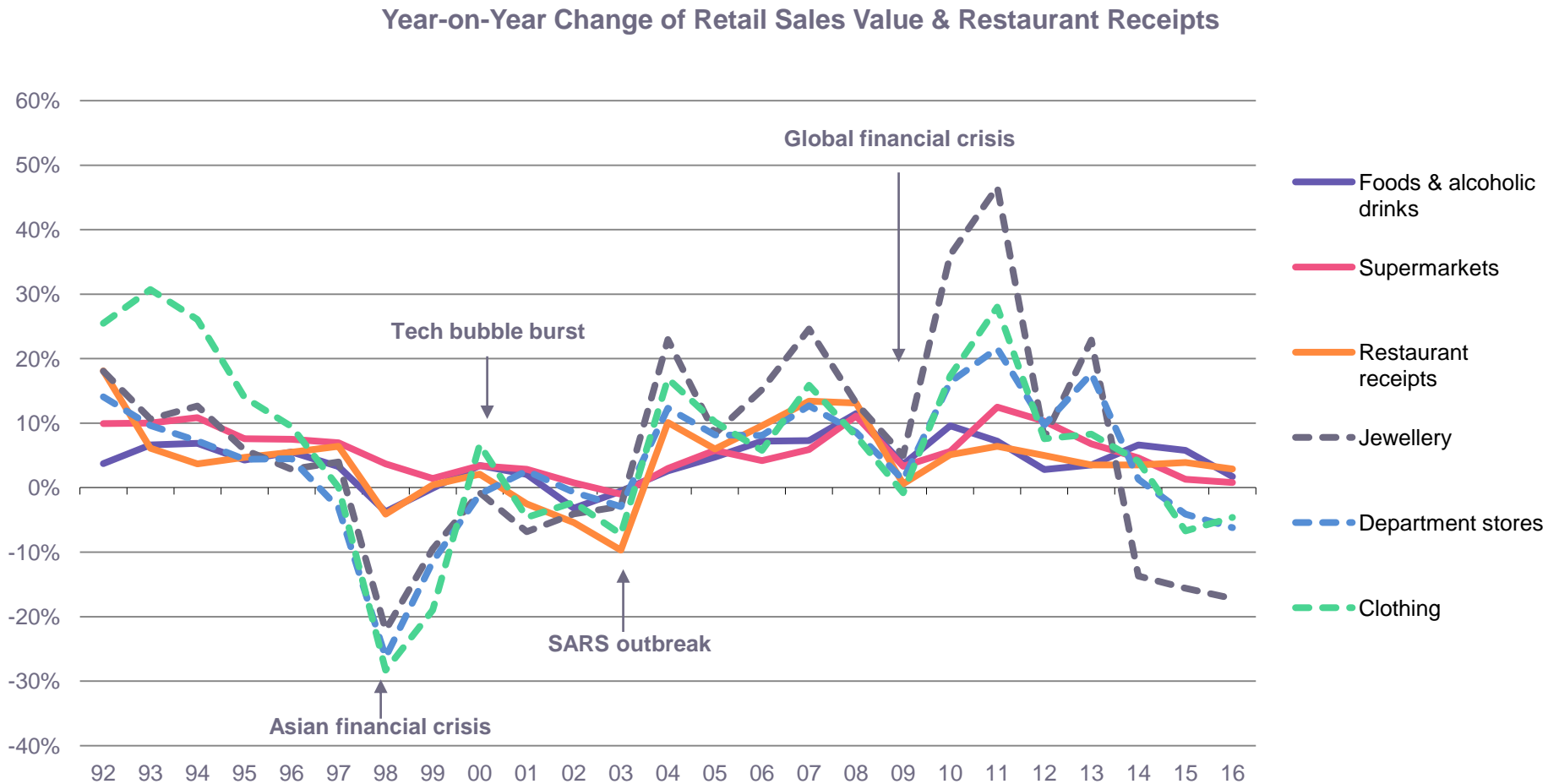


Notes:

(1) Total Debt is calculated as Short Term Borrowings + Long Term Borrowings.

(2) Funds from Operations is calculated by net cash generated from operating activities with adjustments for operating lease expense and interest.

# Additional Data 14: HK Retail Sales Value & Restaurant Receipts



Source: Census & Statistics Department

# Additional Data 15: District Revitalisation will Re-energise 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

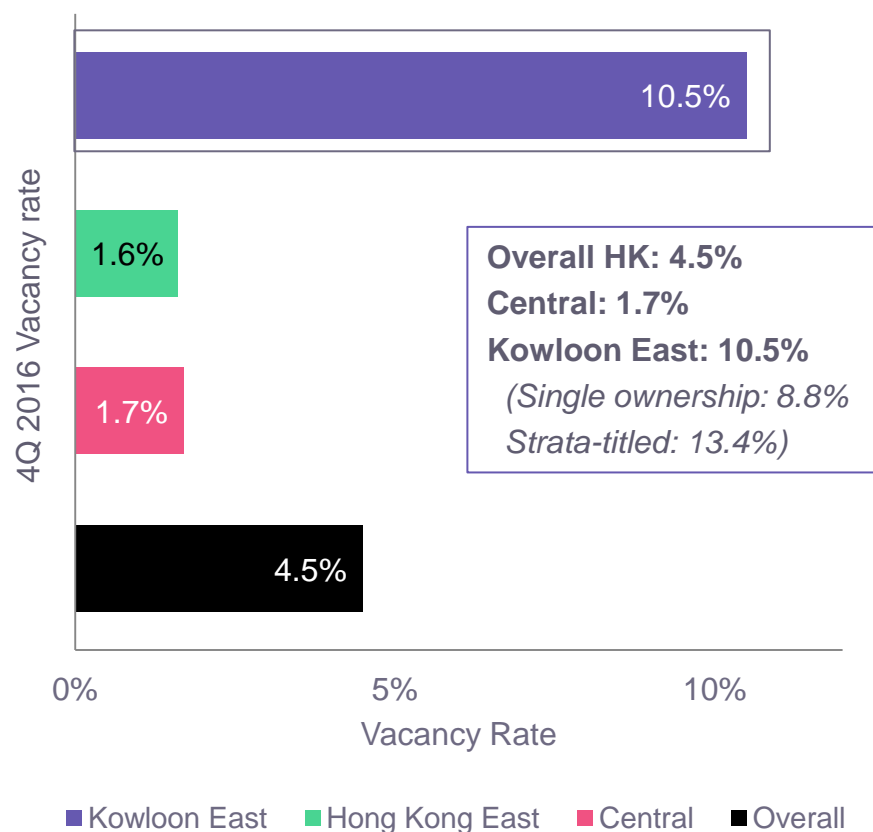
 Mong Kok Footbridge  
Identity Project  
(Improve physical  
appearance of the  
footbridge)

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

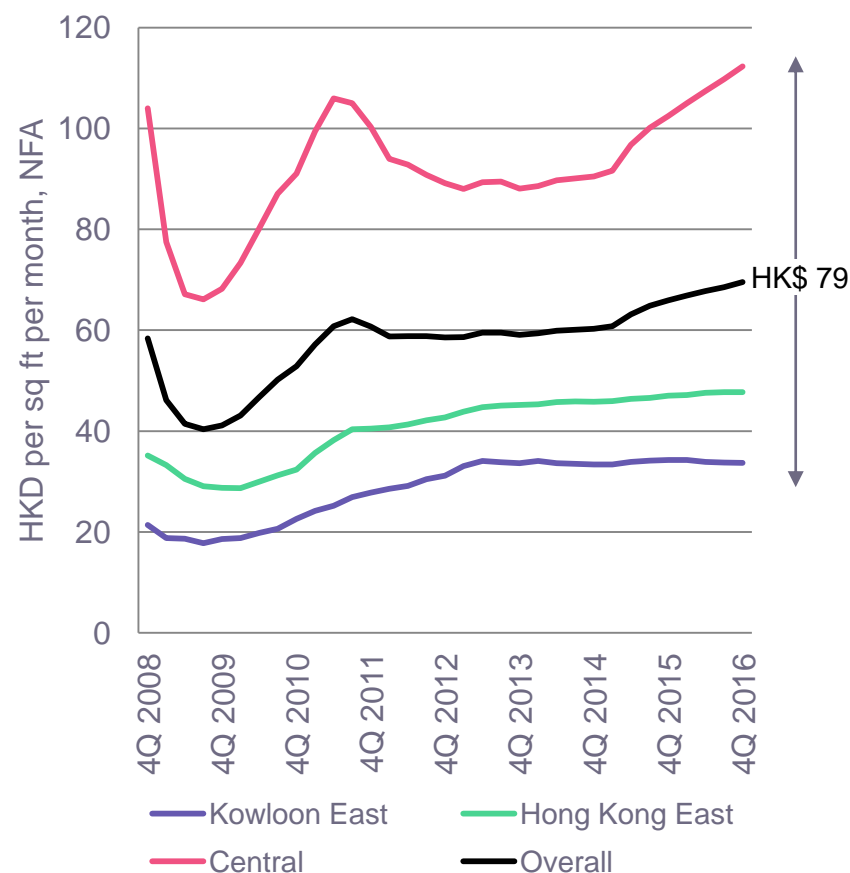
 Mong Kok Footbridge  
Extension  
(Under construction)

# Additional Data 16: Kowloon East Market Update

## Lower level of vacancy in single-owned office in Kowloon East

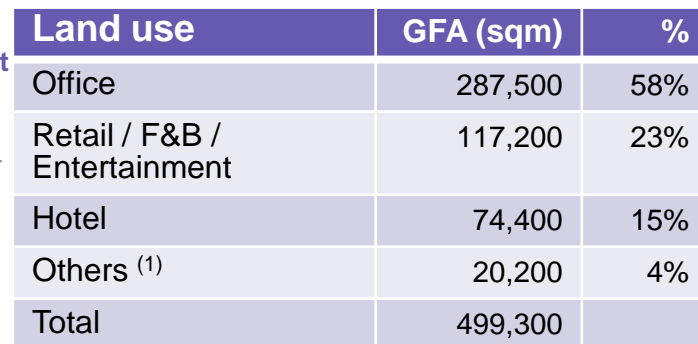


## Rental gap between Central and Kowloon East

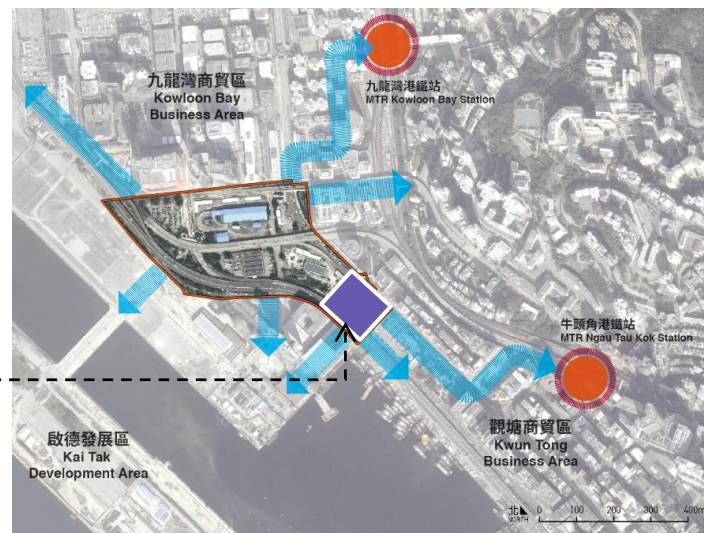




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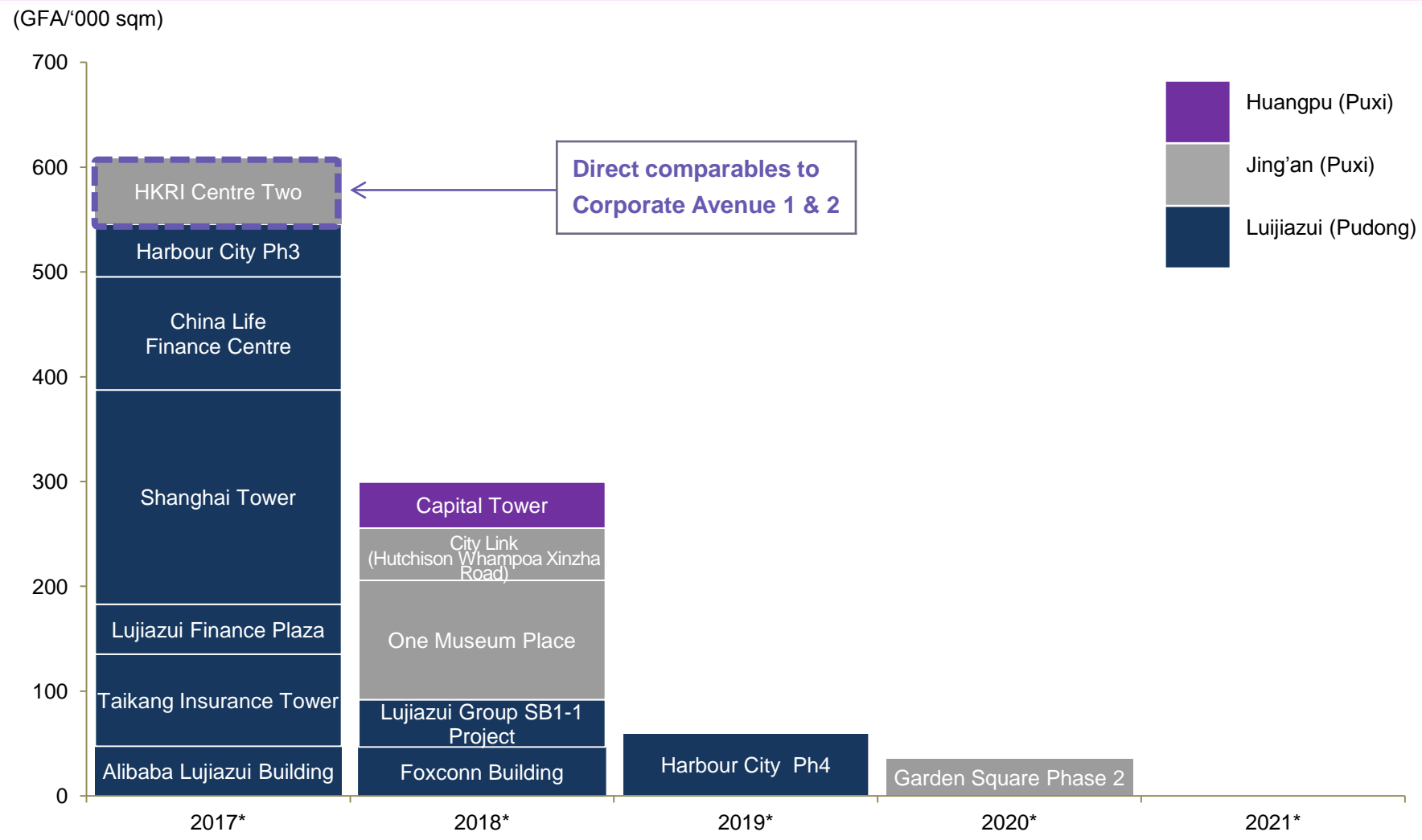


(1) Including SME Business Showcase Space and Support Centre, CC&T Use / Urban Farming / Food Workshop and Transport Facility (excluding Environmentally Friendly Linkage System) .



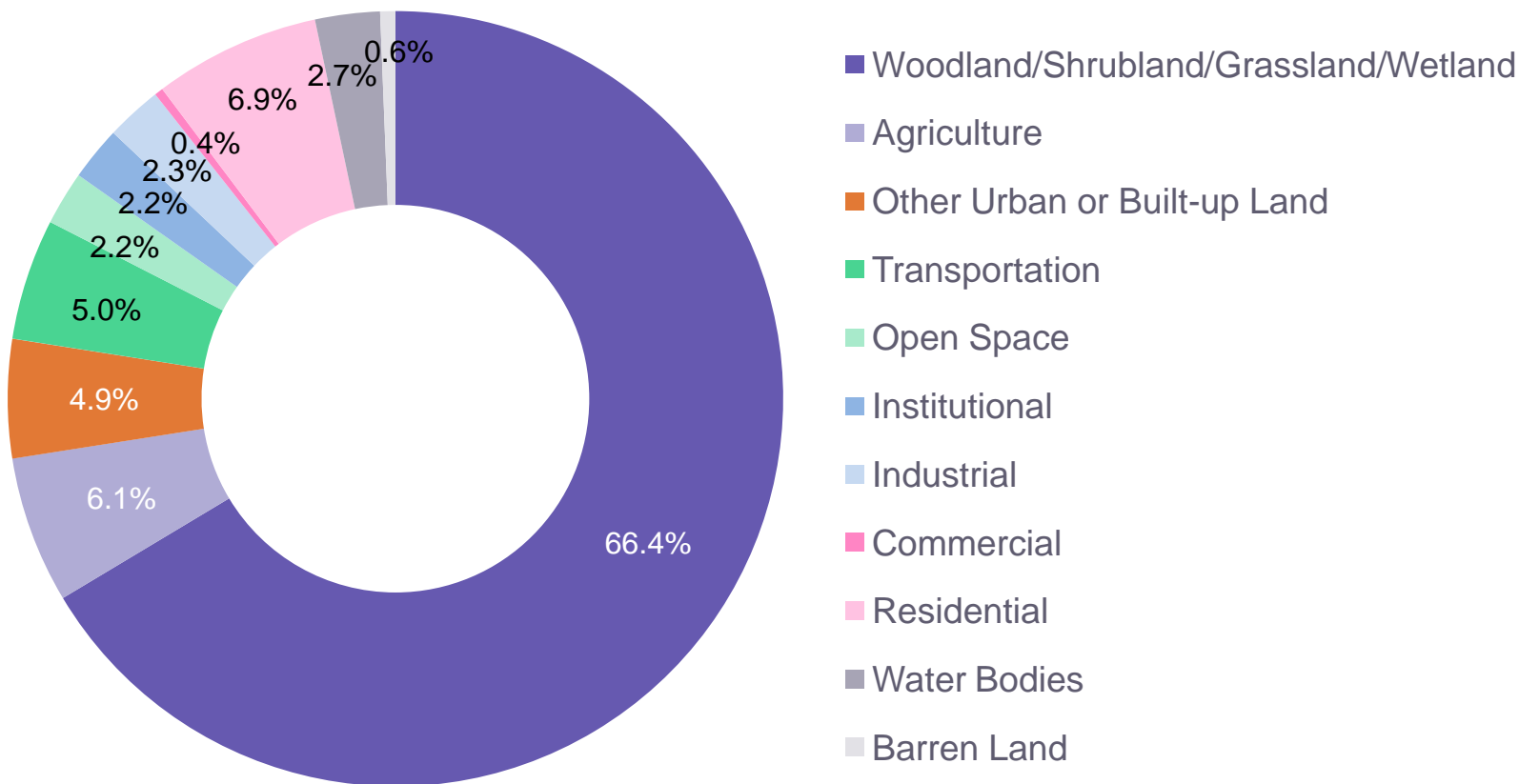


# Additional Data 18: Office Supply in Shanghai Core CBDs



Source: JLL, 4Q 2016

## Additional Data 19: Land Utilisation in Hong Kong 2015



**Very limited land for commercial use in Hong Kong**

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