



Acquisition of Grade A Office

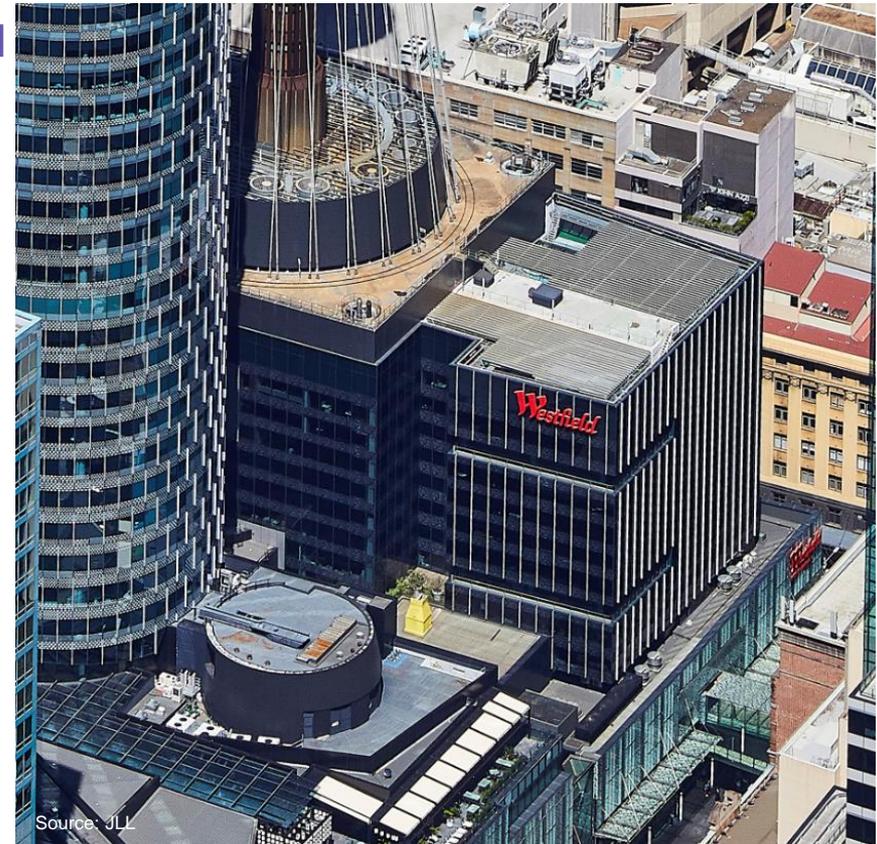
**100 Market Street,
Sydney, Australia**



December 2019

Key Highlights

1. Sydney is an established and growing global gateway city with strong tenant demand
2. 100 Market Street is a quality asset in a premium location
3. A rare single owner asset and 100% occupied by premium tenants
4. WALE of 8.45 years⁽¹⁾ with annual rental escalations
5. Immediately accretive transaction funded with AUD borrowings
6. Large floor plate and high NABERs Energy Ratings



A stable, quality asset to drive portfolio diversification and sustainable growth

Note:

(1) By rental income as at 16 December 2019

**100 Market Street,
Sydney, Australia**



Property Particulars



Property

100 Market Street
(Part of a mixed-use development which consists of retail, office and the Sydney Tower)

Location

100 Market Street, Sydney, NSW 2000, Australia

Major Asset Enhancement Completion

2010/2011

No. of Floors

10

Net Lettable Area

28,385.3 sqm

A\$683M

Agreed property value

Early 2020

Expected completion of acquisition⁽¹⁾

Note:

(1) Subject to Foreign Investment Review Board approval

Why Australia?

Transparent Market

Transparency Index 2018

1 United Kingdom

2 Australia

3 United States

⋮

12 Singapore

13 Hong Kong

14 Japan

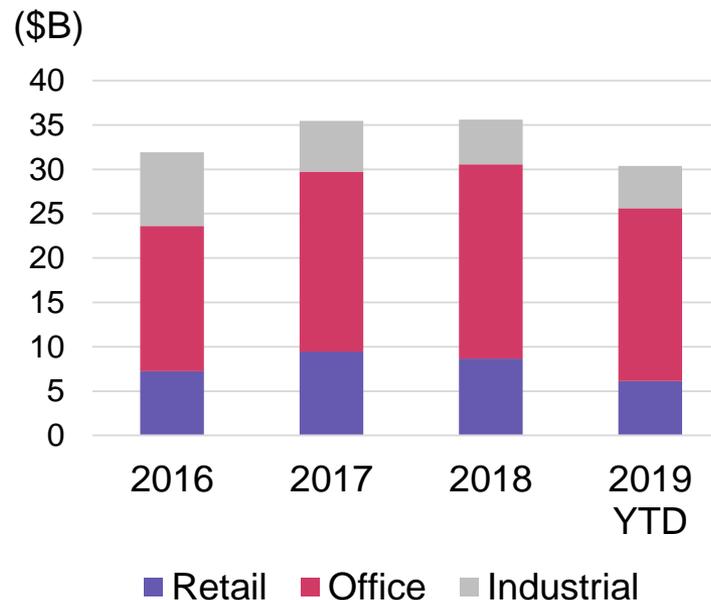
⋮

33 China

Source: JLL

Highly Liquid

Commercial Transaction Volume



Source: Colliers Research

Low Execution Risks

- ✓ Common law legal system
- ✓ Favourable tax laws and structures for long-term property investors
- ✓ Professional and mature eco-system
- ✓ Foreign investor friendly

Australia is a highly transparent, liquid and investor-friendly real estate market

Investment Rationale

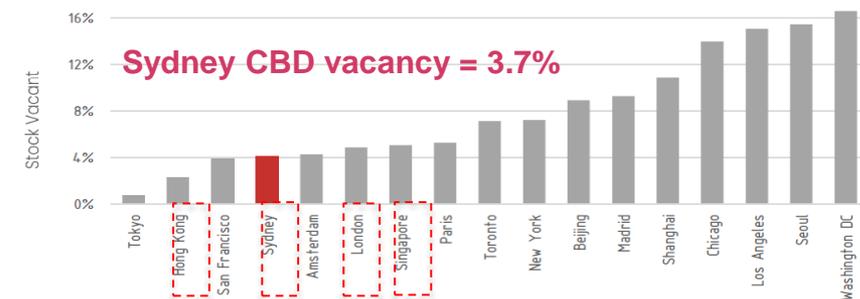
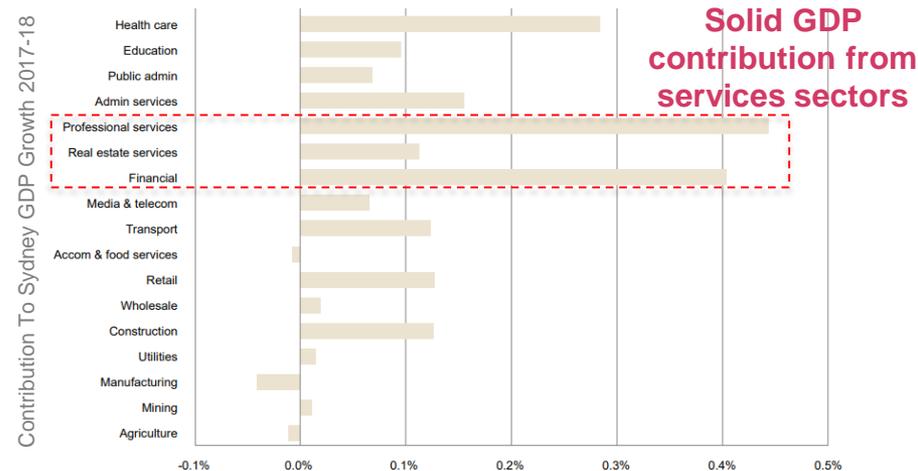
Stable Economy and Leasing Market in Sydney

01 | Solid growth in diverse industries contribute to economic growth in Sydney

- ✓ Stable GDP growth
- ✓ Low interest rates to spark business confidence and investment

Well-supported Leasing Market

- ✓ Strong occupier demand and lack of meaningful supply
- ✓ Current vacancy rate well below 10-year average of 7% ⁽¹⁾



Sydney is an established and growing global gateway city with strong tenant demand

Note:
 (1) Source: Colliers International Sydney CBD Office Market Advisory Report, Q4 2019

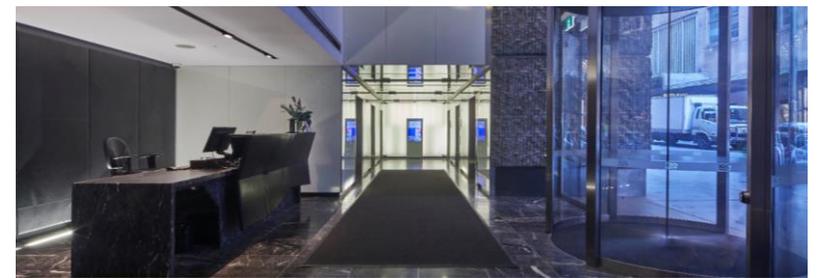
Investment Rationale (cont'd)

Strategically Located in Sydney CBD

02 | Premium Location



- ✓ Located in **Midtown Precinct** with superior amenity and links to other CBD precincts
- ✓ In the **heart of CBD** above **Westfield Sydney** and close to 5-star hotels and shopping destinations



Investment Rationale (cont'd)

Stable Income with Growth and Funded by Local Currency

03 | A Rare Single-owner Asset with 100% Occupancy

10 office floors occupied by three tenants

- ✓ S&P/ ASX100 listed property investor
- ✓ Commonwealth government body
- ✓ Sovereign wealth fund

04 | Stable Income with Long-term Growth

- ✓ Long **WALE⁽¹⁾** (by rental income) of **8.45 years** with leases expiring in 2027 and 2030
- ✓ Pre-set **annual rental escalation of ~4%**

05 | Immediately Accretive Transaction Funded with Local Borrowings

- ✓ **Positive net spread** with immediate contribution to distribution
- ✓ FX risk mitigated by **AUD borrowings**

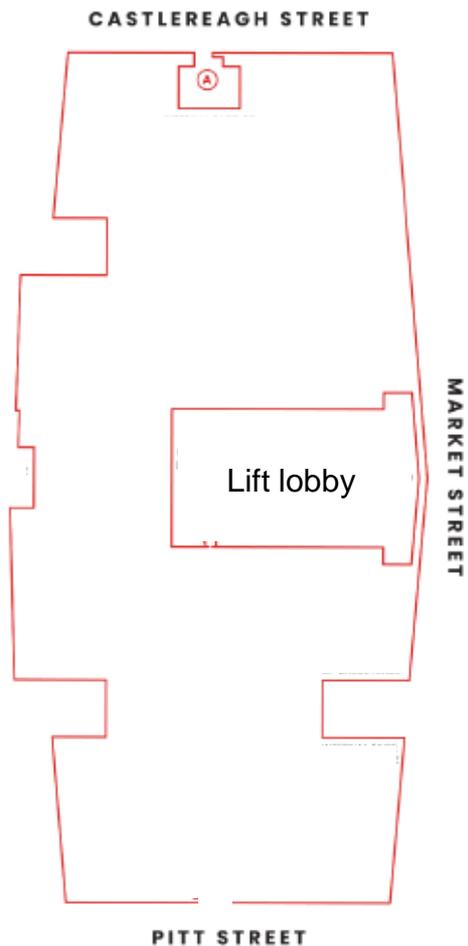
Note:

(1) Refers to weighted average lease expiry

Investment Rationale (cont'd)

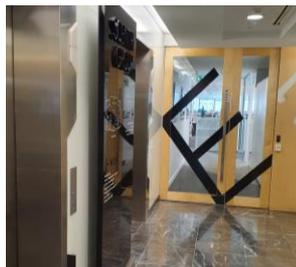
One of the Largest Office Floor Plates in Sydney CBD

06 | Distinctly Large Floor Plate and High NABERS Energy Ratings



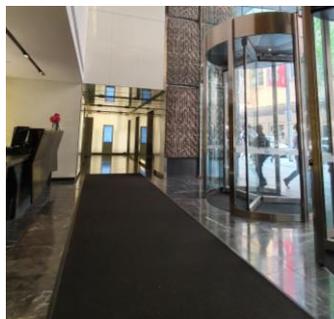
Typical Floor Plate

✓ ~3,000 sqm⁽¹⁾



NABERS Energy Ratings

✓ **5.5 stars** rating
(on a scale of zero to six stars)



Note:

(1) Only 12 assets with large floor plate in Sydney CBD

Financial Impact

Agreed Property Value	A\$683M
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Valuation by Colliers ⁽¹⁾	A\$683M
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Net Passing Income ⁽¹⁾	A\$26.7M
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Financing

- Acquisition to be funded by AUD borrowings
-

Impact on Gearing

- | | |
|---|--------------|
| ▪ Pro-forma adjusted ratio of debt to total assets ⁽²⁾ | 13.5% |
|---|--------------|

Notes:

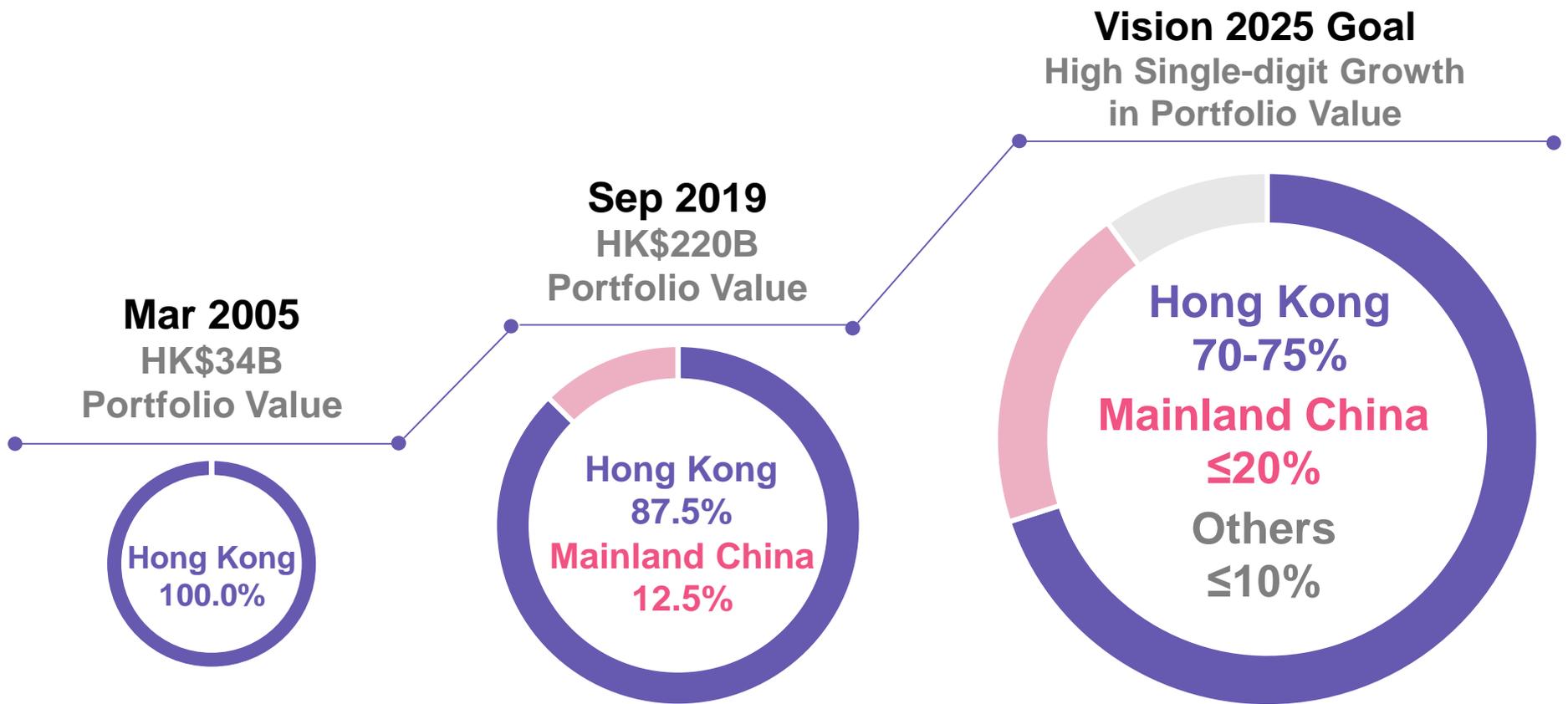
(1) Based on Valuation Report dated 16 December 2019.

(2) Based on the consolidated financial position as at 30 September 2019 after adjusting the impact of the interim distribution and including the appraised value of 100 Market Street as if the acquisition took place on 30 September 2019.

Investment Strategy Update



Vision 2025 – Portfolio Growth



Hong Kong will remain as Link’s core market while increasing exposure in Mainland China and opportunistically adding investments in other key markets

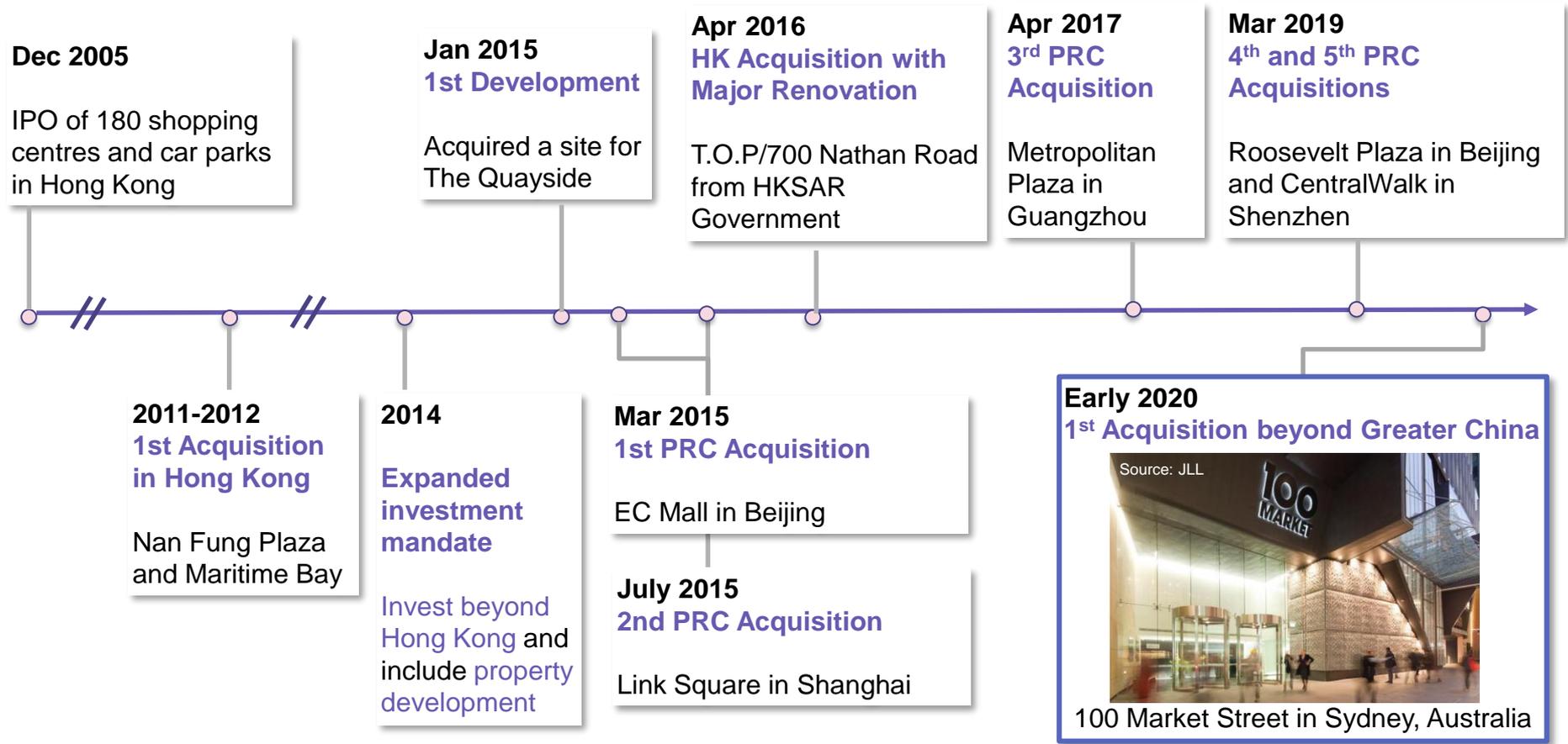
Expansion Strategy Further Extended



In-depth study in progress for Australia, Singapore, Japan and the UK due to their relative stability, market liquidity and favourable regulatory environment

Notes:
(1) Namely Australia, Japan, Singapore and the UK
(2) Beijing, Shanghai, Guangzhou and Shenzhen and their surrounding river deltas

Our Journey to become a World Class Real Estate Investor and Manager

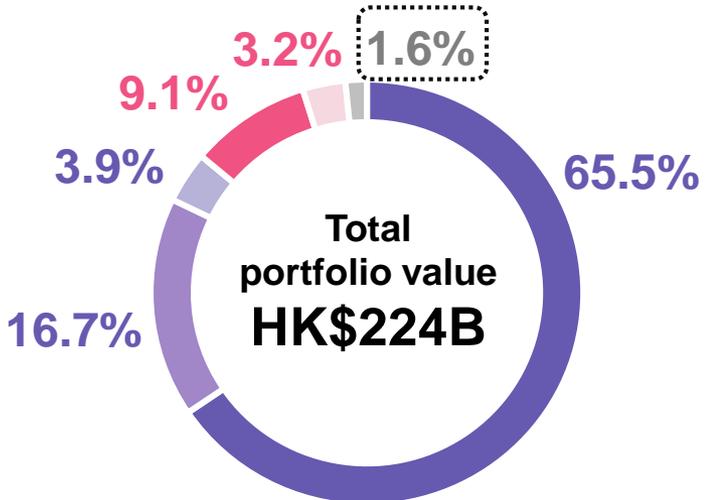


Link has been gradually diversifying its real estate investments in the past 14 years

Diversified Portfolio Mix

Pro-forma Portfolio Mix

(30 September 2019)



Existing portfolio – HK & Mainland China		New addition – Australia
■ Hong Kong Retail	■ Hong Kong Car park	■ Sydney Office
■ Hong Kong Office	■ Mainland China Retail	
■ Mainland China Office		

Forward Guidance

Geography	
Hong Kong	70-75%
Mainland China	≤20%
Overseas	≤10%

Asset Class	
Office	15-20%

Acquisition Criteria

	Hong Kong		Mainland China				Australia	
	T.O.P	The Quayside	EC Mall	Link Square	Metropolitan Plaza	Roosevelt Plaza	Central-Walk	100 Market Street
✓ HK, Mainland China Tier-1 cities, Selected/key developed markets	✓	✓	✓	✓	✓	✓	✓	✓
✓ Mass-mid market retail	✓		✓		✓	✓	✓	
✓ Premium grade-A office		✓		✓				✓
✓ Good connectivity	✓	✓	✓	✓	✓	✓	✓	✓
✓ Limited competition			✓	✓	✓	✓		✓
✓ Sizeable catchment	✓	✓	✓	✓	✓	✓	✓	✓
✓ Long-term growth potential	✓	✓	✓	✓	✓	✓	✓	✓

Link will adopt the same degree of prudence and rigour in pursuing acquisitions in any markets

Appendix



Appendix 1

Components of the Mixed-used Development

Subject Property
(Office)



Sydney Tower

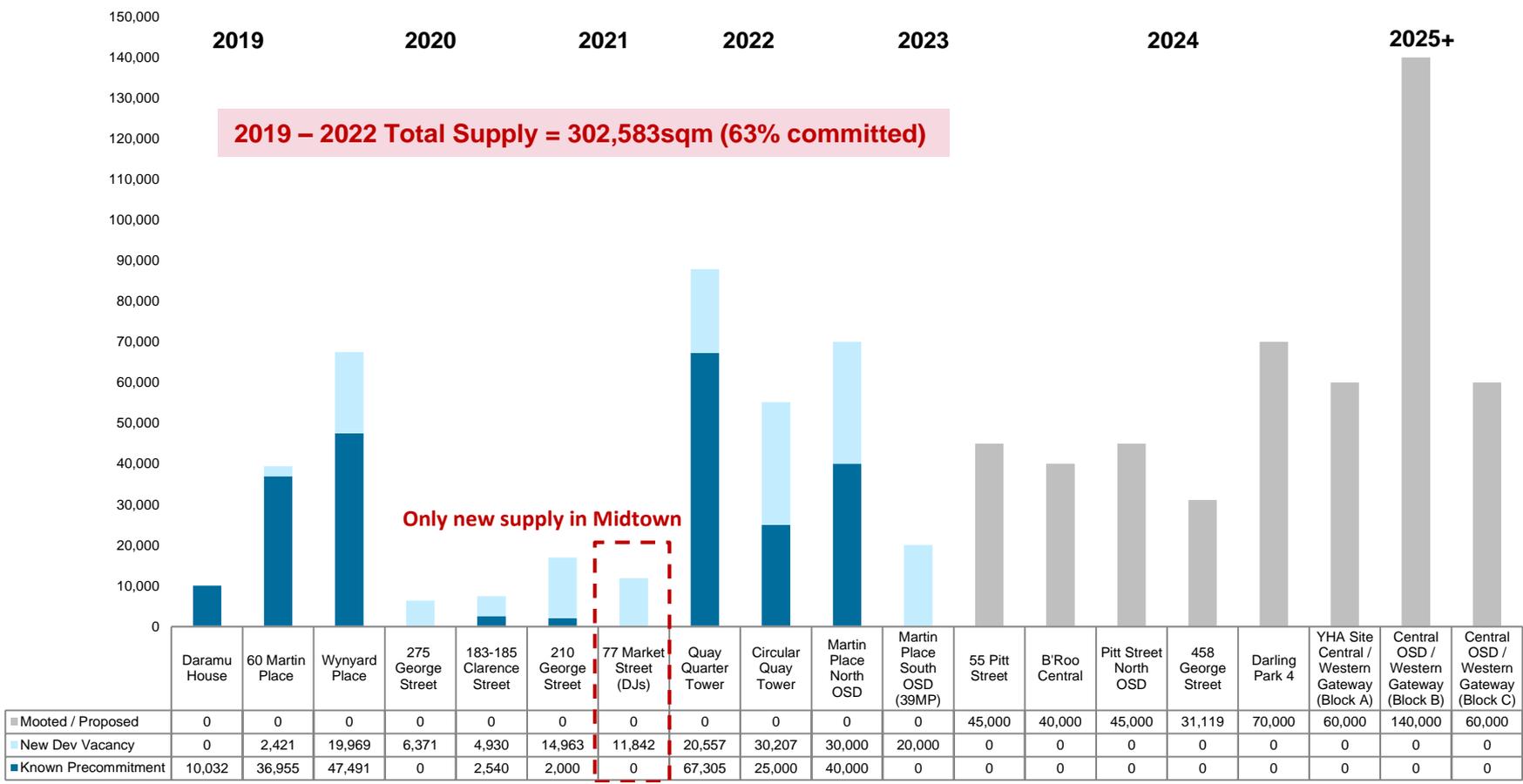


Westfield Sydney
(Retail)

Appendix 2

Limited New Office Supply in Sydney CBD

Sydney CBD New Supply Pipeline

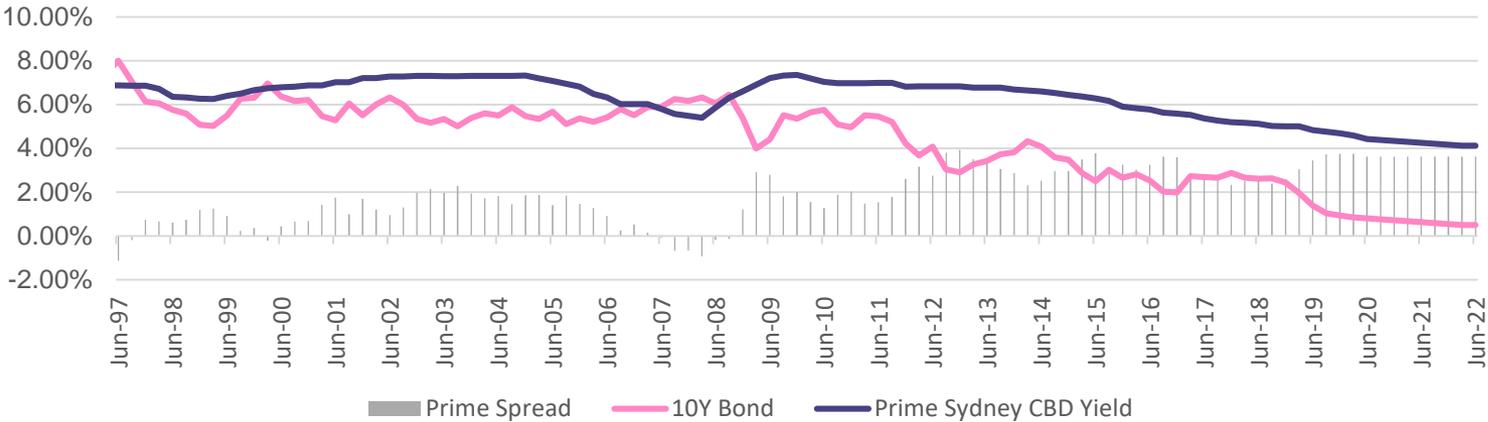


Note:
 (1) Source: Colliers International Sydney CBD Office Market Advisory Report, Q4 2019

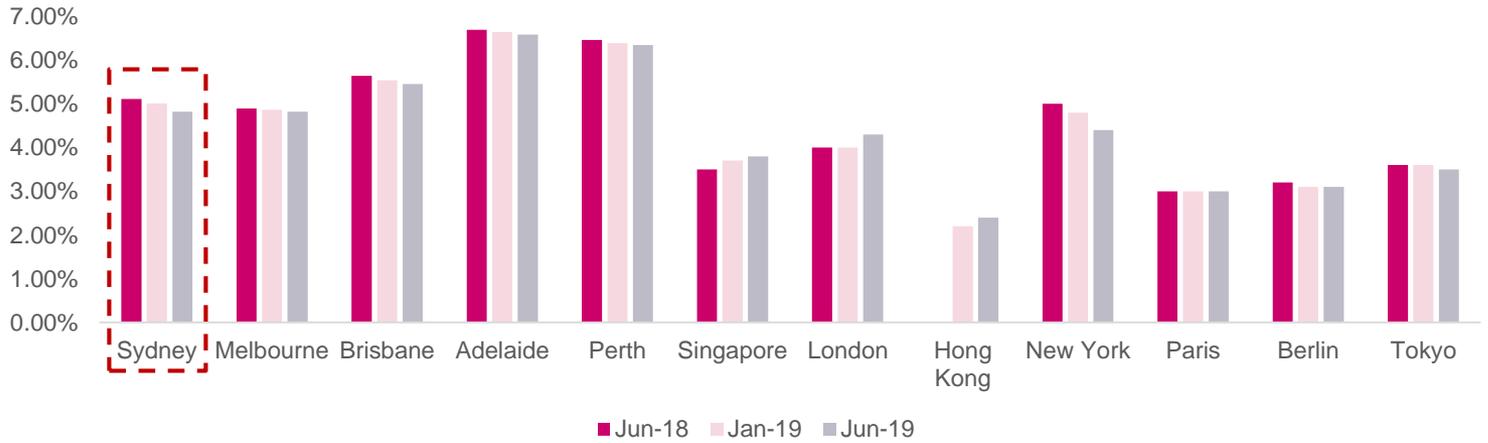
Appendix 3

Stable Sydney CBD Office Yield

Sydney CBD Prime Office Yield Spreads



Sydney CBD and Global CBD markets Yield Comparison



Note:
 (1) Source: Colliers International Sydney CBD Office Market Advisory Report, Q4 2019

Appendix 4 Convenient Access to Transport Networks

Walking distance to 4 major metro stations



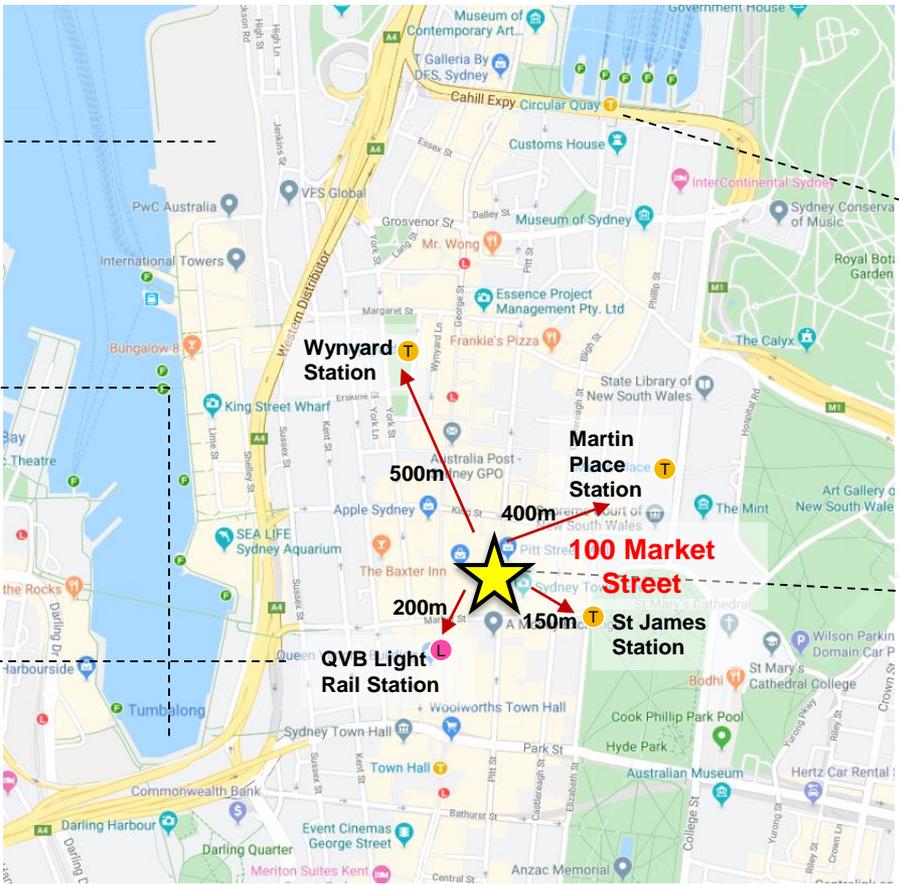
Barangaroo



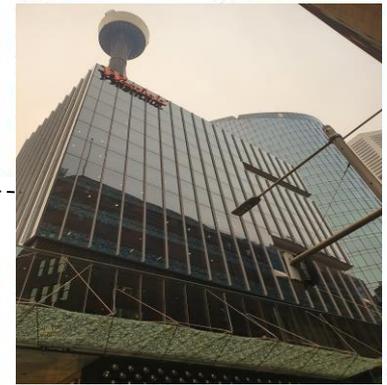
Darling Harbour



200M to QVB light rail stop, provides immediate access to CBD precincts along George Street



Circular Quay



Target Property is integrated with Westfield Sydney

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