



Investor Day 2021

13 April 2021





Today's Agenda

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01

Performance in the Pandemic

Mr George Hongchoy
Chief Executive Officer

02

Sustaining in the Storm

Mr Gary Fok
Director of Leasing (HK) and Asset
Management (China)

03

Overseas & Portfolio Strategy

Mr Eric Yau
Chief Strategy Officer

04

A Day in Link

05

Managing Capital & Risks

Mr Kok Siong Ng
Chief Financial Officer

06

Our Vision 2025 Journey

Mr George Hongchoy
Chief Executive Officer

01

Performance in the Pandemic





2020 Was a Difficult Year For All of Us



Partial Lockdowns

**Different Frequency/ Length/ Severity of
Social Distancing Measures**

Hong Kong Unemployment Rate at Historical High

Higher Expectations on Hygiene and Safety

Lower Visibility of the Future

...and more...



Business As Mutual

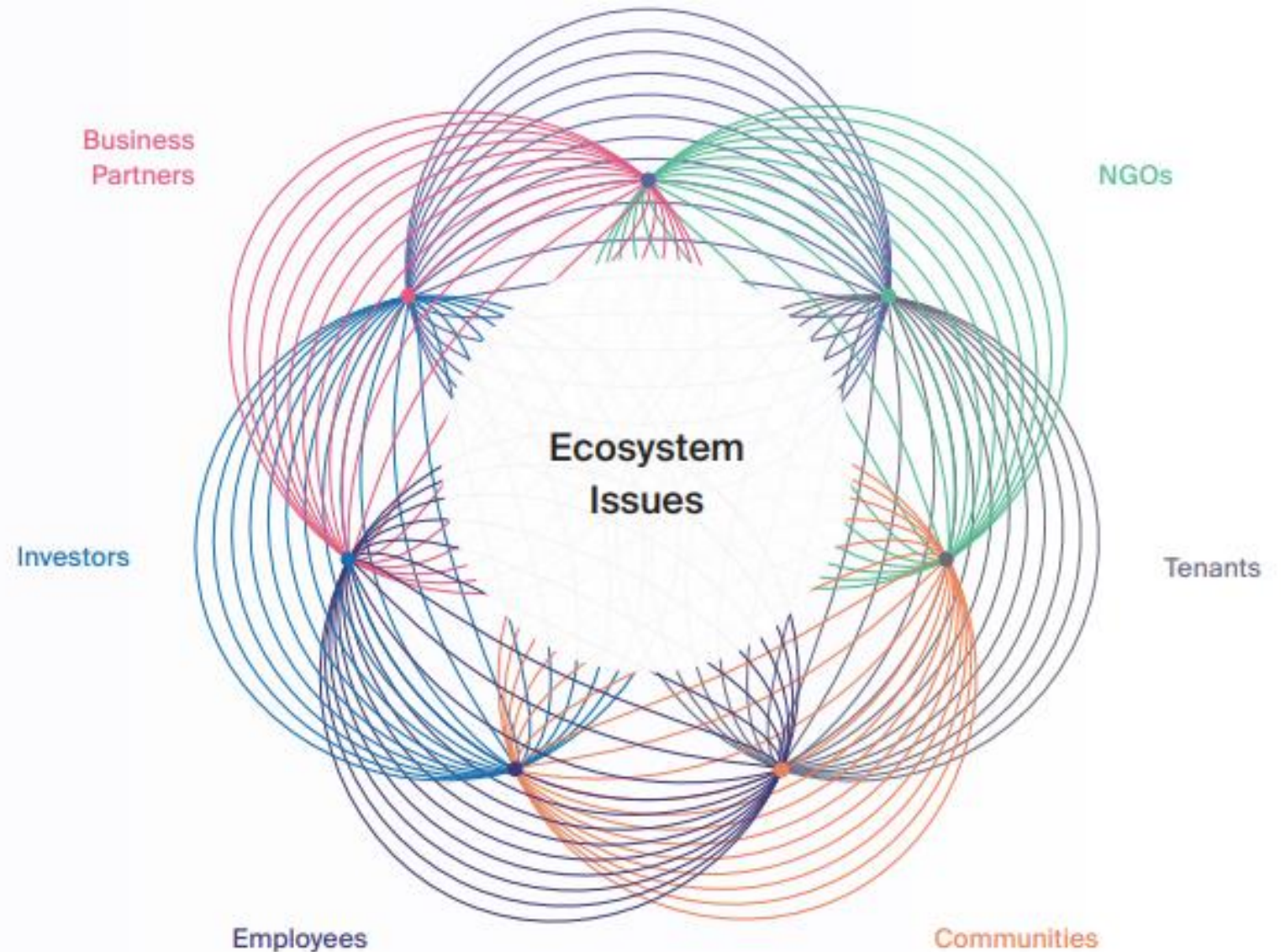
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Strong Relationship with Stakeholders

Dynamic Interactions to Create Ecosystem

Maximise Shared Value

**Achieve
Long-term Business
Sustainability**





HK\$600M Tenant Support Scheme

6

**Offered to Those in Sectors
Hardest Hit**

**Various Means of Support,
Including Lease
Restructuring/Rent Reduction/
Management Fee Waivers**

So Far Still Within Budget





Hong Kong Portfolio Demonstrated Resilience

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Healthy Rental Collection Rate at 96.4%

Retail

Occupancy ————— **97.1%**

Tenant Sales Growth ————— **-10.7%**

Occupancy Cost ————— **15.5%**

Office

Occupancy ————— **70.4%**

Note:
All data as at 3Q 2020/21



Mainland China Portfolio Seeing Faster Recovery than Expected

8

Launched the Link Plaza brand

Retail
Occupancy

94.1%

Office
Occupancy

95.1%

Rental
Collection

96.3%



Note:
All data as at 3Q 2020/21



Quality Overseas Grade A Offices Contributing Distributions

100 Market Street

Occupancy ————— 100%

WALE Remaining ————— ~8 years

Annual
Rental Escalation ————— ~4%

The Cabot

Occupancy ————— 100%

WALE Remaining ————— 10+ years

Two Additions in FY 2020/2021

The Cabot
London, United Kingdom



100 Market Street
Sydney, Australia





Sixth Investment in Mainland China

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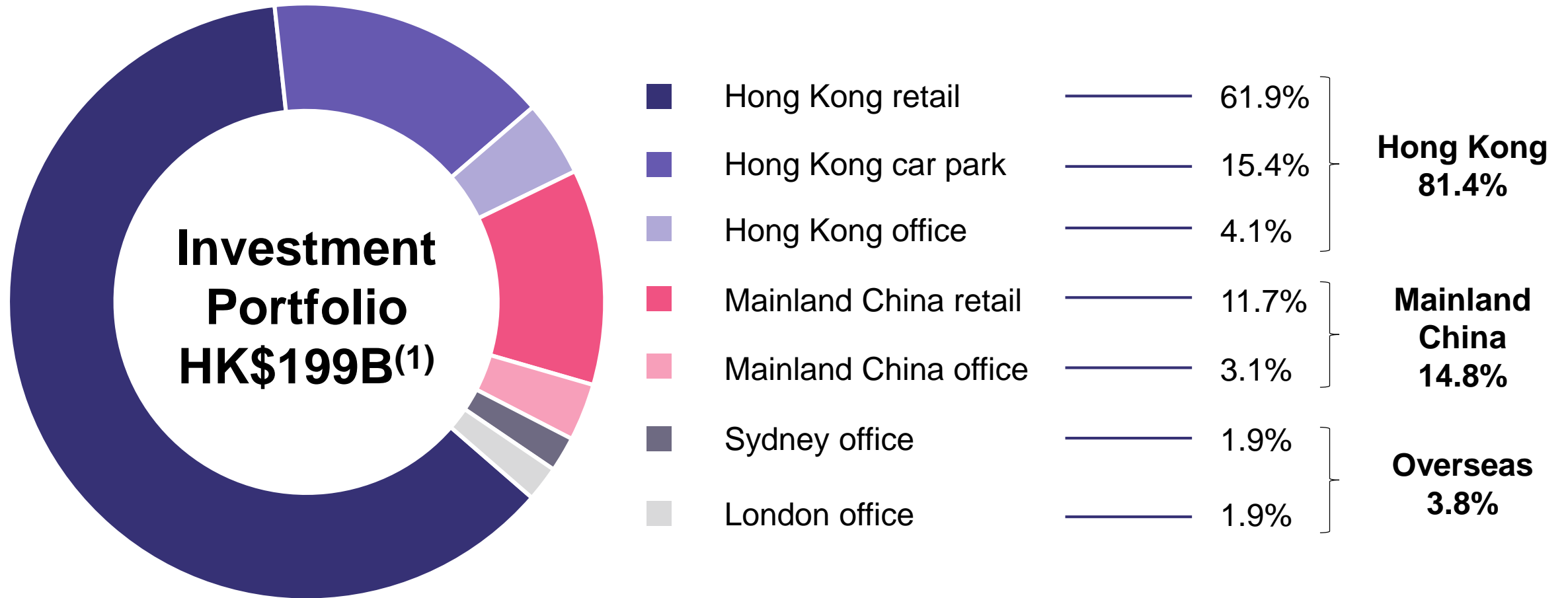


**Acquisition of 50% interest in
Shanghai Qibao Vanke Plaza**

**Strong Post COVID-19
Recovery in Retail Sales**

Attractive Entry Yield

**Short WALE Offers
Re-tenanting Opportunities
for Rental Uplift**



Note:

(1) As at 30 September 2020 on a pro-forma basis, including Link's valuation of investment properties and 50% agreed property value of Shanghai Qibao Vanke Plaza.

02

Sustaining In The Storm





Shoppers

- High hygiene standards
- Purposeful shopping
- Shorter dwell time
- Mainly shop for daily necessities
- More hourly parking visits

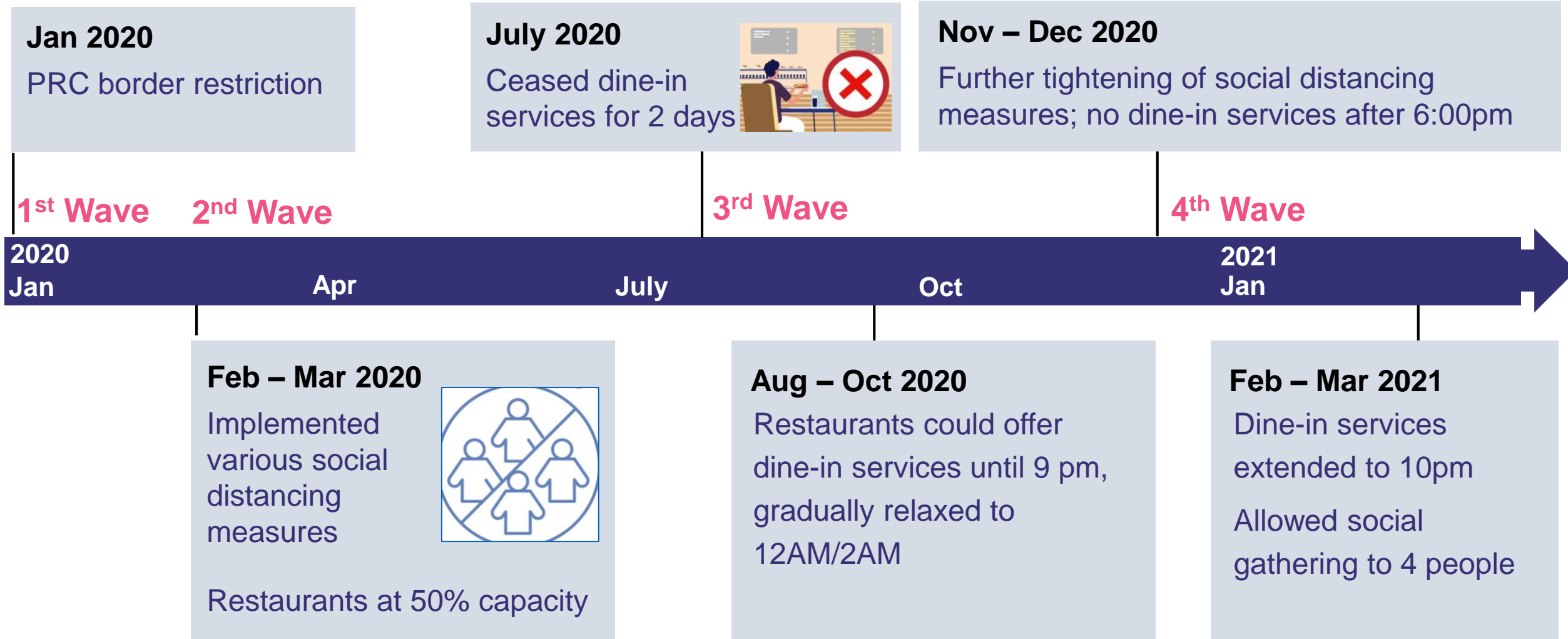
COVID-19

Tenants

- F&B suffering the most
- Strive to remain open
- Tuning operation mode
- Offer more takeaways
- Extra precautionary measures



COVID-19 Impact Timeline in Hong Kong





Key Challenges

Poor Leasing Sentiment

- Tenants put on hold expansion plan
- Limited room for rent negotiation

Higher Expectation on Property Management

- Cleaning and maintenance

Swift Reactions to the Pandemic

- Occasional shutdown and/or deep cleaning of malls with confirmed cases





Prompt Action to Protect Everyone's Health And Safety

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Intensive Cleaning at Tsz Wan Shan Shopping Centre on 17-18 July 2020



Enhance Cleaning & Hygiene Procedures

Crowd Control



Maintain Occupancy





From Pandemic to Performance

Welcoming New Retailers in the Tough Time



Lok Fu Plaza



Kai Tin Shopping Centre

Robust Car Park Performance



New Shops and
F&B

>450

from Jan 2020 to Mar 2021

Hong Kong Retail
Occupancy ⁽¹⁾

97.1%

Weekend Hourly Ticket

+19%

Feb 2021 vs Jan 2021

Innovative Marketing Campaigns to Attract Shoppers

Collaborate With Online Platform to Boost Customer Spending



Link x foodpanda F&B Self Pick-up Promotion

Utilise Technology to Attract Shoppers



Temple Mall "Blooming Bliss" Chinese New Year Campaign



COVID-19 Dragging F&B Tenant Sales

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		Link			Overall HK
		Trade Mix	Occupancy Cost ⁽³⁾	Tenant Sales Growth ⁽³⁾	Retail Sales Growth ⁽³⁾
■ Food and beverage	—	28.4%	18.8%	-22.3%	-28.7%
■ Supermarket and foodstuff	—	21.4%	11.2%	+11.0%	-0.6%
■ General retail ⁽²⁾	—	33.6%	18.3%	-18.0%	-25.5%
■ Markets/cooked food stalls	—	15.7%	N/A	N/A	N/A
■ Education, welfare and ancillary	—	0.9%	N/A	N/A	N/A
Overall	—	100.0%	15.5%	-10.7%	-21.6%

Notes:

(1) As at 31 December 2020.

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

(3) For the period April 2020 – December 2020.



Easing Restrictions Fuel Full Recovery



<div></div>	Food and beverage	30.3%
<div></div>	Fashion	34.6%
<div></div>	General retail & others	27.0%
<div></div>	Leisure & entertainment	4.8%
<div></div>	Supermarket & foodstuff	3.3%

Tenant Sales

- ~90% of pre-COVID ⁽²⁾
- Shoppers come with a purpose

Footfall

- ~80% of pre-COVID ⁽²⁾
- Certain trades still subject to capacity limit (e.g. 75% for cinemas and gyms in Beijing)

Notes:

(1) As at 31 December 2020.

(2) Year-on-year comparison as at December 2020, excluding Link CentralWalk which is undergoing asset enhancement.

Mainland China Retailers are Selective about Expansion



Local Brands

- Local players are generally optimistic
- Beneficiaries: F&B, Electric Vehicles

International Brands

- Relatively cautious
- Very selective in expansion

Link CentralWalk Asset Enhancement Progress On Track



- First large-scale asset enhancement project in Mainland China
- Brand new shops targeting families and kids
- Introduce green ecosystem concept to the design
- To add more retail offerings with the new layout



**Estimated
CAPEX**

HK\$302M

**Expected
ROI**

Double-digit

**Targeted
Completion
Date
Late 2021**

03a

Overseas Strategy





Questions You Might Have Asked

01

How do you manage overseas assets?

02

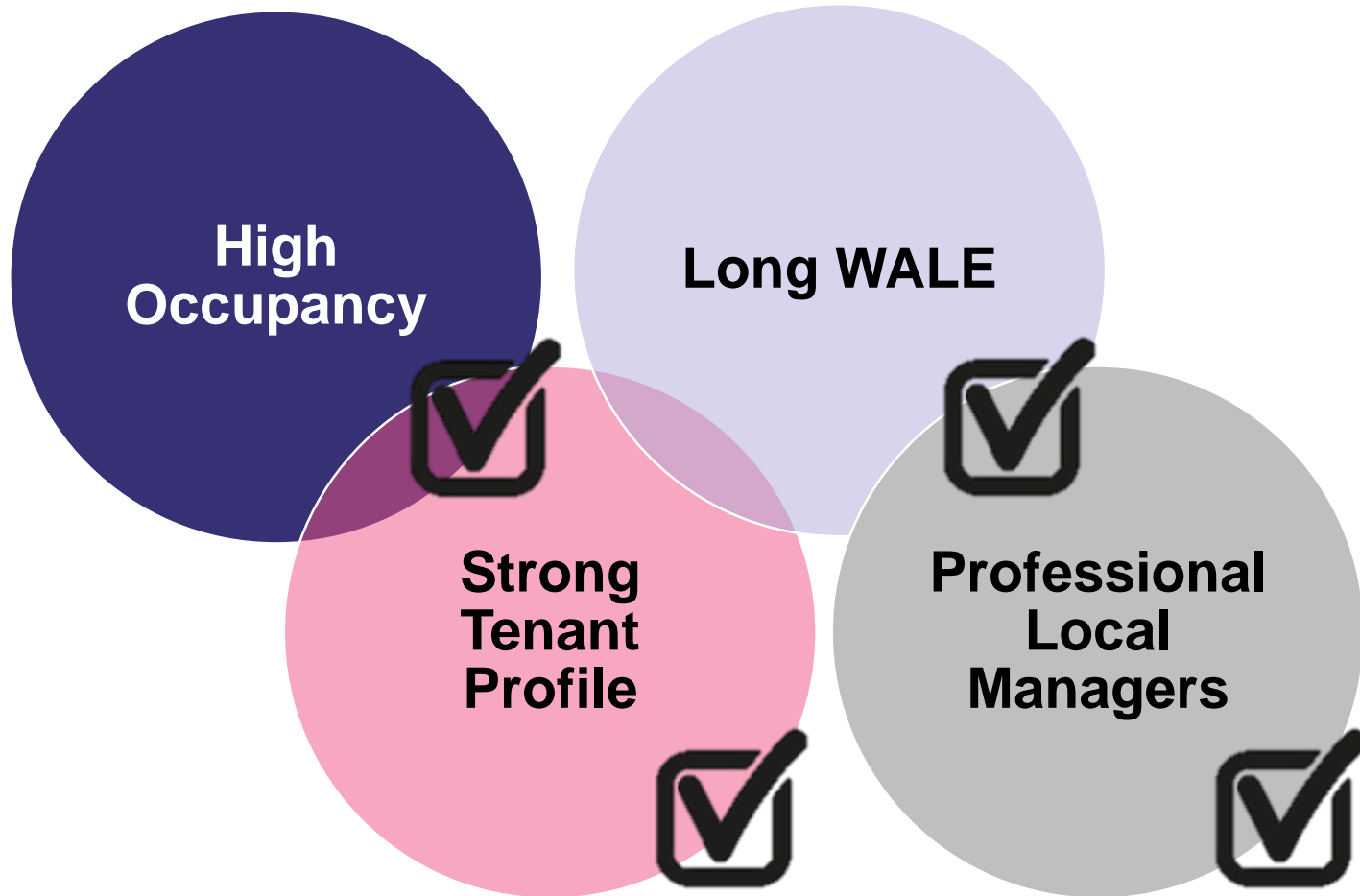
Work-from-home impact to our overseas offices?

03

What would be our acquisition targets and preference?



Overseas Asset Management Strategy



But that's not the end of the story....

- **Hardware upgrades?**
- **Cost-control?**
- **Active tenant engagement?**

Active Overseas Asset Management Approach



Engaging Tenants to Foster Strong Long-term Relationships

- **Actively reach out to tenants** to solicit feedback
- **Work closely with local managers** to enhance service quality
- **Information sharing** to achieve synergies

Link to be A World Class

Real Estate Investor and Manager

Question Over Work From Home and Future of Office



Opportunities

- Distancing means more space needed
- Teamwork still essential
- Key corporates signalled to return to office soon

Threats

- Business can be run from home offices
- Technology has made business operations almost seamless

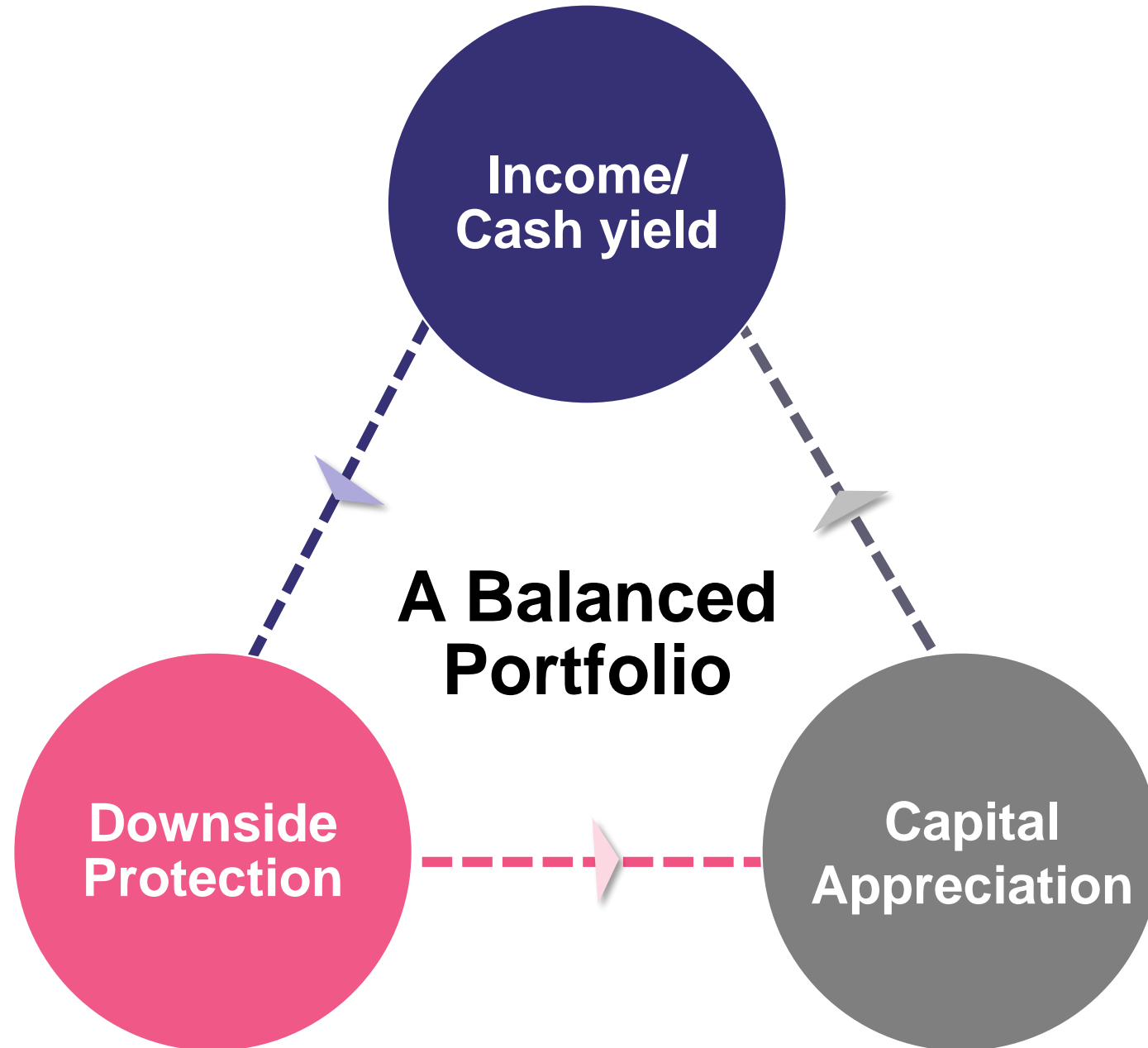


Well-designed and well-managed workplace + **Strong tenant profile** + **Long WALE** = **Stable Income**

03b

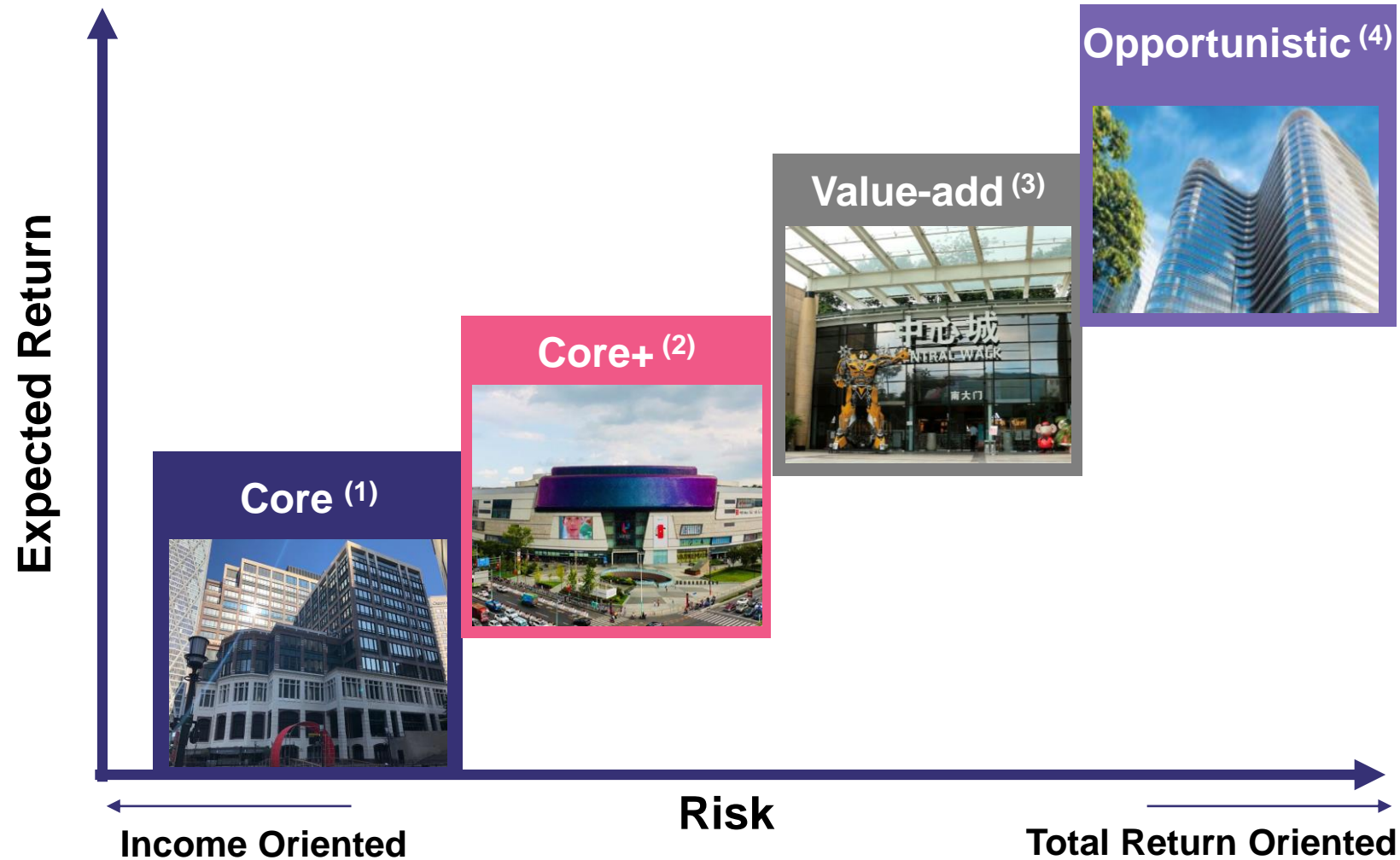
Portfolio Management Strategy







Risk and Reward of Different Real Estate Investment Types



Notes:

- (1) Stable assets such as The Cabot in UK
- (2) Assets require more management such as Qibao Vanke Plaza in Shanghai
- (3) Assets that can add value via enhancement, such as Link CentralWalk in Shenzhen
- (4) Development projects that are opportunistic, such as The Quayside in Hong Kong.



Identify Markets According to Their Merits

1

Market Stability

- Legal structure
- Political environment

2

Market Transparency

- Investment restrictions
- Title / ownership

3

Ease of Doing Business

- Professional support
- Cultural Fit

4

Entry Barrier

- Local competition
- Culture

5

Market Liquidity

- Transaction volume
- Foreign and domestic investor depth

6

Financial Management

- Financing and hedging
- Dividend repatriation
- Taxes



Portfolio Mix Guidance

Geography		
	Pro-forma ⁽¹⁾	Management Guidance
Hong Kong	81.4%	70-75%
Mainland China	14.8%	≤20%
Overseas ⁽²⁾	3.8%	≤10%

Asset Class		
	Pro-forma ⁽¹⁾	Management Guidance
Office	11.0%	15-20%



Notes:

(1) As at 30 September 2020 on a pro-forma basis, including Link's valuation of investment properties and 50% agreed property value of Qibao Vanke Plaza.

(2) Namely Australia, Japan, Singapore and the United Kingdom

(3) Images not to scale

04

A Day in Link





**Scan QR Code or
click below
to view the tour**

<https://view.vzaar.com/22857200/player>

05a

Managing Capital





Sound Capital Position

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**Average
Borrowing Cost**

2.84%

**Gearing
Ratio ⁽¹⁾**

19.2%

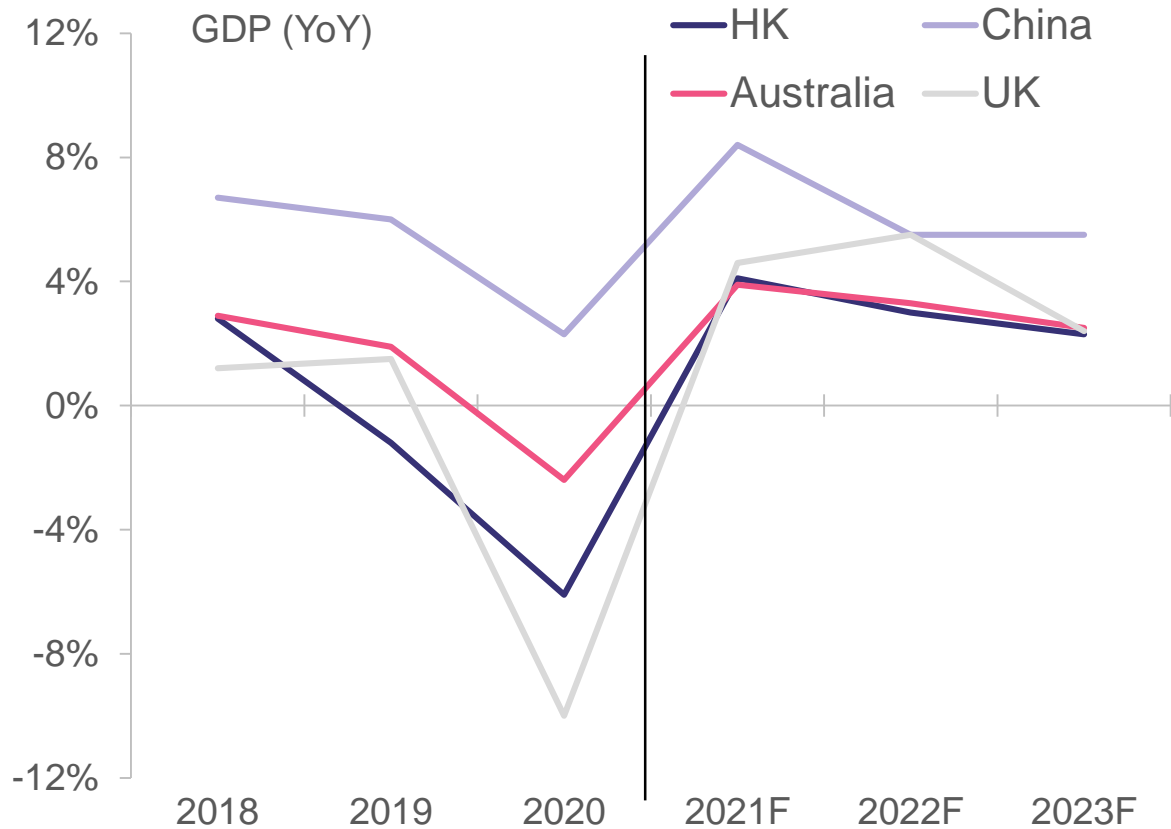
**Staggered
Debt Maturity
Profile**

**Extended to
29/30 or after**

Note:

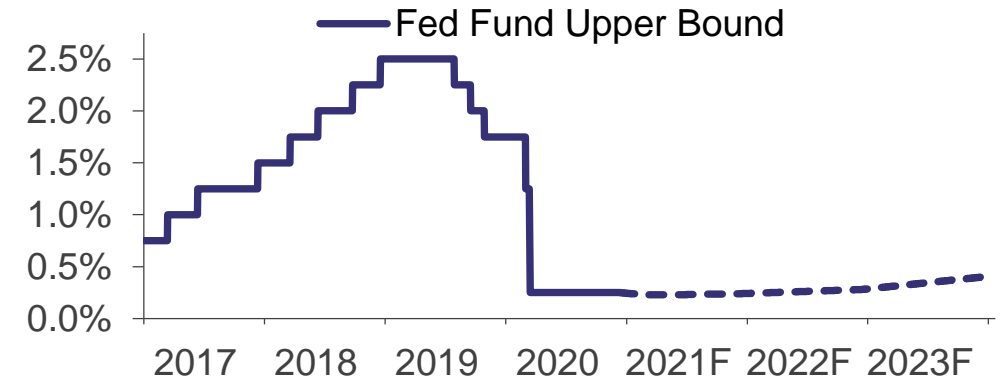
(1) Pro-forma adjusted ratio of debt to total assets, assuming a a drawdown of HK\$3,332.5M on Link's debt facilities to finance the acquisition of 50% interest in Qibao Vanke Plaza and including the value of Link's 50% interest as if the acquisition took place on 30 September 2020 (after adjusting interim distributions on 28 December 2020).

A Modest Rebound is Expected post-COVID



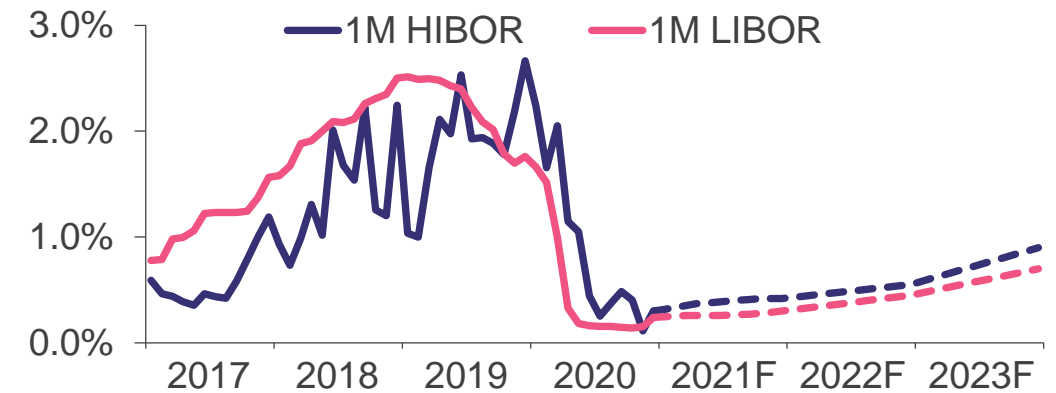
Sources: C&SD, Bloomberg (forecast)

US interest to stay low until 2022



Sources: Bloomberg, Forward Fed Fund Rates as at Feb-21

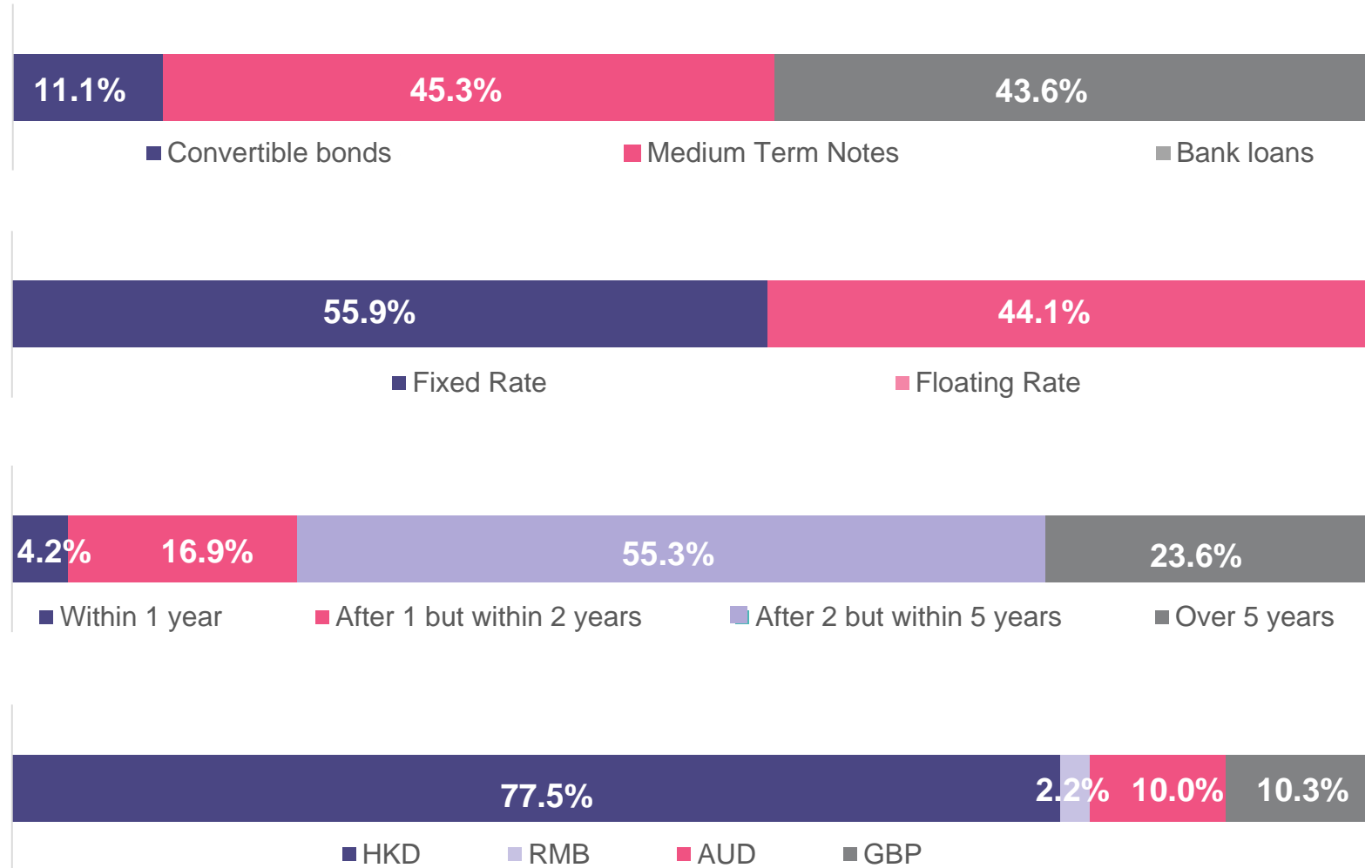
HIBOR to increase slowly



Sources: Bloomberg, Forward HIBOR/LIBOR as at Feb-21

Total Debt of HK\$36.0B⁽¹⁾

- ✓ Diversified funding base
- ✓ Well-managed interest rate risk exposure
- ✓ Staggered maturity with no imminent financing needs
- ✓ FX exposure managed by borrowing in foreign currencies



Note:

(1) As of 30 September 2020.



3 “A” Ratings From Key Credit Rating Agencies

S&P
A
Stable

MOODY's
A2
Stable

Fitch
A
Stable

Key Financial Strengths

- Strong liquidity supported by ample cash and balanced maturity profile
- Debt leverage remains healthy despite a moderate increase
- Prudent financial management
- Leverage within 'A' Rating



Committed to Sustainable Finance

Recent Sustainable Finance Deals

March 2020

Arranged A\$212M 5-year **sustainability-linked** loan

May 2020

Arranged HK\$1B 5-year **sustainability-linked** loan

June 2020

Arranged HK\$1B 5-year **sustainability-linked** loan

January 2021

Converted £200M 5-year loan to **sustainability-linked** loan

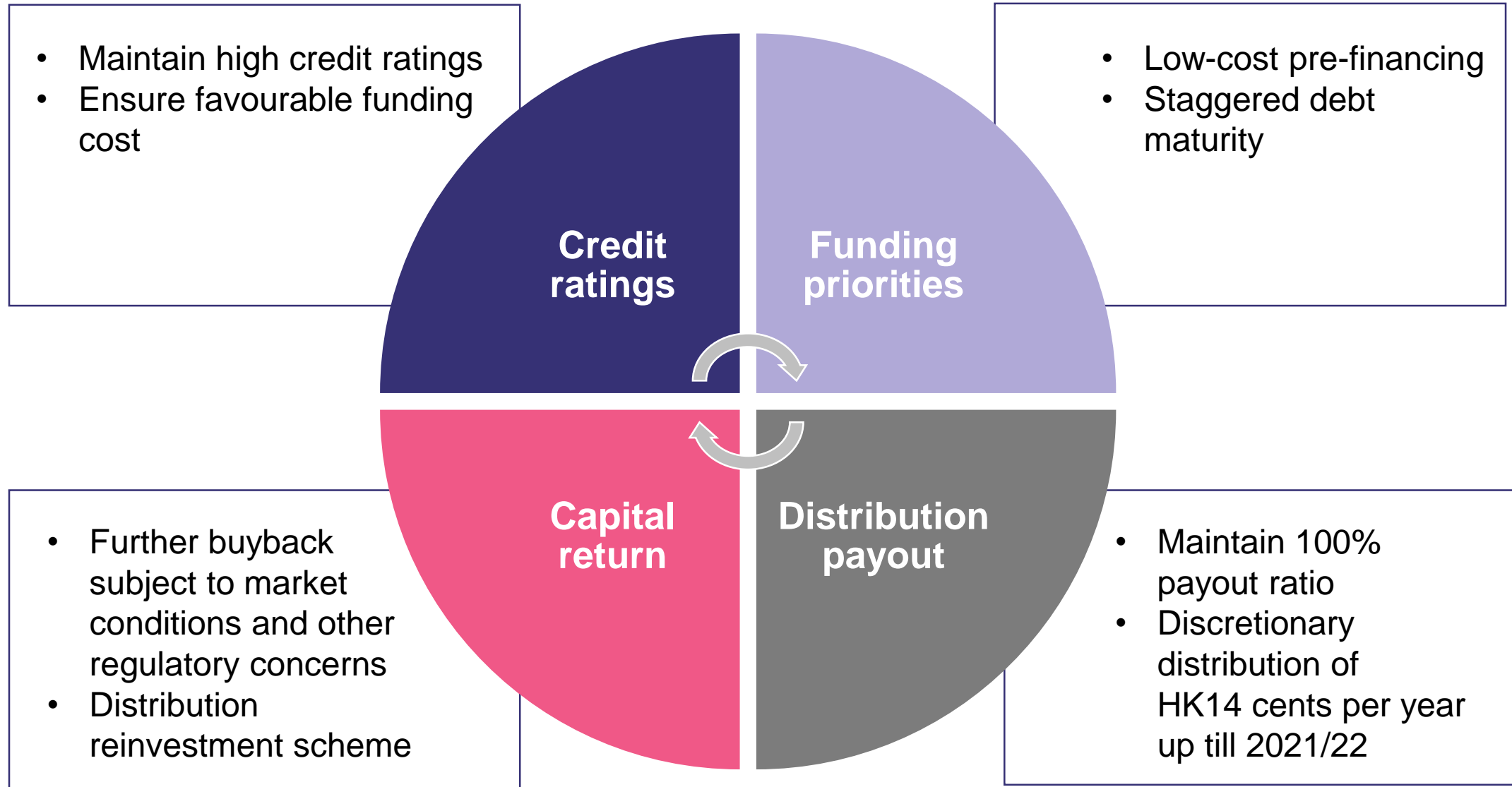
✓ Cost savings

✓ Amplify leadership and commitment towards ESG

✓ Enhance debt portfolio diversity



Our Capital Management Priorities



05b

Our Risk Management Approach





Crisis Management Committee

- First to react upon critical incidents (e.g. confirmed positive COVID-19 case)
- Set up task force for specific event
- Discuss the potential impact on Link and our stakeholders

Business Continuity Committee

- Identify emerging risks and mitigation (e.g. cyber attack risk)
- Develop contingency and recovery plan
- Escalation protocols
- Conduct drills and trainings





Our Integrated Risk Management Approach

Co-created Risk Registers

- Conducted intra-department, design-thinking risk workshops

Ecosystem Focused

- Identified material issues with stakeholders across our value chain

10 Principal
Risks
Identified



Constant
Assessment
of Mitigating
Measures

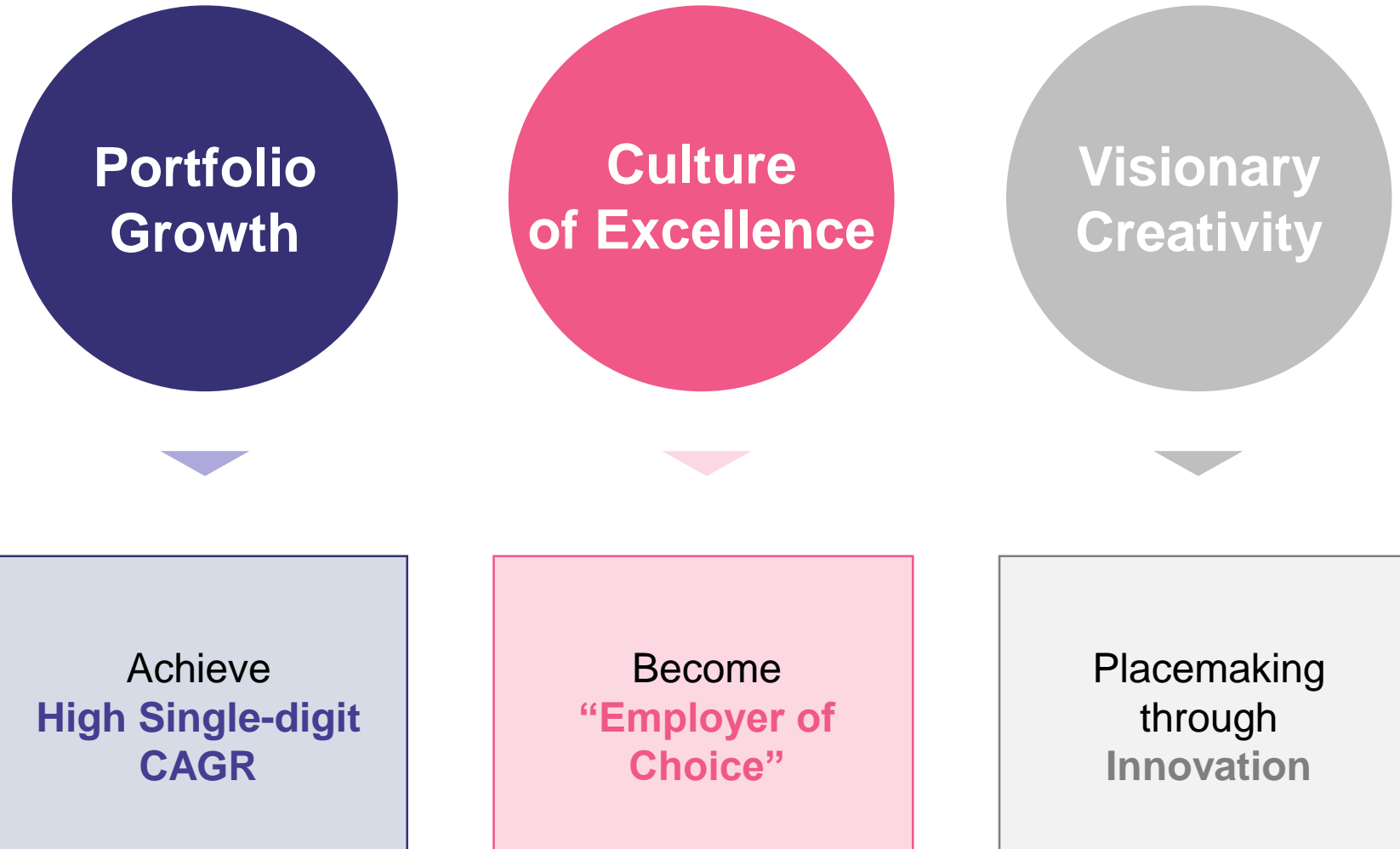


Aligned
Interests of
All
Stakeholders

06

Our Vision 2025 Journey







Portfolio Growth: Key Drivers

Hong Kong – 81.4%⁽¹⁾

- FY2021/22 likely to remain **challenging**
- Battling COVID-19 headwinds
- Vaccination, border re-opening and resumption of travelling still uncertain
- Pressure on consumer and leasing sentiment
- Subdued office leasing demand

Mainland China – 14.8%⁽¹⁾

- **Recovery on track**
- Eyeing on non-discretionary sales to pick up
- New contribution from investment in Shanghai Qibao Vanke Plaza in FY2021/22

Overseas – 3.8%⁽¹⁾

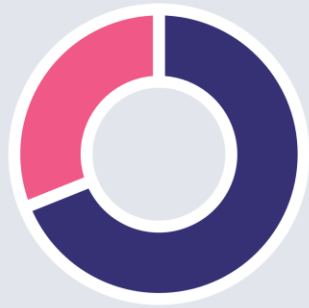
- **Defensive** office portfolio
- New contributions in FY2020/21

Note:

(1) Portfolio mix as at 30 September 2020 on a pro-forma basis, including Link's valuation of investment properties and 50% agreed property value of Qibao Vanke Plaza.

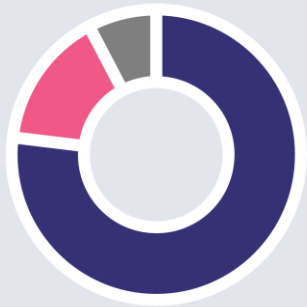
Culture of Excellence: Corporate Governance to Support Business Strategy

Gender



■ Male 9/13
■ Female 4/13

Designation



■ INEDs 10/13
■ EDs 2/13
■ NED 1/13

A Robust Structure which Provides Effective Oversight and Control



Core Expertise

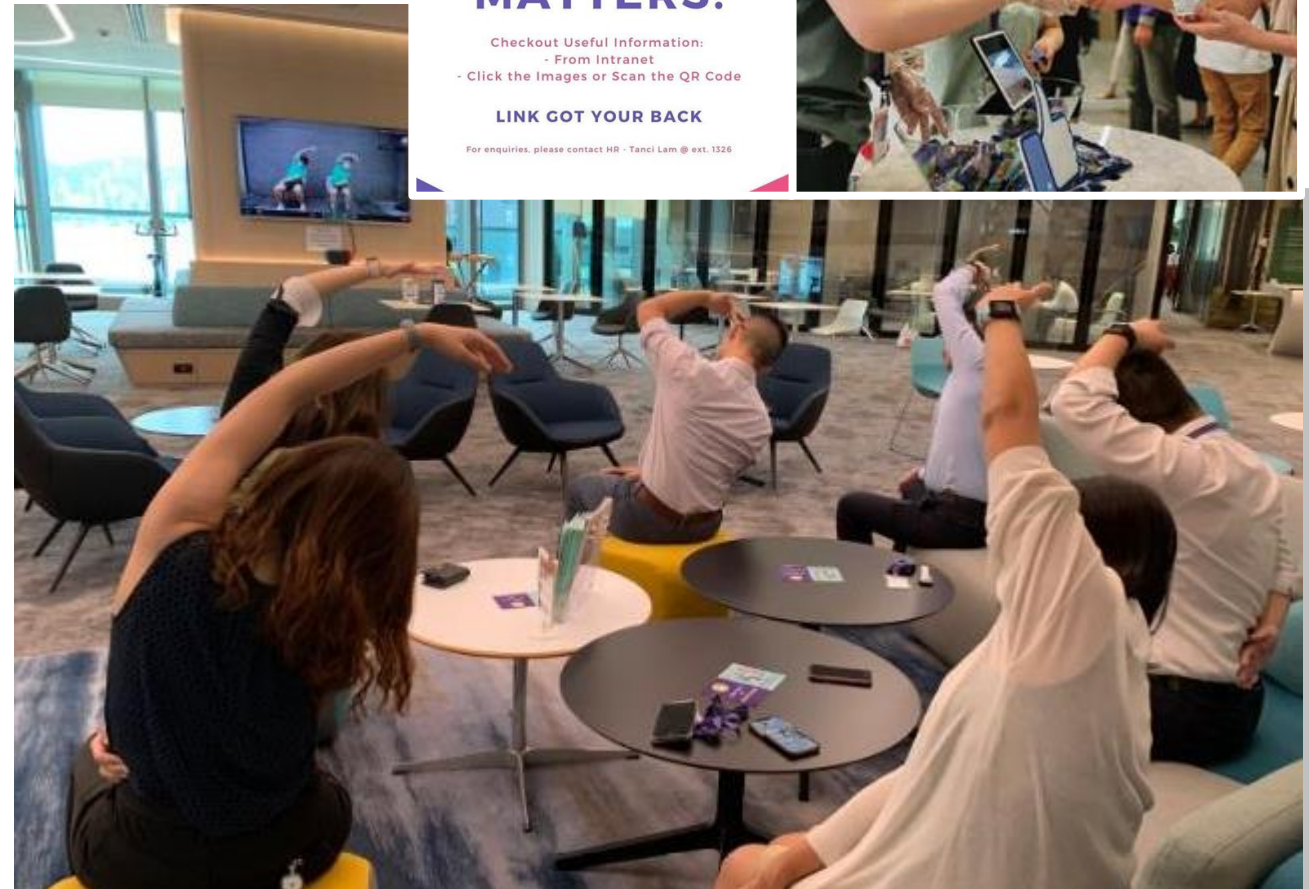
- ✓ Real Estate
- ✓ Finance/ Accounting
- ✓ Legal
- ✓ Architecture

Culture of Excellence: Focusing on Staff Well-being

Employee Engagement

- ✓ Launched virtual Wellness Resource Centre
- ✓ Offered workshops on parenting and health and fitness
- ✓ Employee assistance hotline

Achievements and Recognitions



Visionary Creativity: Link University Scholarship

Support the First University Students in Three Generations of Their Families

- A total of 190 scholarships awarded annually since 2018
- Students spanning across 8 universities in Hong Kong
- Foster upward social mobility
- Enrich eligible students' lives by improving learning opportunities



Visionary Creativity: Solar Panel and Green Building Certification



Solar Panel Installation

570 panels
3 properties

- Target to complete installations at another 10 properties
- Tokenise solar PV systems using blockchain technology

Green Building Certification



- 50 properties have achieved “Good” rating – accounting for 63% of our Hong Kong retail and office GFA

Committed To Improve Greenness



Visionary Creativity: Getting to Net Zero

Target to reach net zero by **2035**



Reduce current GHG emissions



Avoid future GHG emissions



Invest in removing carbon



Innovate through collaboration





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