

Queen Victoria Building



The Strand Arcade



The Galleries



Acquisition of 50% Interests in Three Retail Properties In Sydney, Australia

7 November 2021



Property Particulars

The Most Iconic Retail Assets in Sydney CBD

1 The Strand Arcade



2 Queen Victoria Building



3 The Galleries



Target Property	The Strand Arcade	Queen Victoria Building	The Galleries	Target Portfolio
Location	412-414A George St	429-481 George St	500 George St	
Land Title	Freehold	Leasehold	Freehold Stratum	
Completion Year	1891	1898	2000	
Gross Lettable Area (sqm)	5,738	14,016	14,994	
Car Park Spaces	-	669	-	
Occupancy Rate	89.3%	91.4%	99.0%	94.3%
Net Passing Income ⁽¹⁾	A\$11.0M	A\$31.3M	A\$17.2M	A\$59.5M
Consideration for 50% Interests	A\$111.2M	A\$277.1M	A\$149.9M	A\$538.2M
% of Target Portfolio	20.7%	51.5%	27.9%	100%

Aggregate Consideration A\$538.2 M ⁽²⁾

Expected Completion of Acquisition 1H 2022 ⁽³⁾

Notes:

- (1) For 100%
- (2) For 50%. The Aggregate Consideration was agreed between the Vendor and the Purchasers after arm's length commercial negotiation and having taken into account a number of factors including the Appraised Gross Value, quality of the Target Properties and guarantee arrangements to be put in place due to COVID-19 and prevailing market conditions
- (3) Subject to regulatory approval
- (4) Data as at 25 October 2021

Investment Rationale

1

Iconic retail portfolio at the heart of Sydney Central Business District (“CBD”)

- **Prime location** in Sydney and one of Australia’s **most sought-after retail precincts**
- **Excellent natural footfall** from both locals and tourists – Queen Victoria Building is the 2nd most visited site after Sydney Opera House
- Offers **leading Australian and international brands** that appeal to a predominantly domestic catchment

2

Rare opportunity

- Sizeable CBD retail assets are tightly held – this is the **first time this retail portfolio is being offered to the market**
- With the gradual reopening of Sydney post-lockdown, **rents and capitalisation rates are expected to improve**

3

Desirable and prudent entry point into Australian retail

- **Attractive size from an operational perspective** with no exposure to department store
- **Evidence of capital “returning” to retail** in recent months in Australia given attractive yields and return profile versus other asset classes

4

Strong performance track record with embedded growth

- Track record of **high occupancy of >97% pre-pandemic** with **annual escalation on tenancies**
- **Strong productivity** with The Strand Arcade ranking #1, Queen Victoria Building ranking #2 and The Galleries ranking #4 (in specialty) in Australia for total Moving Annual Turnover (\$MAT) per square metre ⁽¹⁾

5

Strategic partnership with Vicinity, a leading retail asset manager in Australia

- Vicinity is Australia’s **leading retail property group with a fully-integrated asset management platform, A\$22B retail AUM** across 61 shopping centres in Australia and a **market capitalisation of A\$8.0B** as of 5 November 2021

Note:

(1) Source: Shopping Centre News (SCN) “CBD Guns” published in 2020. Specialty refers to tenant occupying under 400m², excluding travel agents, auto accessories and lotto

Prime Location in Sydney CBD Core Retail Precinct

1 The Strand Arcade

- G/F pedestrian access between Pitt Street and George Street
- Close proximity to King Street luxury brand precinct and the flagship Apple Store

2 Queen Victoria Building

- 200M frontage to George Street
- Diagonally opposite to Westfield Sydney
- Direct connections to Town Hall Station and The Galleries

3 The Galleries

- Situated below the Citigroup Centre office tower and beside the Sydney Hilton Hotel
- Frontage to George Street and Pitt Street
- Direct connections to Town Hall Station and Queen Victoria Building

Nearby Sydney CBD Retail Precinct (1)

- Pitt Street Mall: Pedestrianised shopping street with 65k daily visitors
- Town Hall Station: 230k daily commuters, the busiest station in Australia

Note:
 (1) Source: CBRE



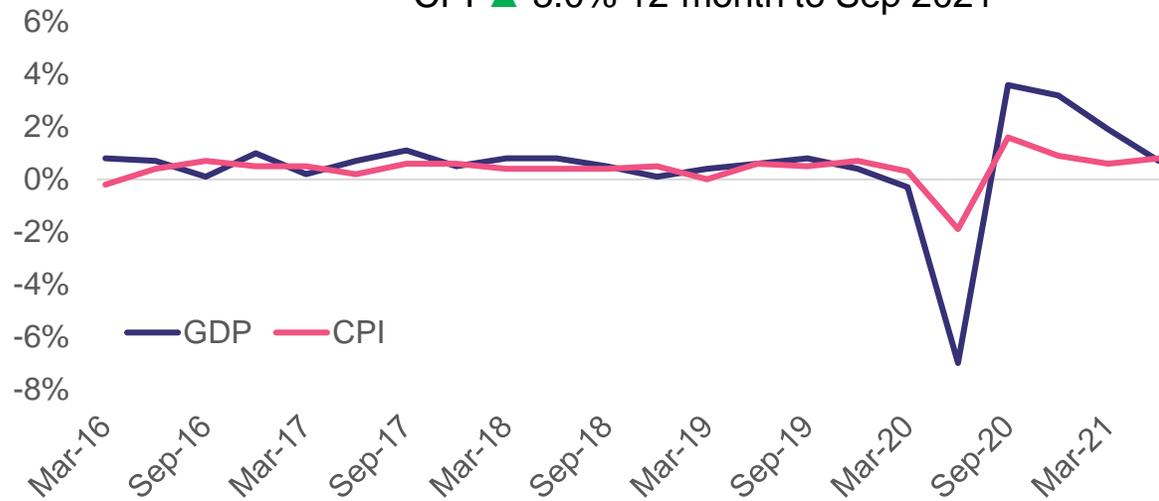
Located in CBD core retail precinct with frontages to highly coveted Pitt Street and George Street



Gross Domestic Product & Consumer Price Index

Quarterly Growth

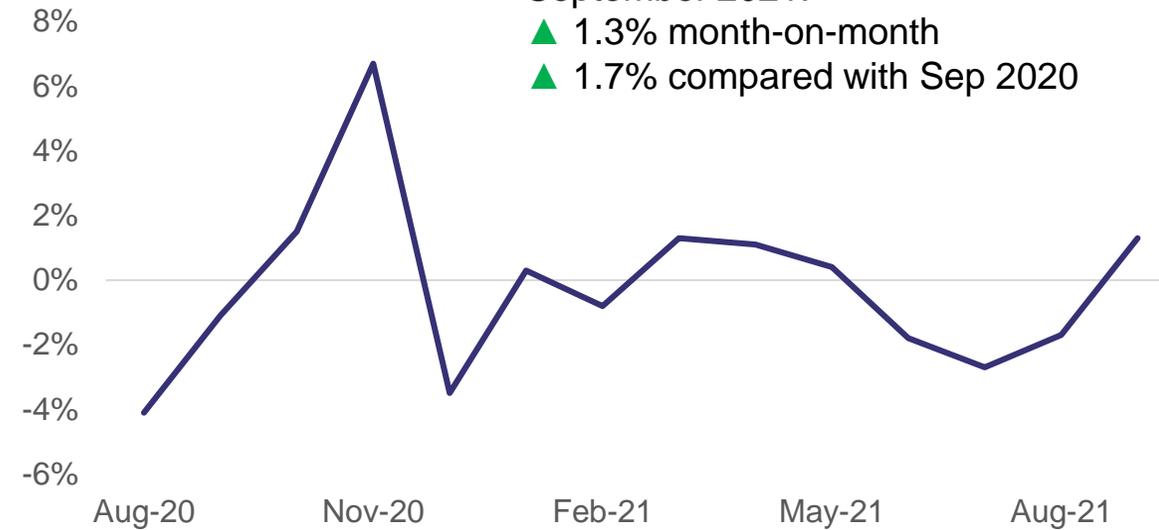
GDP ▲ 1.4% in 2020-21
CPI ▲ 3.0% 12-month to Sep 2021



Retail Trade

Monthly Change

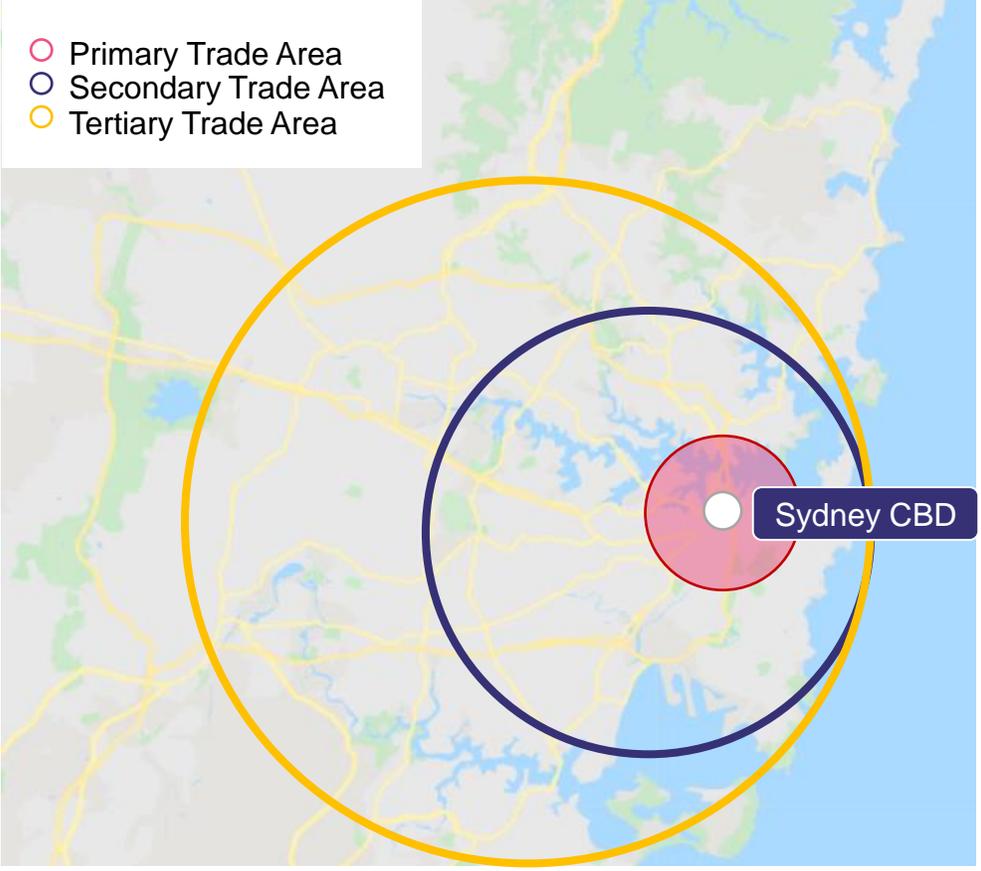
September 2021:
▲ 1.3% month-on-month
▲ 1.7% compared with Sep 2020



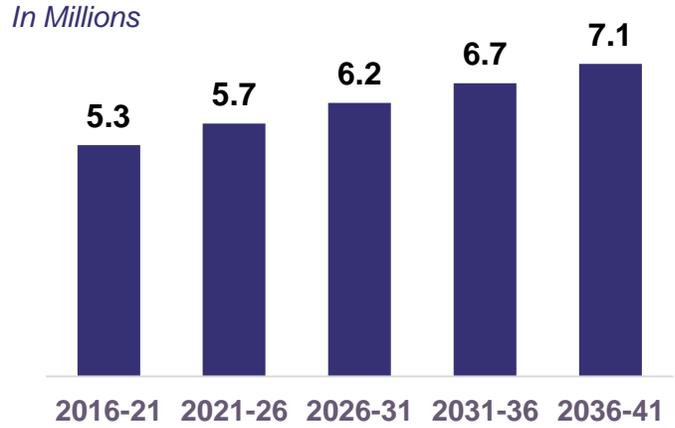
Australia's economy recovery is well underway as the country gradually reopens from lockdown

Catchment Area of Sydney CBD Retail

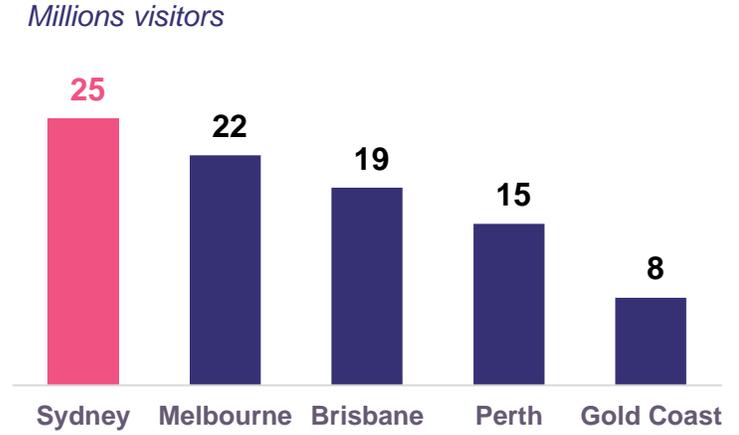
Resident Trade Area



Greater Sydney Population Forecast



Australia Visitors Ranking



- One of most densely populated residential areas of Sydney
- Largest worker trade area population in Australia
- One of the most visited destinations in Australia

Note:
 (1) Source: Australian Bureau of Statistics, Tourism Research Australia

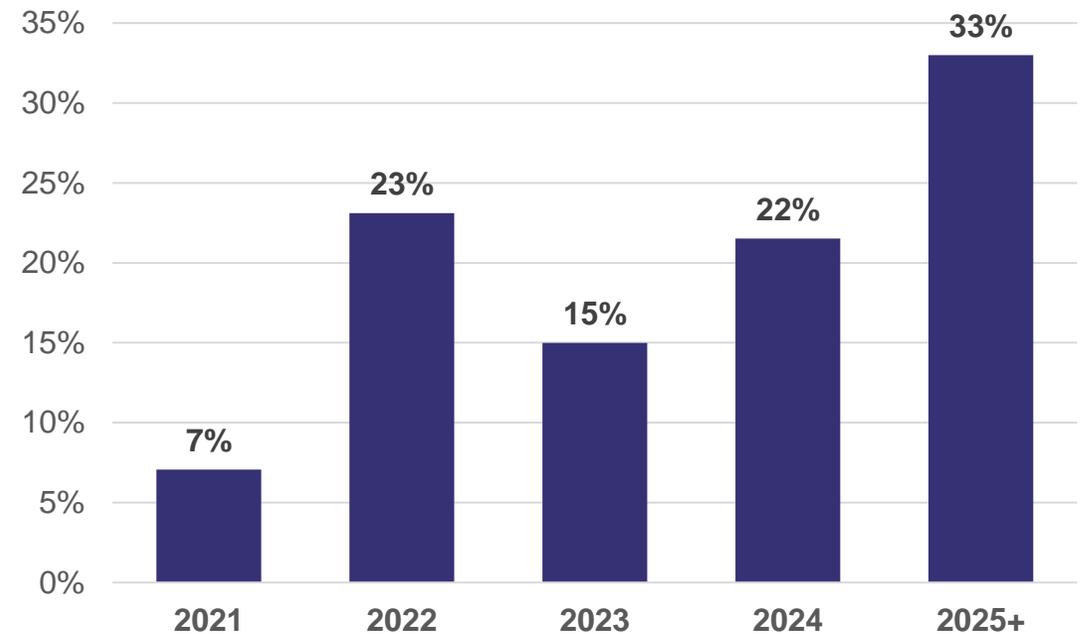
Ideally located in the heart of Sydney CBD, the portfolio attracts strong footfall from local residents, CBD workers and tourists

Mid Market Focus with Diverse Tenant Mix

Trade mix as of October 2021
(by gross passing income)



WALE of 2.6 years ⁽²⁾ with expiration evenly spread into the coming years



Strong upside potential with active asset management opportunities in the coming years

Notes:

(1) Major / Mini major refers to tenant occupying more than 400m²

(2) WALE by income as of 25 October 2021

1 The Strand Arcade

Heritage-listed retail arcade offering an unique tenant mix for domestic consumers

- Ranked **1st** in Australia for Total \$MAT psm ⁽¹⁾
- Ranked **1st** in Australia for Specialty \$MAT psm ⁽¹⁾



Asset Summary

Location	412-414A George Street, Sydney NSW
Land Title	Freehold
Completion Year	1891
Gross Lettable Area	5,738 sqm
Car Park	-
Occupancy Rate	89.3%
WALE	2.2 years

Notes:

- (1) Source: Shopping Centre News (SCN) "CBD Guns" published in 2020. MAT refers to moving annual turnover. Specialty refers to tenant occupying under 400m², excluding travel agents, auto accessories and lotto
- (2) As at 25 October 2021

2 Queen Victoria Building

An iconic Sydney landmark for both domestic and international visitors

- Ranked **2nd** in Australia for Total \$MAT psm ⁽¹⁾
- Ranked **2nd** in Australia for Specialty \$MAT psm ⁽¹⁾



Asset Summary

Location	429-481 George Street, Sydney NSW
Land Title	Leasehold from Council of the City of Sydney; expires in 2083
Completion Year	1898
Gross Lettable Area	14,016 sqm
Car Park	669
Occupancy Rate	91.4%
WALE	2.1 years

Notes:

- (1) Source: Shopping Centre News (SCN) "CBD Guns" published in 2020. MAT refers to moving annual turnover. Specialty refers to tenant occupying under 400m², excluding travel agents, auto accessories and lotto
- (2) As at 25 October 2021

3 The Galleries

Lifestyle and cultural destination for fashion, art and dining

- Ranked **7th** in Australia for Total \$MAT psm ⁽¹⁾
- Ranked **4th** in Australia for Specialty \$MAT psm ⁽¹⁾



Asset Summary

Location	500 George Street, Sydney NSW
Land Title	Freehold Stratum
Completion Year	2000
Gross Lettable Area	14,994 sqm
Car Park	N/A
Occupancy Rate	99.0%
WALE	3.8 years

Notes:

- (1) Source: Shopping Centre News (SCN) "CBD Guns" published in 2020. MAT refers to moving annual turnover. Specialty refers to tenant occupying under 400m², excluding travel agents, auto accessories and lotto
- (2) As at 25 October 2021



Immediately Accretive Transaction

Aggregate Consideration (for 50% Interests) ⁽¹⁾	A\$538.2 M
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Appraised Gross Values by Savills (for 50% Interests)	A\$538.2 M
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Net Passing Income (for 100%)	A\$59.5 M
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Financing	Link's own cash resources and debt facilities
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Impact on Gearing

- **Pro-forma adjusted ratio of debt to total assets ⁽²⁾** **21.4 %**

Notes:

(1) The Aggregate Consideration was agreed between the Vendor and the Purchasers after arm's length commercial negotiation and having taken into account a number of factors including the Appraised Gross Value, quality of the Target Properties and guarantee arrangements to be put in place due to COVID-19 and prevailing market conditions. It will be subject to adjustments upon completion.

(2) Assuming a drawdown of HKD3,312.6M on Link's debt facilities to finance the Acquisition and including the Appraised Gross Values of 50% interests in the Target Properties as if the Acquisition took place on 31 March 2021



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