



Acquisition of Two Institutional Grade Car Park/Car Service Centres and Godown Buildings in Hong Kong

10 November 2021

Property Particulars – Target Properties



	Hung Hom Property	Chai Wan Property	
Location	No. 50 Po Loi Street, Hung Hom	No. 60 Ka Yip Street, Chai Wan	
Land Lease	999 years from 1864	75+75 years from 1981	
Completion	1980	1989	
Gross Floor Area	421,401 sq ft	438,351 sq ft	
Number of Storeys	13 (G-12F)	9 (G-8F)	
Number of Parking Spaces	932 (50% are required to open to public)	45	
Monthly Rent ⁽³⁾	HK\$8.0M	HK\$7.3M (up to June 2022) HK\$7.9M (from July 2022)	

Agreed Property Values HK\$5,820M Expected Completion of Acquisition 31 December 2021 ⁽²⁾

Notes:

- (1) Data as at 22 October 2021
- (2) Subject to regulatory approval
- (3) Upon completion, a sale and re-leasing arrangement would be entered with the existing tenant

(4) The Chai Wan Property is a 9-storey godown building with a GFA of approximately 438,351 sf. which has been repurposed to a 4S full-service building hosting an automotive showroom, car servicing and repair workshops, godowns and ancillary offices. The Hung Hom Property is a 13-storey mixed-use car park building with a GFA of approximately 421,401 sf. which has also been repurposed to a 4S full-service building hosting an automotive showroom, car servicing and repair workshops, as well as a car park with 932 private and public parking spaces

Investment Rationale

Rare assets strategically located in urban areas

• **Purpose-built properties** catered to holistic before-and-after car sales services

Hung Hom Property

- Located in a high-density area surrounded by private residential and commercial buildings within 3-minute walk from Whampoa MTR Station
- Rare sizable public car park with >400 parking spaces

Stable cashflows with regular rental step-up

- Chai Wan Property
 - A waterfront property located on the eastern-end of Hong Kong Island
 - All floors offer panoramic view of Victoria Harbour

 Stable cashflows with annual rental increment of 4%: Secured sale and re-leasing arrangement with an initial fixed term of 5 years and three optional 3-year terms thereafter for each property

Established and reputable tenant from Jardine Matheson Group

Zung Fu Company Limited is the exclusive car dealer of Mercedes-Benz for over 60 years and wholly-owned subsidiary of Jardine Matheson

Benefits from the tight supply of godown and car parking spaces

- Lack of supply in godown space, coupled with reduction in existing stock due to redevelopment and wholesale conversions initiatives
- Growth of private vehicles far exceeding new supply of parking spaces, further exacerbated demand and supply imbalances

Scarce Assets Located in Urban Areas

Hung Hom Chai Wan Hung Hom Kai Fo Welfare Associati 礼御三約伯約福利會 Laguna Verde Block 11 沟选素頁11座 HENG FA CHUEN STATION ing Wah Building 與意大慶 Hung Hom Salvation A Lok Ka House o 晶彩絡轉站 un Tat Commerci Wyllie Memorial Laguna Verde Blo Building 精建前與大廈 Hutchisor Kellet Court Podium Po Yuen Mansio 容證大慶 Park 高麗知平台 **Residential Area** Wuhu Residence 前点店 和黃公園 Fuka Building Laguna 福家大廈 Fortune Build 浅道大夏 Verde owloon Public Mortuary 九塵公思始房 ok Kwai Building 黃埔新初集貫樓 Goldfield Tow 金輝行 Po Kee Buildin 保基大量 Whampoa Estate Redevelopment 0 Kai Wing Building 黄埔寨市初正祭碑 Site 12 Block 1 黄埔花園十二 期銀竹荒1座 Hong Kong nnic Unive 港球工大学 北基権、YIP Tai Wan Internationa ormer Sai Wan Battery 🔁 Funeral Parlou 樂園情報館 **Hung Hom** Shan Park 大環山公園 Fung Yi Court 攀盛大廈風儀袋 Fook Court 中心浅福朝 Hong Kong hic University... 時時工大學 (中心, W座 Tai Wan Shan Property Chai Wan unghom Bay Centre Swimming Poo 大環山游泳池 Island Eastern Hong Kong Institute The Hong Kong 1400P心言樂大廈 Shau Kei Wan Property WHAMPOA STATION echnic Univer 香港球工大學 委安德清講廳 Vocational Corridor CTS Cargo & Logistics Centre 中務資運物途中心 eninsula Block 4 《局意意4座 季港專業教育學院(柴湾) Whampoa Garde 筲箕湾官立中學 9 Site 3 Block 3 黃咸花薫三則單權前3座 Royal Peninsula Block 5 半局素約5座 Whampoa Garder Whampoa 8 Pamela Youde Nethersole Cheong W **⊕**B1 A3e The Hong Kong Chai Wan Road / Siu Sai Wan Road 東區尤德夫人 那打索關院 The Metropolis A2e lytechnic Univer 香港球工大學 育馬會學生宿舍 Starbucks Pebbles Playgroup Metropolis Towe 國際都會都會大廈 ii Court 이 0 Garden o Harbourfro 0 Harbour Place Whampoa Garder 消腐場二座 Site 9 Block 1 義靖花東九副自合苑1座 0 Chai Wan HUNG HOM STATION 0 G 0 k P Harbour Place Block 海濱南岸1座 Hung Hom Industrial Harbourfront eptune Terrace 😡 ۲ **Commercial &** e O D60 C3@ One Harbourfro 海濱廣場一座 Areau Sai Wan ports Ground 小西湾運動場 0 Greenwood Terrace 康翠臺 D1[®] Cheong Wan Rd 0 Chai Wan **Residential Area** D20 0 些中心 A P Eight 0 cial Tower 0 Chai Wan D30 Harbour Plaza Metropolis 都會消洗酒店 Residentia Kerry Cheung Hotel Industrial Kei China Θ Area eaD D50 Life Center Area 紅磡灣 n Wah College G Center Chai Wan 康民1 er 🖸 CHAI WAN STATION 柴湾游泳泡 G Swimming Pool 泳洲

Access to two quality holistic before-and-after car sales services centres that generate stable incomes

Quality Assets with an Established and Reputable Tenant



Purpose-built properties, blue-chip tenant with long lease requirement





Persistently limited supply of car parking spaces accelerated the upward pressure on demand and rents

6

Source: Transport Department



	Hung Hom Property	Chai Wan Property
Agreed Property Values	HK\$3,120M	HK\$2,700M
Valuation by Colliers ⁽¹⁾	HK\$3,119M	HK\$2,962M
Monthly Rent (with 4% annual increment) ⁽²⁾	HK\$8.0M	HK\$7.3M (up to June 2022) HK\$7.9M (from July 2022)
Financing	Link's own cash resources and debt facilities	
Impact on Gearing		77 E 0 /

Pro-forma adjusted ratio of debt to total assets ⁽³⁾

23.6 %

Notes:

- (1) Source: Valuation report dated 22 October 2021
- (2) Upon Completion, a sale and re-leasing arrangement would be entered with the existing tenant

(3) Upon Completion, based on the consolidated financial position of Link as at 30 September 2021 (as disclosed in the 2021/22 Interim Results Announcement), the ratio of debt to total assets of Link would increase from approximately 21.6% (after adjusting for the impact of the interim distribution declared on 10 November 2021, the acquisition of 75% interests in two recently-developed modern logistics assets in Guangdong Province which was completed on 27 October 2021, and the acquisition of 50% interests in the Sydney CBD retail portfolio which was announced on 7 November 2021) to approximately 23.6% (assuming a drawdown of HK\$5,831.7 million on Link's debt facilities to finance the Acquisition and including the value of Link's interest in the Target Companies as if the Acquisition took place on 30 September 2021).

Appendix

4















- This document has been prepared by Link Asset Management Limited in its capacity as the Manager (the "Manager") of Link Real Estate Investment Trust ("Link REIT") solely for use at the presentations/meetings held and may not be reproduced or redistributed without permission. Neither this document nor any copy may be taken or transmitted into or distributed, directly or indirectly, in the United States or to any U.S. person (within the meaning of Regulation S under the United States Securities Act of 1933, as amended). Neither this document nor any copy may be taken or transmitted in Canada or to the resident thereof. The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe any such restrictions. By attending this presentation/meeting, you are deemed to agree to be bound by the foregoing restrictions and represent that you have understood and accepted the terms of this disclaimer. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.
- All information and data are provided for reference only. All opinions expressed herein are based on information available as of the date hereof and are subject to change without notice. The slides forming part of this document have been prepared solely as a support for oral discussion about Link REIT. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or suitability of any information or opinion contained herein. None of Link REIT, the Manager, or any of its directors, officers, employees, agents or advisors shall be in any way responsible for the contents hereof, nor shall they be liable for any loss arising from use of the information contained in this presentation or otherwise arising in connection therewith.
- This document may contain forward-looking statements. The past performance of Link REIT is not necessary indicative of the future performance of Link REIT and that the actual results may differ materially from those set forth in any forward-looking statements herein. Nothing contained in this document is, or shall be relied on, as a promise or forecast as to the future.
- This document does not constitute an offer or invitation to purchase or subscribe for any securities of Link REIT and neither any part of it shall form basis of or be relied upon in connection with any contract, commitment or investment decision whatsoever. No action has been taken or will be taken by Link REIT, the Manager or any of its directors, officers, employees, agents or advisers, to register this document as an offering document or otherwise to permit public distribution of this document.