

# Interim Results Analyst Presentation 2022/2023

9 November 2022



**01**

# **Market Outlook and Mitigations**





# Macroenvironment

*Geopolitics, continued interest rate hikes and inflationary pressures dominate the current landscape*

## Geopolitics



- ❑ Continued economic decoupling between US allies and China
- ❑ Prolonged Ukraine Russia war adds to recessionary risk and polarisation
- ❑ Increased military activities in APAC raises risk of accidental conflicts

## Interest Rates



- ❑ Hikes in rates in response to quantitative tightening and inflation will risk prolonged recession and financial markets volatility
- ❑ US interest rate hikes and quantitative tightening expected to last into 2H2023
- ❑ US Fed has signalled future interest rate hikes may be less steep

## Inflationary Pressures



- ❑ Climate change, war, geopolitics, pandemic continue to create unpredictability in supply chains and exert price pressures
- ❑ Soaring energy cost drives up operating costs
- ❑ Potentially dampened by recession



# Market Outlook

*Markets remain volatile and shrouded with uncertainty*

## Geopolitics



- Post National Congress, focus is to pursue high-quality economic development
- China remains committed to Hong Kong's economic success and major role in GBA
- Hong Kong government has huge reserves to support and jumpstart the economy

## Interest Rates



- Hong Kong has started with progressive reopening and recovering with low unemployment
- China's interest rates remain subdued to support economic growth

## Inflationary Pressures



- Consumption Voucher Scheme & minimum wage increase will support tenants' sales
- Healthy occupancy costs and competitive car park pricing provides pricing headroom
- APAC will grow, supported by free trade agreements and efficient supply chains



# Mitigations

*We have mitigations in place to lessen the impact*

## Geopolitics



- ✓ Continue to explore opportunities for diversifications across APAC and asset classes to increase the resilience of the portfolio
- ✓ Remain at-the-table for attractive acquisition and divestment opportunities

## Interest Rates



- ✓ Keep low gearing, continue to fix 50-70% of our debts
- ✓ Continue DRIS cash retention for funding flexibility
- ✓ Leverage reputable capital partners to achieve synergy and expand together in the APAC

## Inflationary Pressures



- ✓ Non-discretionary retail and logistics focus is a natural hedge against inflation
- ✓ High occupancy and healthy OC supports leasing negotiations
- ✓ Focus on productivity while staying in a holding pattern
- ✓ Enhance operating margin through placemaking and sustainability initiatives

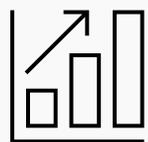
**02**

**Operational Update**



# 1H FY2022/23 Highlights

*A diverse cycle-resilient portfolio solidifies our results*



**HK\$6,042M** ↑ **4.6% YoY**

Revenue



**HK\$4,587M** ↑ **4.5% YoY**

Net Property Income



**HK\$1.5551** ↑ **1.9% YoY<sup>(1)</sup>**

DPU



**HK\$80.86**

NAV per unit

↑ **4.9% vs Mar 22**

- ❑ Steady top-line growth amid economic headwinds
- ❑ New contribution from Australian retail and office properties
- ❑ DPU growth dampened by rising financing cost and absence of discretionary distribution of HK7 cents



Notes:

(1) Excludes discretionary distribution of HK7.00 cents/unit in 1H FY2021/2022.

(2) All figures for the period ended or as at 30 September 2022.

# Hong Kong Retail

*Non-discretionary commercial enjoying strong footfall and high occupancy*



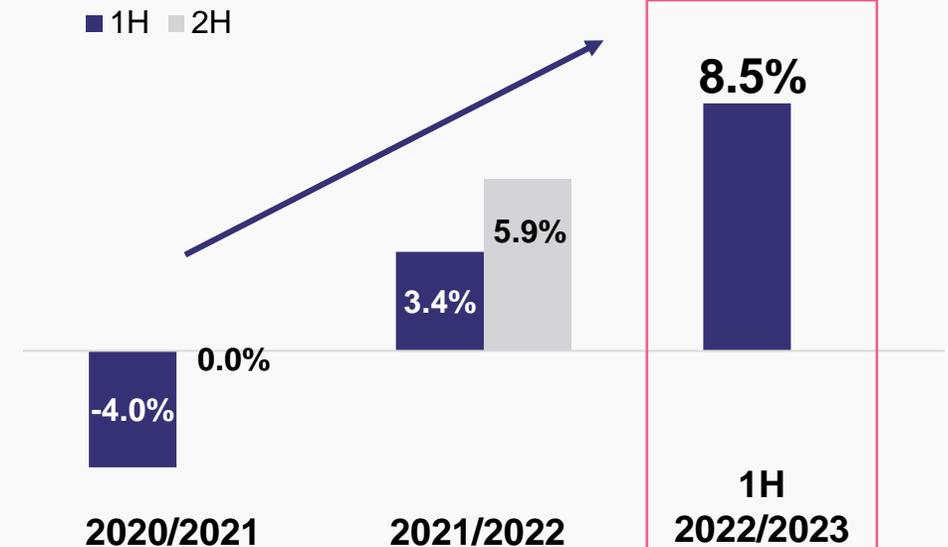
**97.5%**  
Occupancy



**HK\$63.2**  
Average unit rent psf



## Strong Momentum on Reversion<sup>(1)</sup>



- Continues to deliver positive reversion
- Rental collection rate remains strong
- Occupancy rate was close to record high

Notes:

(1) Reversion rate were calculated based on base rent (excluding management fee).

(2) All figures for the period ended or as at 30 September 2022 unless stated otherwise.

# Hong Kong Retail Leasing

*Chain stores migrate from traditional shopping districts into our community commercial properties*



**>400 New Leases** Signed in 1H FY 2022/23



- ❑ Active asset management to evolve the trade mix and bring in new tenants
- ❑ Brand mix balance local and regional offerings which bring pleasant customer experiences
- ❑ Our steady catchment provides more predictable demand



# Hong Kong Retail Sales

Tenant sales growth continues to outperform the market



**3.8%**

Tenant sales growth benefits from better sentiment



**12.6%**

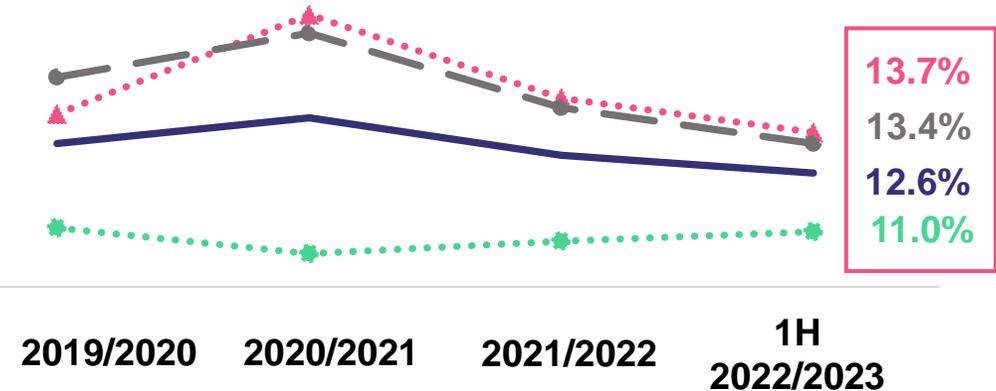
Occupancy cost remains healthy

## Tenant Sales Growth <sup>(1)</sup>

1H 2022/23	Link	Hong Kong
Food & beverage	0.4%	-3.5%
Supermarket & foodstuff	4.1%	-0.1%
General retail <sup>(2)</sup>	7.2%	2.8%
<b>Overall</b>	<b>3.8%</b>	<b>0.8%</b>

## Occupancy Cost <sup>(3)</sup>

●▲● Food & beverage      ●◆● Supermarket & foodstuff  
●—● General retail <sup>(2)</sup>      — Overall



Notes:

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

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

(3) A ratio of base rent (excluding management fee) to tenant retail gross sales per square foot.

# Hong Kong Asset Enhancement

*Revitalise assets to enhance productivity and resilience*

Projects Completed	Capital Expenditure	ROI
Lok Fu Market	\$35M	23.7%
Tai Yuen Market	\$27M	21.8%
Tak Tin Market	\$74M	9.3%
Projects Underway	Capital Expenditure	Target Completion Date
Fung Tak	\$26M	Early 2023
Tung Tau Market	\$27M	Mid 2023
Kai Tin	\$131M	Late 2023
Butterfly	\$26M	Early 2024
Sau Mau Ping	\$58M	Early 2024



**>HK\$590M**

Estimated capital expenditure for the projects under planning and statutory approval



Note:

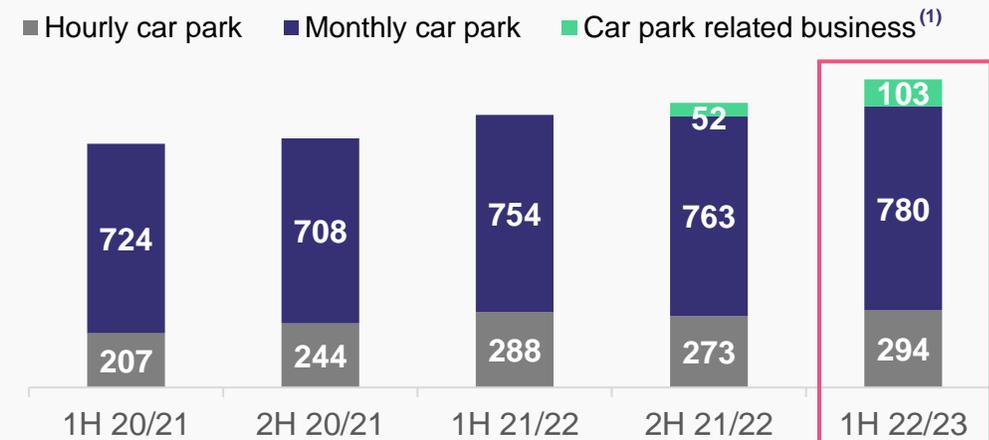
(1) Estimated return on investment ("ROI") is calculated based on projected annualised net property income post-project minus net property income pre-project divided by estimated project capital expenditures and loss of rental.

# Hong Kong Car Park and Related Business

*Steady organic growth supplemented by new contributions*



## Continuous improvement in parking rental income



- **Upward adjustment in the monthly car park tariff effective from August 2022**
- **Hourly car park rental revenue has surpassed the pre-COVID levels**
- **Two car park/car service centres and godown buildings provide new and steadily increasing income**

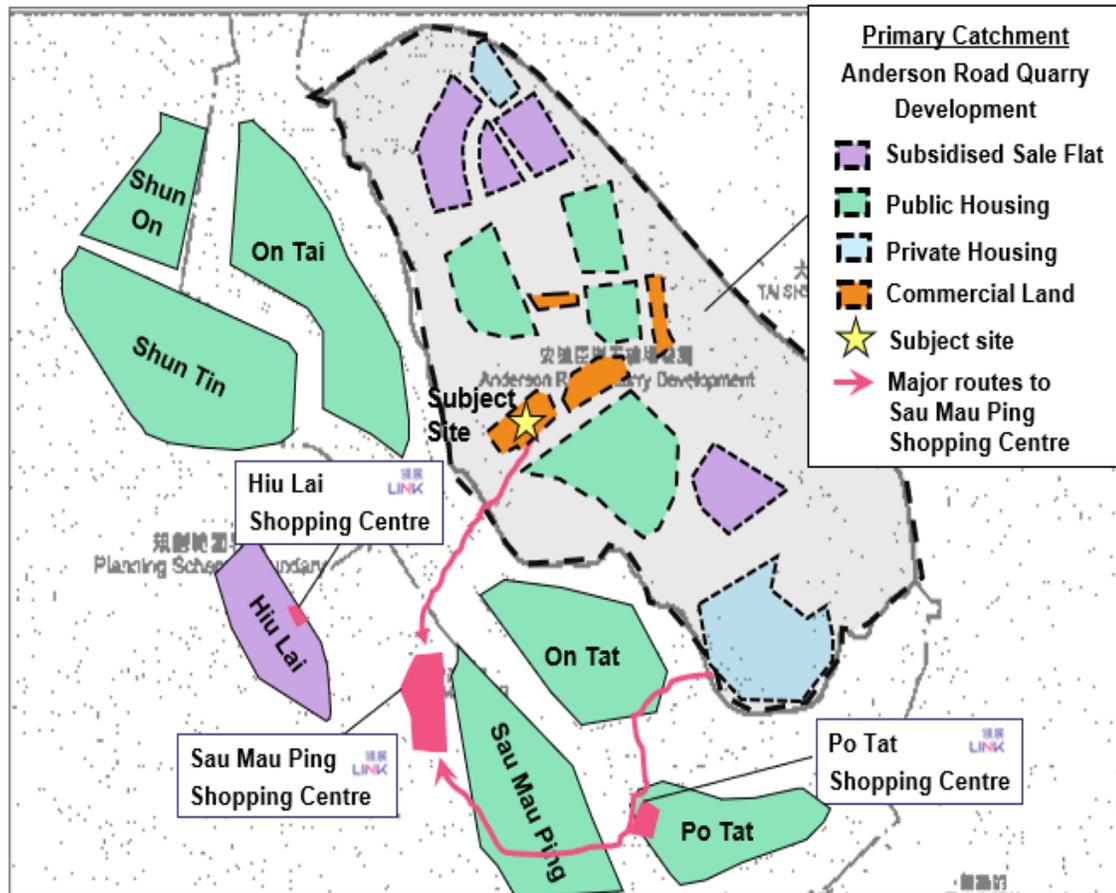
Notes:

(1) Refers to contributions from two car park/car service centres and godown buildings in Hung Hom and Chai Wan.

(2) All figures for the period ended or as at 30 September 2022 unless stated otherwise.

# Hong Kong Property Development – Anderson Road

Community commercial property to deliver new sustainable growth



**12,936sqm**  
Max. GFA



**~HK\$1.6B**

(comprise land premium of HK\$766M)

**Total Development Cost**

- Synergy with our existing portfolio <sup>(1)</sup>
- Attractive standalone commercial land with potential to be developed as a community commercial facility <sup>(2)</sup>
- Acquired at ~8.8% discount to the Appraised Value
- Target Completion: 2027 <sup>(3)</sup>

Notes:

(1) Including Sau Mau Ping Shopping Centre, Po Tat Shopping Centre and Hiu Lai Shopping Centre.

(2) Community facility with convenient retail, F&B, a fresh market and car park.

(3) The land grant requires completion by 30 June 2028.

# Mainland China Retail

*Facing headwinds due to COVID prevention measures*



**8.4%**

Reversion <sup>(1, 2)</sup>



**92.1%**<sup>(1)</sup>

Occupancy



**-0.2%**

Revenue growth YoY



- ❑ **Swiftly adjusted leasing and marketing strategies** to boost sales and attract footfall:
  - Offered flexible arrangements to maintain occupancy rate
  - Introduced new and trend-setting tenants
  - Formed strategic partnerships with local brands
  - Organised marketing and social media campaigns or events
- ❑ **Granted RMB24 million** rental concessions and property management fee wavier

Notes:

(1) The average occupancy and reversion rate including Qibao Vanke Plaza in Shanghai, our Qualified Minority-owned Property.

(2) Reversion rate was calculated based on base rent (excluding management fee).

(3) All figures for the period ended or as at 30 September 2022.

# Asset Enhancement Update

*Enhance attractiveness and unlock the value of the asset*

## Retail – Happy Valley Shopping Mall (Phase 1)



**Sep 2022**  
Commenced



**~RMB200M**  
CAPEX



Rendering of Happy Valley Shopping Mall

- ❑ **Repartition and revamp** the vacated department store as a **community hub** for young families, white-collar workers and hipsters
- ❑ **Evolve trade mix** on F&B, kids, entertainment and general retail to **refresh the mall image**
- ❑ **Improve the vertical circulation, visibility, and connectivity** among all floors

Note:

(1) All figures for the period ended or as at 30 September 2022.

## Office – Link Square



Upgraded amenities at Link Square

- ❑ **Healthy occupancy of 96.0%** attributed to successful lease renewal with our anchor tenant
- ❑ **Ensure our asset remains competitive** with its 1<sup>st</sup> phase of AE completed and target to complete the 2<sup>nd</sup> phase by end of 2022

# Mainland China Logistics

*Located at proven transportation hubs to offer steady rental growth and good return*



**100%**  
Occupancy



**2.1 years**  
WALE

- ❑ **Strong leasing demand with 4%-5% annual rental escalations embedded**
- ❑ **Completed the acquisition of Jiaxing property on 29 June 2022**
- ❑ **Expect the logistics sector to remain robust with supply constraints**

Note:

(1) All figures for the period ended or as at 30 September 2022.

# Australia Retail

*Occupied by leading local and international tenants*



**95.9%** <sup>(1)</sup>  
Occupancy

- ❑ **Started contributing from July 2022**
- ❑ **Healthy footfall and tenant demand** supported by strong economic fundamentals
- ❑ Retail sales in overall Australian market in September recorded an increase of 26.3% compared with pre-COVID in February 2020 <sup>(2)</sup>
- ❑ **Doubling our leasing efforts** to cater for new, post-pandemic trends and expectations and **tap into the economic recovery**



Notes:

(1) Without taking into account the in-place guarantee arrangements, all figures for the period ended or as at 30 September 2022.

(2) Source: Australian Bureau of Statistics. Please refer to appendix 3 for details.

# Overseas Offices

*Prime office portfolio with long WALE and excellent building specifications*

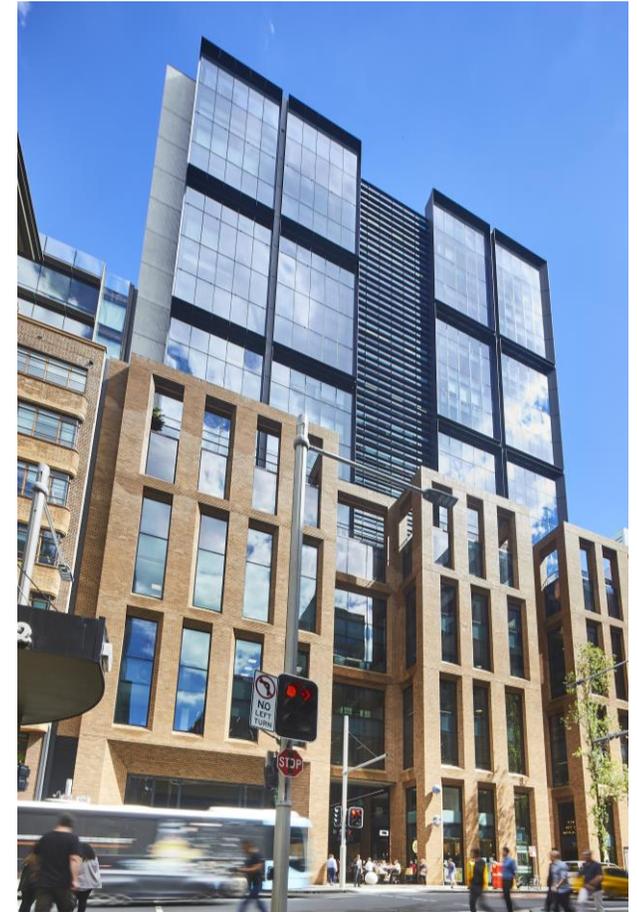


**91.8%**<sup>(1)</sup>  
Occupancy



**6.1 years**  
Overall WALE

- ❑ **Completed acquisition** of the prime office portfolio in Australia in **June 2022**
- ❑ **Back-to-office rates** in Australia and UK gradually recover
- ❑ **“Flight-to-quality”** trend to benefit our assets



## Notes:

(1) Including a joint venture in a prime office portfolio in Sydney and Melbourne.

(2) All figures for the period ended or as at 30 September 2022.



# Capital Management

*Well-staggered maturity*

## Key Debt Metrics



**22.7%**<sup>(1)</sup>  
Gearing ratio

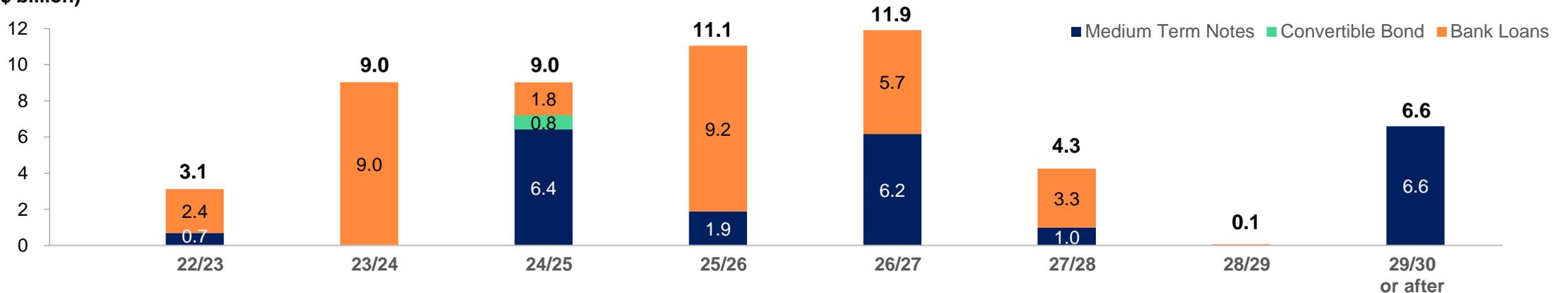
**HK\$15.3B**<sup>(2)</sup>  
Available liquidity

**3.4 years**  
Average debt  
maturity

**2.5%**  
Average borrowing  
costs

## Maturity Profile

(HK\$ billion)<sup>(3)</sup>



Notes:

- (1) After adjusting for the impact of completion of the acquisition of remaining two logistics assets in Mainland China announced on 12 May 2022, the interim distribution declared and assume completion of construction of the Anderson Road Development were to take place on 30 September 2022, the gearing ratio of Link as at 30 September 2022 will increase to 24.5%.
- (2) HK\$13.2 billion undrawn committed facilities and HK\$2.1 billion cash and bank balances as at 30 September 2022.
- (3) Based on total debt with face value of HK\$55.1B as at 30 September 2022.

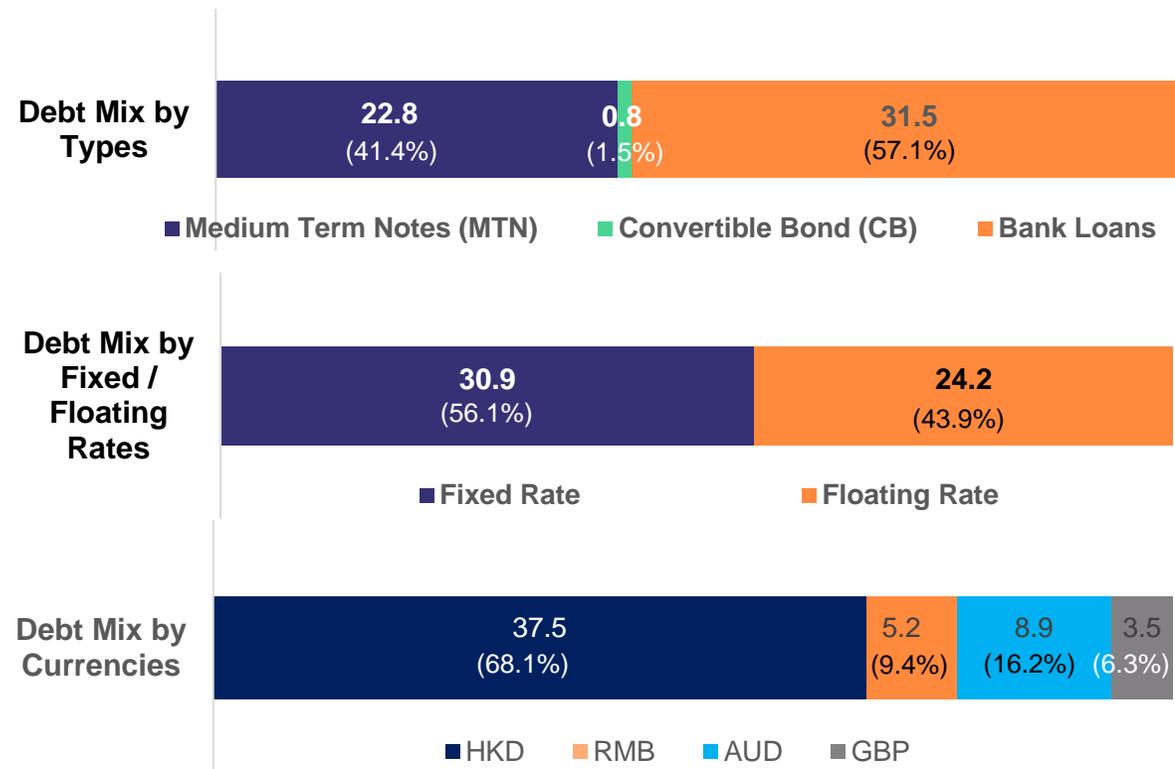


# Capital Management

Prudently maintain healthy balance sheet and strong credit ratings amid rate hike environment

## Debt Profile Breakdown

(Face Value as at 30 September 2022)



## Credit Rating



**A/Stable**  
S&P

**A2/Stable**  
Moody's

**A/Stable**  
Fitch

## Capital Return to Investors



**HK\$408.1M**<sup>(1)</sup>

Worth of units were bought between 1 April to 7 October 2022

- Fixed-rate debt ratio in the **range of 50%-70%**
- Overseas assets<sup>(2)</sup> are principally **fully hedged** and **all non-HKD incomes are hedged annually**

### Notes:

(1) Including transaction costs.

(2) Refers to Australia and United Kingdom portfolios.

(3) All figures for the period ended or as at 30 September 2022 unless stated otherwise.

# Valuation

*Backed by portfolio resilience*

HK\$'M	As at 30 Sep 2022	As at 31 Mar 2022	As at 30 Sep 2022	As at 31 Mar 2022
<b>Hong Kong</b>				
Retail properties	129,954	122,878	3.10% – 4.50%	3.10% – 4.50%
Car parks and related business	45,358	40,102	2.60% – 4.80%	2.90% – 5.30%
Office property	8,802 <sup>(1)</sup>	8,860 <sup>(1)</sup>	3.00%	3.00%
<b>Mainland China</b>				
Retail properties	26,837 <sup>(2)</sup>	29,936 <sup>(2)</sup>	4.25% – 4.75%	4.25% – 4.75%
Office property	6,076	6,782	4.25%	4.25%
Logistic properties	2,285	1,715	4.70% - 5.00%	5.00%
<b>Overseas</b>				
Australia retail	2,770	-	4.80% - 5.21%	N/A
Australia office	9,367 <sup>(3)</sup>	4,112	4.40% - 4.56%	4.40%
United Kingdom office	3,160 <sup>(4)</sup>	3,862	5.41%	5.19%
<b>Total valuation</b>	<b>234,609</b>	<b>218,247</b>		
<b>Valuation of investment properties</b>	<b>223,485<sup>(5)</sup></b>	<b>212,761<sup>(5)</sup></b>		

Notes:

(1) The amount represents the office portion only of The Quayside.

(2) The amount includes 50% value of Qibao Vanke Plaza.

(3) The amount includes 49.9% value of the prime office portfolio in Sydney and Melbourne.

(4) The amount includes two floors of The Cabot occupied by Link in FY22/23.

(5) The amount excludes two floors of The Quayside & two floors of The Cabot occupied by Link, classified as property, plant and equipment, the 50% value of Qibao Vanke Plaza and the 49.9% value of the prime office portfolio in Sydney and Melbourne.



↑ **5.0%**

Total value of investment properties

- Due to fair value gains of HK\$10,853M and completion of announced acquisitions of HK\$3,818M, partly offset by HK\$4,815 million of foreign currency depreciation.

**03**

**Strategy Update**

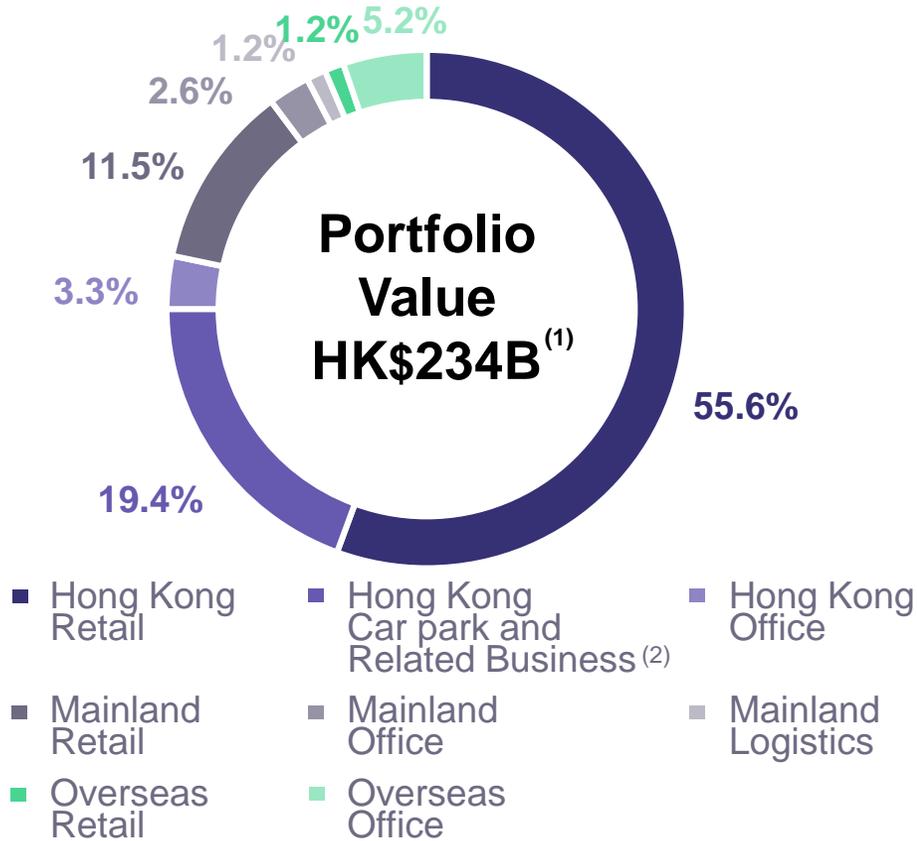




# Link Today

Hong Kong remains as our core

## 152 assets across sectors and geographies



**78.3%**  
Hong Kong

**15.3%**  
Mainland

**6.4%**  
Overseas



Notes:

(1) As at 30 September 2022, the total valuation of investment properties, plus 50% value of Qibao Vanke Plaza, 49.9% value in the prime office portfolio in Sydney and Melbourne, and the agreed property value in Mainland China logistics assets in Changshu which was announced on 12 May 2022, on a pro-forma basis.

(2) Including two institutional grade car park/car service centres and godown buildings in Hong Kong.

# Strengthening and Diversifying Portfolio with Prime Assets

*Acquisitions completed in 1H 2022/23*



- ❑ Strengthened and diversified portfolio with prime quality assets
- ❑ Delivered new income streams to our unitholders
- ❑ Australian assets and incomes are fully hedged
- ❑ Continue to explore development opportunities in Hong Kong

## Australia



## Mainland China



## Hong Kong





# Portfolio Diversification and Growth

*Focus on APAC; Patient and Selective*

## Stay Disciplined, yet Opportunistic



- ❑ **Hong Kong:** maintain our strong position, with upside from recovery
- ❑ **Mainland China:** longer-term outlook remains promising, coupled with low funding costs
- ❑ **Australia and Singapore:** sound economic fundamentals with deals being repriced amid rate hikes

## Diversification Outcome



- ✓ **Reduce geographical concentration risks**
- ✓ **Maintain cash flow resilience to buffer against volatility**
- ✓ **Achieve sustainable growth**



# Portfolio Diversification and Growth

*Embrace growth through capital partnerships*



## What are capital partnerships?

- ❑ **Blended use of our balance sheet and external capital**
- ❑ **Encompasses both existing portfolio and new acquisitions**
- ❑ **Hybrid of direct management and operating partnerships**



## Benefits

- ✓ **Supports profitability** through fee income streams
- ✓ **New operating models**, markets, sectors
- ✓ **Capitalises on our sector expertise**, track record and operating efficiency
- ✓ **Enhances growth pipeline**

# Visionary Creativity

*Pioneer in sustainability front among Asia real estate industry*



**21**

sites installed with electric vehicle charging stations



**~5%**

Green leases across Hong Kong and Mainland China portfolios



**HK\$18M**

Committed for Link Together Initiatives



**3-5%**

Energy savings by employing predictive data analysis with AI at 4 pilot sites



Retained “Green Star” rating for 11th consecutive year



MSCI ESG Ratings: A

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

Included in Dow Jones Sustainability Asia Pacific Index since 2013

Note: .

(1) All figures for the year ended or as at 30 September 2022.

# Culture of Excellence

*Strengthen our core competencies and teamwork*

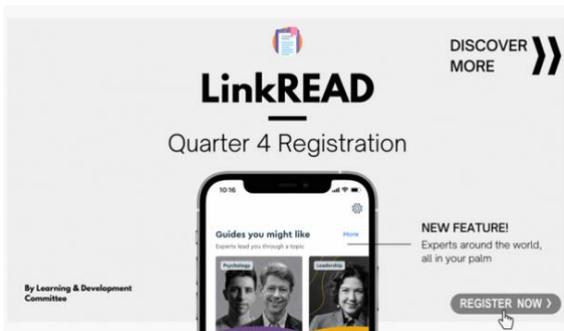


**1,168**  
No. of permanent staff



**17,760**  
Staff training hours

- ❑ **Solidify management bandwidth** with new hires
- ❑ **Tailor-made learning programme** to the newly-promoted Linkers
- ❑ **Formed staff-led sports clubs, a family club and a volunteer committee**



Note: .

(1) All figures as at 30 September 2022.



# Distribution Calendar

<b>Distribution period</b>	<b>April 2022 – September 2022</b>
<b>Last day of trading on a “cum” basis</b>	<b>18 November 2022</b>
<b>Ex-distribution date</b>	<b>21 November 2022</b>
<b>Distribution book close</b>	<b>23 November – 24 November 2022 (inclusive)</b>
<b>Record date for entitlement to distribution</b>	<b>24 November 2022</b>
<b>Ten trading days to determine issue price for scrip in lieu of final cash distribution</b>	<b>25 November – 8 December 2022 (both days inclusive)</b>
<b>Final date for scrip election</b>	<b>16 December 2022 (no later than 4:30 pm)</b>
<b>Payment of distribution</b>	<b>30 December 2022</b>

**04**

**Appendix**



# Appendix 1

## Why invest in Link REIT



**Only internally-managed REIT in Asia**



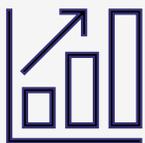
**100% free float held by institutions and private investors**



**Quality assets diversified across regions**



**Heavily exposed to resilient non-discretionary community commercials (including fresh markets) and car parks**

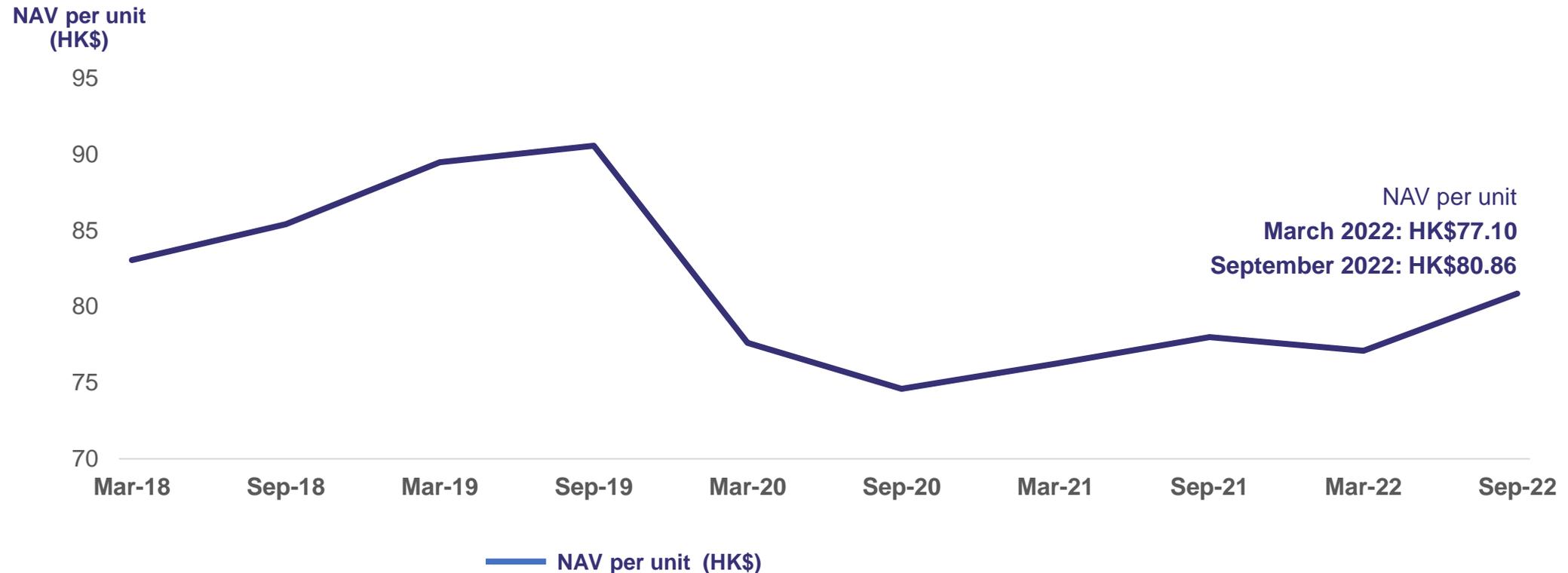


**Track record of active asset management and sustained DPU growth throughout economic cycles**



## Appendix 2

### Net asset value per unit



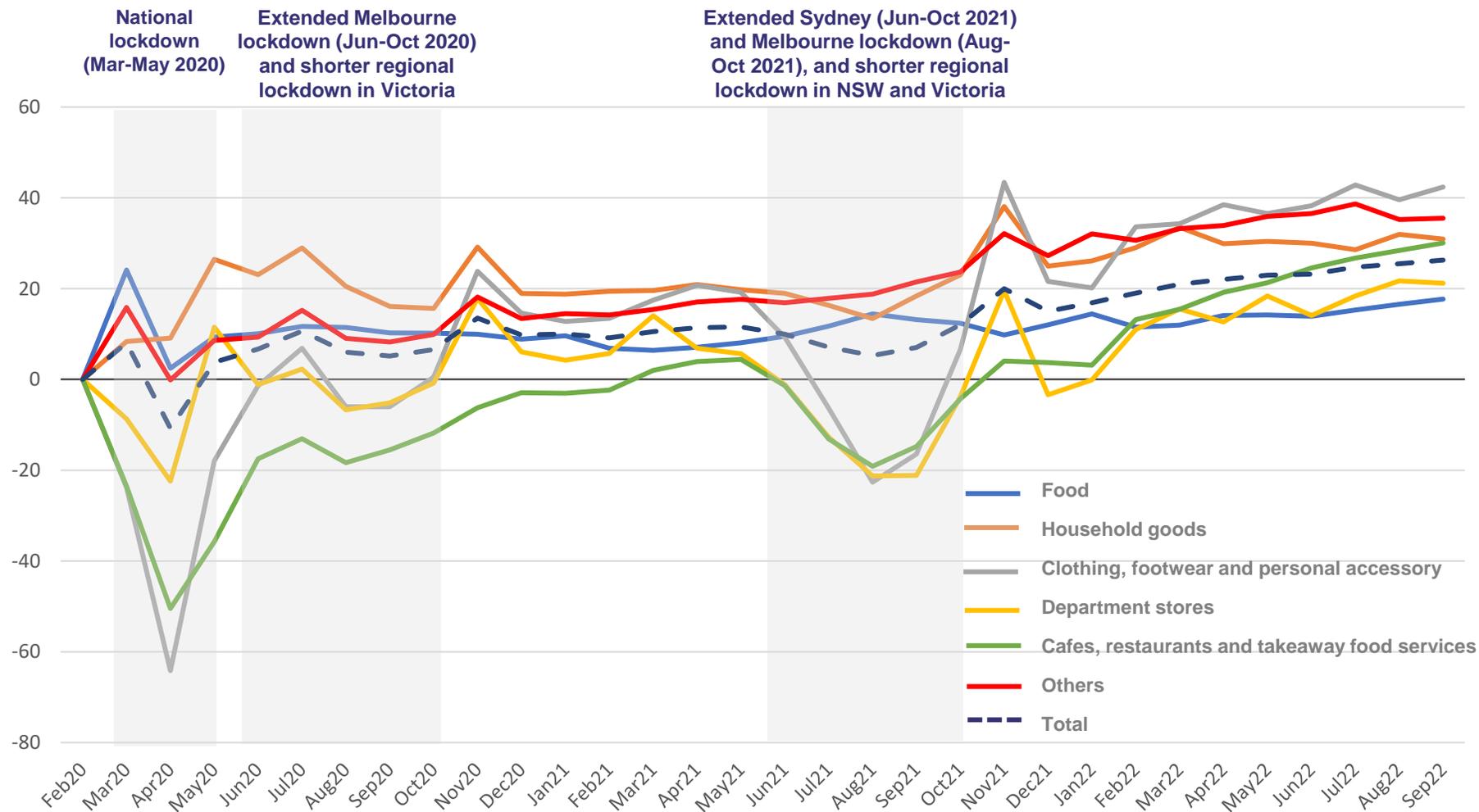
**NAV per unit dropped from HK\$90.58 when the weighted average capitalisation rate<sup>(1)</sup> is adjusted up in 2019 during the social event**

Note:

(1) Blended weighted average capitalisation rate Hong Kong retail and car park.

# Appendix 3

Australia retail sales far exceed pre-covid level



## Total retail sales



↑ **0.6%**  
vs August 2022

↑ **17.9%**  
YoY

↑ **26.3%**  
Compare with pre-COVID  
(February 2020)



# Appendix 4

## ESG achievements

Scheme	Participation Since	Performance
 <p>G R E S B ★ ★ ★ ☆ ☆ 2021</p>	2012	Score: 79/100 <b>Rank: #6 in East Asia</b>
 <p>MEMBER OF <b>Dow Jones Sustainability Indices</b> In collaboration with </p>	2013	Renewed index membership Score: 71 <b>Percentile score: 97</b>
 <p>MSCI ESG RATINGS A</p>	2015	<b>Rating: A</b> Industry Adjusted Score: 5.6
 <p><b>SUSTAINALYTICS</b> a Morningstar company</p>	2017	<b>Classified as “Low Risk”<sup>1</sup></b> ESG Risk Rating <sup>2</sup> : 10.5/100
 <p>Hang Seng Corporate Sustainability Index Series Member 2022-2023</p>	2015	Renewed index membership Score: 74.7/100 <b>Rating: AA</b>
 <p>FTSE4Good</p>	2013	Renewed index membership ESG Rating Score: 3.8/5 <b>Percentile Rank: 91</b>
 <p><b>S&amp;P Global</b> Ratings</p>	2020	ESG Evaluation Score: 73/100

Notes:

- (1) A low ESG Risk Rating in Sustainalytics refers to a low exposure to ESG risk.
- (2) Sustainalytics' scoring methodology changed since 2020.

# Appendix 5

## Key financial data

	Six months ended 30 Sep 2022 HK\$'M	Six months ended 30 Sep 2021 HK\$'M	YoY %	Percentage contribution six months ended 30 Sep 2022 %
<b>Consolidated</b>				
Revenue	6,042	5,778	+4.6	-
Net property income	4,587	4,391	+4.5	-
<b>Rentals</b>				
Hong Kong retail properties and offices	3,241	3,218	+0.7	53.6
Hong Kong car parks and related business	1,177	1,042	+13.0	19.5
Mainland China retail properties, office and logistics	644	646	-0.3	10.7
Overseas retail properties and offices	195	181	+7.7	3.2
<b>Other revenue</b> <sup>(1)</sup>	785	691	+13.6	13.0
<b>Total revenue</b>	6,042	5,778	+4.6	100.0
<b>Total property operating expenses</b>	1,455	1,387	+4.9	-

Note:

(1) Other revenue includes management fees, air conditioning service fees, promotion levies and miscellaneous revenue.

# Appendix 6

## Property operating expenses analysis

	Six months ended 30 Sep 2022 (HK\$'M)	Six months ended 30 Sep 2021 (HK\$'M)	YoY (%)	Percentage contribution Six months ended 30 Sep 2022 (%)
Property managers' fees, security and cleaning	349	340	+2.6	24.0
Staff costs	282	271	+4.1	19.4
Repair and maintenance	106	126	-15.9	7.3
Utilities	205	189	+8.5	14.1
Government rent and rates	141	152	-7.2	9.7
Promotion and marketing expenses	95	90	+5.6	6.5
Estate common area costs	56	51	+9.8	3.8
Real estate taxes and land use taxes	64	57	+12.3	4.4
Other property operating expenses	157	111	+41.4	10.8
<b>Total property expenses <sup>(1)</sup></b>	<b>1,455</b>	<b>1,387</b>	<b>+4.9</b>	<b>100.0</b>

Note:

(1) Net property income margin remained at 76.0% (six months end 30 September 2021: 76.0%).

# Appendix 7

## Financials – income statement summary

	Six months ended 30 Sep 2022 HK\$'M	Six months ended 30 Sep 2021 HK\$'M	YoY %
Revenue	6,042	5,778	+4.6
Property operating expenses	(1,455)	(1,387)	+4.9
Net property income	4,587	4,391	+4.5
General and administrative expenses	(328)	(237)	+38.4
Interest income	37	52	-28.8
Finance costs	(604)	(477)	+26.6
Profit before taxation, change in fair values of investment properties, loss on disposals of financial assets at amortised cost, share of net profits of joint ventures and transactions with Unitholders	3,692	3,729	-1.0
Change in fair values of investment properties	10,853	3,065	+254.1
Loss on disposals of financial assets at amortised cost	-	(9)	-100.0
Share of net profits of joint ventures	160	274	-41.6
Taxation	(688)	(717)	-4.0
Non-controlling interest	(24)	(54)	-55.6
<b>Profit for the period, before transactions with Unitholders attributable to Unitholders</b>	<b>13,993</b>	<b>6,288</b>	<b>+122.5</b>

# Appendix 8

## Financials – distribution statement summary

	Six months ended 30 Sep 2022 HK\$'M	Six months ended 30 Sep 2021 HK\$'M	YoY %
Profit for the period, before transactions with Unitholders attributable to Unitholders	13,993	6,288	+122.5
Change in fair values of investment properties attributable to Unitholders	(10,879)	(3,282)	+231.5
Deferred taxation on change in fair values of investment properties attributable to Unitholders	84	152	-44.7
Change in fair values of derivative component of convertible bonds	-	(26)	-100.0
Change in fair values of financial instruments	(70)	(13)	+438.5
Depreciation and amortisation of real estate and related assets	30	26	+15.4
Loss on disposals of financial assets at amortised cost	-	9	-100.0
Other non-cash loss	119	36	+230.6
Discretionary distribution	-	146	-100.0
<b>Total distributable amount</b>	<b>3,277</b>	<b>3,336</b>	<b>-1.8</b>
<b>Distribution per unit (HK cents)</b>	<b>155.51</b>	<b>159.59</b>	<b>-2.6</b>

# Appendix 9

## Financials – financial position & investment properties

### Financial Position Summary

HK\$'M	As at 30 Sep 2022	As at 31 Mar 2022	As at 30 Sep 2021
Total assets	238,691	225,716	217,895
Total liabilities	67,833	62,726	54,828
Non-controlling interest	289	302	27
<b>Net assets attributable to Unitholders</b>	<b>170,569</b>	<b>162,688</b>	<b>163,040</b>
Units in Issue (M)	2,109.4	2,110.2	2,090.6
<b>Net asset value Per Unit (HK\$)</b>	<b>80.86</b>	<b>77.10</b>	<b>77.99</b>

### Movement of Investment Properties

HK\$'M	As at 30 Sep 2022	As at 31 Mar 2022	As at 30 Sep 2021
At beginning of period / year	212,761	199,074	199,074
Acquisition	3,818	11,348	3,860
Exchange adjustments	(4,815)	1,054	178
Additions	1,155	859	374
Change in fair values of investment properties	10,853	426	3,065
Transfer to property, plant and equipment	(287)	-	-
At end of period / year	223,485	212,761	206,551

# Appendix 10

## Financials – capital management

Committed Debt Facilities	HK\$ B		%	
	Sep-22	Mar-22	Sep-22	Mar-22
HK\$ Bank loans	15.7	11.3	28.4	22.5
RMB Bank loans	3.4	3.6	6.2	7.2
AUD Bank loans	8.9	4.0	16.2	8.0
GBP Bank loans	3.5	3.8	6.3	7.5
HK\$ Medium Term Notes	21.0	21.5	38.1	42.8
RMB Medium Term Notes	1.8	2.0	3.3	4.0
Convertible Bonds	0.8	4.0	1.5	8.0
<b>Total debt</b>	<b>55.1</b>	<b>50.2</b>	<b>100.0</b>	<b>100.0</b>
Cash	2.1	2.9	13.7	11.4
Undrawn facilities	13.2	22.6	86.3	88.6
<b>Total liquidity</b>	<b>15.3</b>	<b>25.5</b>	<b>100.0</b>	<b>100.0</b>

### Key Credit Metrics by Rating Agencies

	As at 30 Sep 2022 <sup>(1)</sup>	As at 31 Mar 2022	S&P requirement (A / Stable)	Moody's requirement (A2 / Stable)	Fitch requirement (A / Stable)
Net debt / IP	23.2%	21.9%	N/A	N/A	< 30%
Debt / Debt + Equity	23.3%	22.0%	<30%	N/A	N/A
EBITDA interest coverage	6.5x	8.3x	N/A	> 3.0x – 3.5x	> 3.5x
Net debt / EBITDA (annualised)	6.0x	5.0x	<6.0x	<7.0x	N/A

Note:

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

# Appendix 11

## Hong Kong portfolio – retail revenue analysis

	Six months ended 30 Sep 2022 (HK\$'M)	Six months ended 30 Sep 2021 (HK\$'M)	YoY %	Percentage contribution Six months ended 30 Sep 2022 %
<b>Retail rentals:</b>				
Shops <sup>(1)</sup>	2,460	2,457	+0.1	67.5
Markets / cooked food stalls	502	486	+3.3	13.8
Education / welfare and ancillary	73	71	+2.8	2.0
Mall merchandising	90	107	-15.9	2.5
<b>Expenses recovery and other miscellaneous revenue <sup>(2)</sup></b>	<b>520</b>	<b>480</b>	<b>+8.3</b>	<b>14.2</b>
<b>Total</b>	<b>3,645</b>	<b>3,601</b>	<b>+1.2</b>	<b>100.0</b>

Notes:

(1) Rental from shops included base rent of HK\$2,418 million (six months ended 30 September 2021: HK\$2,419 million) and turnover rent of HK\$42 million (six months ended 30 September 2021: HK\$38 million).

(2) Other miscellaneous revenue includes management fee, air conditioning service fee, promotion levies and miscellaneous revenue.

# Appendix 12

## Hong Kong portfolio – car park and related business revenue analysis

	Six months ended 30 Sep 2022 (HK\$'M)	Six months ended 30 Sep 2021 (HK\$'M)	YoY %	Percentage contribution Six months ended 30 Sep 2022 %
<b>Rental income:</b>				
Monthly car park	780	754	+3.4	66.1
Hourly car park	294	288	+2.1	24.9
Car park related business <sup>(1)</sup>	103	-	N/A	8.7
<b>Expenses recovery and other miscellaneous revenue</b>	<b>3</b>	<b>5</b>	<b>-40.0</b>	<b>0.3</b>
<b>Total car park and related business revenue</b>	<b>1,180</b>	<b>1,047</b>	<b>+12.7</b>	<b>100.0</b>

Note:

(1) Refers to contributions from two institutional grade car park/car service centres and godown buildings in Hung Hom and Chai Wan.

# Appendix 13

## Hong Kong portfolio – retail portfolio data

	No. of properties	Total area ('000 sq. ft.)	Retail properties Valuation <sup>(2)</sup> (HK\$'M)	Retail rentals (HK\$'M)	Average monthly unit rent <sup>(1)</sup> (HK\$ psf)		Occupancy rate (%)	
	As at 30 Sep 2022	As at 30 Sep 2022	As at 30 Sep 2022	Six months ended 30 Sep 2022	As at 30 Sep 2022	As at 31 Mar 2022	As at 30 Sep 2022	As at 31 Mar 2022
Destination	6	1,294	27,718	612	77.1	76.5	97.4	97.7
Community	35	4,058	71,065	1,769	70.6	69.7	97.7	98.2
Neighbourhood	57	2,716	30,405	744	45.5	45.5	97.3	97.1
Overall	98	8,068	129,188	3,125	63.2	62.7	97.5	97.7

Notes :

(1) Average monthly unit rent represents the average base rent (exclude management fee) per month psf of leased area.

(2) Excluding commercial-use land located at Anderson Road of HK\$766 million.

# Appendix 14

## Hong Kong portfolio – retail and car park and related business portfolio data

	As at 30 Sep 2022	As at 31 Mar 2022	Change
<b>Average monthly unit rent (psf pm)<sup>(1)</sup></b>			
■ Shops	61.4	HK\$61.2	+0.3%
■ Overall (ex self use office)	63.2	HK\$62.7	+0.8%
<b>Occupancy rate</b>			
■ Shops	97.7%	98.1%	-0.4%
■ Markets/cooked food stalls	96.2%	95.2%	+1.0%
■ Education/welfare and ancillary	97.1%	97.0%	+0.1%
■ Overall	97.5%	97.7%	-0.2%
	<b>Six months end 30 Sep 2022</b>	<b>Six months end 30 Sep 2021</b>	<b>YoY Change</b>
<b>Composite reversion rate<sup>(1)</sup></b>			
■ Shops	+6.8%	+2.3%	+4.5%
■ Markets/cooked food stalls	+16.3%	+14.2%	+2.1%
■ Education/welfare and ancillary	+1.1%	+4.3%	-3.2%
■ Overall	+8.5%	+3.4%	+5.1%
<b>Net property income margin</b>	77.5%	76.6%	+0.7%
<b>Car park income per space per month</b>	HK\$3,167	HK\$ 3,073	+3.1%

Note :

(1) Average monthly unit rent and composite reversion rate was calculated based on base rent (excluding management fee).

# Appendix 15

## Hong Kong portfolio – retail lease expiry profile

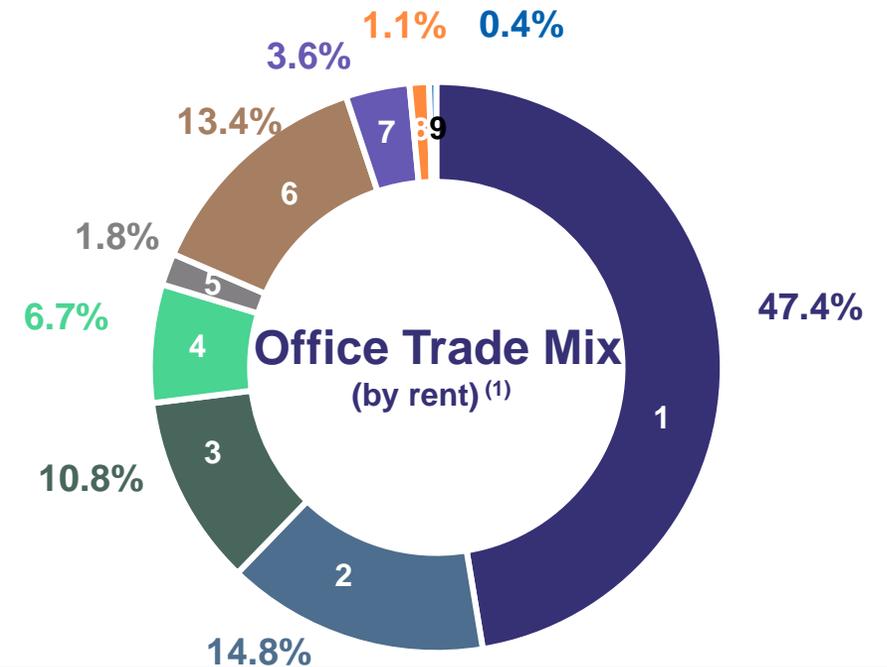
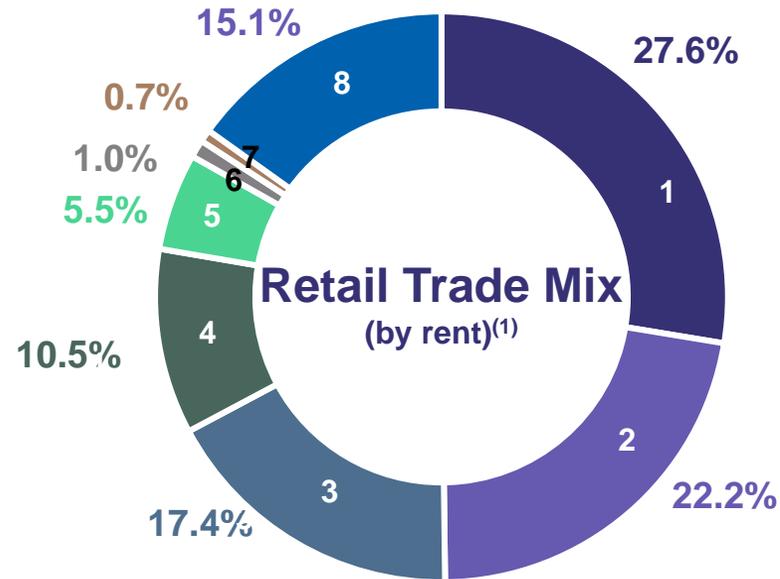
<b>As at 30 September 2022</b>	<b>As % of total area %</b>	<b>As % of monthly rent<sup>(1)</sup> %</b>
FY22/23	<b>15.7</b>	<b>17.2</b>
FY23/24	<b>28.3</b>	<b>30.6</b>
FY24/25	<b>29.6</b>	<b>28.2</b>
FY25/26 and beyond	<b>19.0</b>	<b>18.2</b>
Short-term lease and vacancy	<b>7.4</b>	<b>5.8</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Note :

(1) Refers to base rent (excluding management fee).

# Appendix 16

## Hong Kong portfolio – trade mix



Retail	Sep-22	Mar-22
1. Food and beverage	27.6%	27.9%
2. Supermarket and foodstuff	22.2%	22.1%
3. Markets/ cooked food stalls	17.4%	16.8%
4. Services	10.5%	10.7%
5. Personal care/ medicine	5.5%	5.4%
6. Education/ welfare and ancillary	1.0%	1.0%
7. Valuable goods <sup>(2)</sup>	0.7%	0.7%
8. Others <sup>(3)</sup>	15.1%	15.4%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Office	Sep-22	Mar-22
1. Finance	47.4%	48.3%
2. Real estate	14.8%	15.1%
3. Retailers & consumer products	10.8%	10.5%
4. Engineering & construction	6.7%	6.9%
5. Co-working space	1.8%	1.9%
6. Insurance	13.4%	13.7%
7. Advertising & Media	3.6%	3.6%
8. Energy & Resources	1.1%	-
9. Telecommunications	0.4%	-
<b>Total</b>	<b>100%</b>	<b>100%</b>

Notes:

(1) Refers to base rent (excluding management fee).

(2) Including jewellery, watches and clocks

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

# Appendix 17

## Mainland China portfolio – lease expiry profile

	Retail <sup>(1)</sup>		Office	
	As % of total area (%)	As % of monthly rent <sup>(2)</sup> (%)	As % of total area (%)	As % of monthly rent <sup>(2)</sup> (%)
<b>As at 30 September 2022</b>				
FY22/23	14.7	15.7	21.6	25.1
FY23/24	15.0	24.4	12.6	14.8
FY24/25	29.8	36.9	12.3	13.6
FY25/26 and beyond	32.6	23.0	49.5	46.5
Vacancy	7.9	-	4.0	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

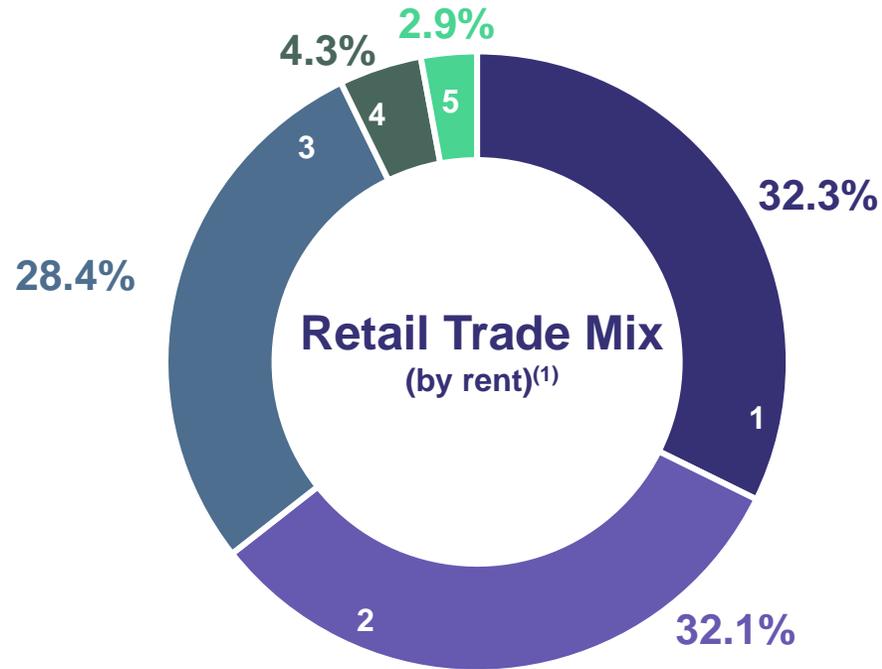
Notes:

(1) Qibao Vanke Plaza's leases were included.

(2) Refers to base rent (excluding management fee).

# Appendix 18

## Mainland China portfolio – trade mix

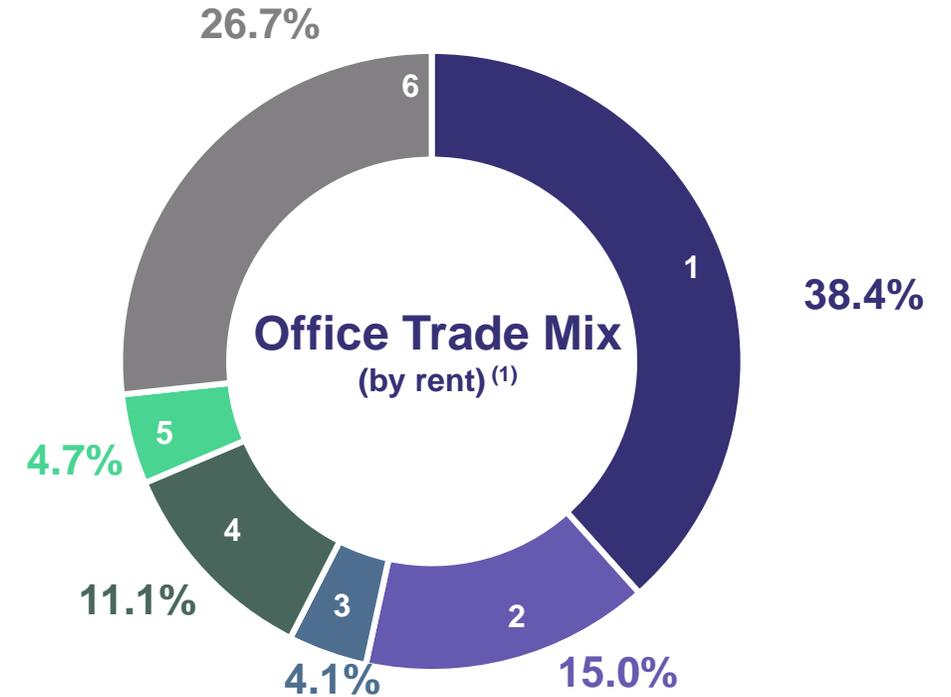


Retail <sup>(2)</sup>	Sep-22	Mar-22
1. Food and beverage	32.3%	30.6%
2. Fashion	32.1%	36.0%
3. General retail & others	28.4%	26.9%
4. Leisure & entertainment	4.3%	3.9%
5. Supermarket & foodstuff	2.9%	2.6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Notes:

(1) Refers to base rent (excluding management fee).

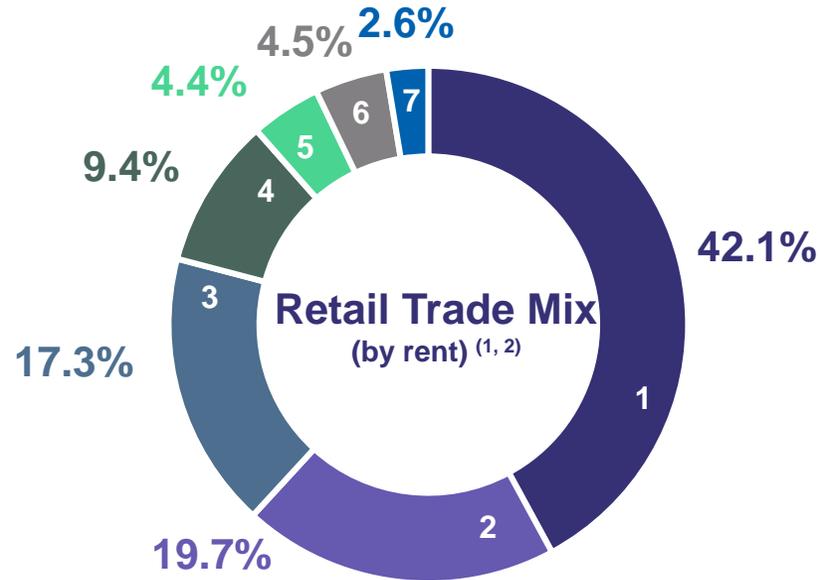
(2) Retail trade mix including Qibao Vanke Plaza in Shanghai, our Qualified Minority-owned Property.



Office	Sep-22	Mar-22
1. Professional services	38.4%	21.8%
2. Technology, media, telecom	15.0%	18.0%
3. Pharmacy	4.1%	5.0%
4. Industrial goods & services	11.1%	13.3%
5. Retailers & consumer products	4.7%	5.7%
6. Others	26.7%	36.2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

# Appendix 19

## Overseas portfolio – tenant mix



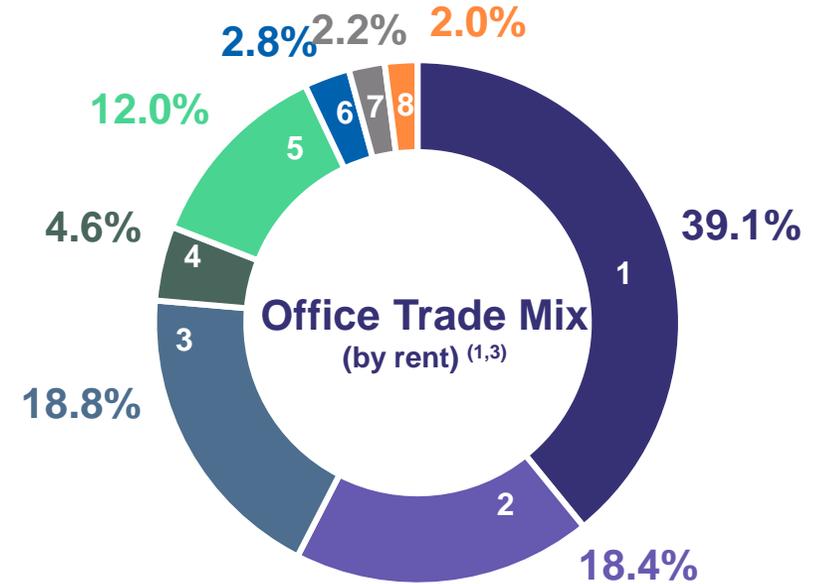
Retail	Sep-22
1. Apparel & footwear	42.1%
2. General retail	19.7%
3. Food catering	17.3%
4. Jewellery	9.4%
5. Leisure	4.4%
6. Retail services	4.5%
7. Others	2.6%
<b>Total</b>	<b>100%</b>

Notes:

(1) Refers to base rent (excluding management fee).

(2) Retail trade mix including 50% interests in three retail properties in Sydney.

(3) Office trade mix including joint venture in a prime office portfolio in Sydney and Melbourne.



Office	Sep-22
1. Financial and insurance services	39.1%
2. Government	18.4%
3. Professional services	18.8%
4. Energy, utility, mining, transport	4.6%
5. Real estate	12.0%
6. Co-working space	2.8%
7. Others	2.2%
8. Retail	2.0%
<b>Total</b>	<b>100%</b>



# Appendix 20

*Our strategic partners*



First Priority Group



Fujian Dongbai Group



Investa



Nan Fung Group



Oxford Properties Group



Vanke



Vicinity



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