



Corporate Presentation

October 2023





Agenda

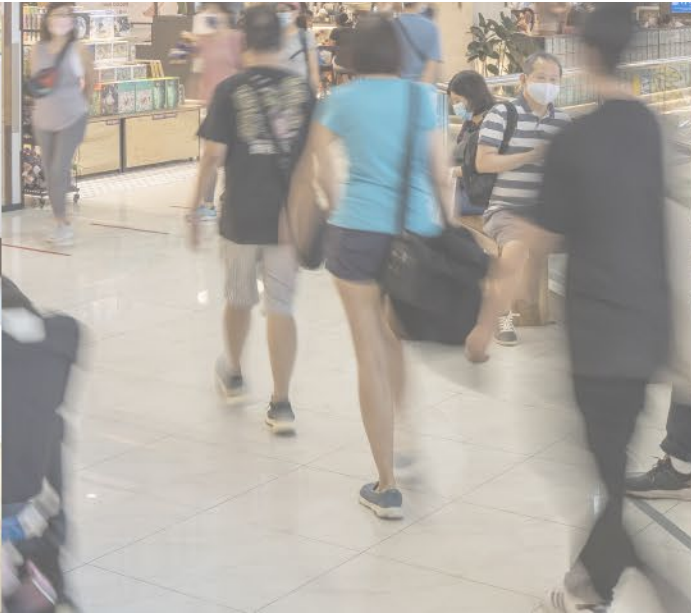


Jurong Point, Singapore

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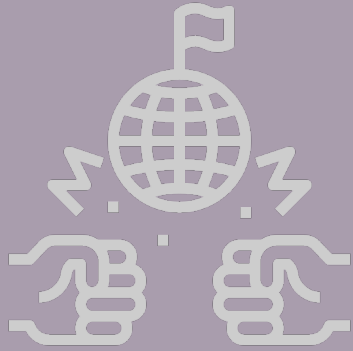


Overview



Economic Environment Remains Challenging due to Higher Interest Rate

Mitigation to limit impact



CHALLENGES

- A confluence of factors – **interest rate hikes**, persistent **high** underlying **inflation**, **geopolitical tensions**, **deglobalisation** and **climate change** - continue to weigh on global outlook as the state of disequilibrium persists
- As a result of the tightened financial conditions, higher borrowing costs and the reduction in consumption and investment will **impede** the pace of **growth**

IMPACT ON LINK



- Portfolio management
- Asset valuation
- Capital management
- Financing cost

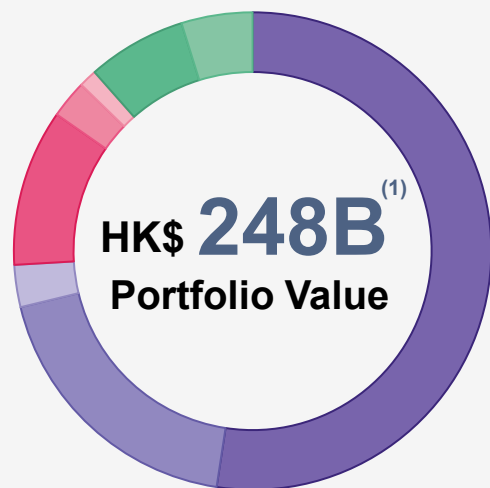
MITIGATION



- Improving the **operational cashflow** of our business
- Using **hedging** and **swaps** to reduce volatility
- **Diversify** into **asset-lighter** business to bolster **growth**

Portfolio Overview - Recovery in Progress

Business activities gathered pace amid persistent interest rate hikes



130 properties
Hong Kong

12 properties
Mainland China

12 properties
AU, SG & the UK



Global

Interest rate hovered at high levels



Hong Kong

Retail sales posted a gradual recovery



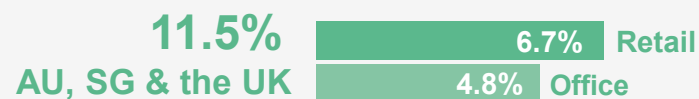
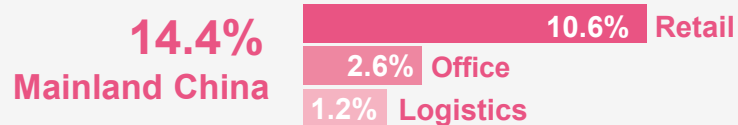
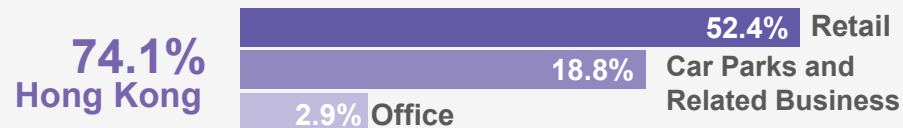
Mainland China

Economic revival is still in progress



International

Positive signs of leasing demand despite slower sentiment



Notes:

(1) As at 31 March 2023, 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 car park/car service centres and godown buildings in Hong Kong.



黄大仙
TEMPLE MALL

Operational Update

領展
中心城

南大門

Jurong West
Central 2.3

Jurong W

The Strand



Driving Operational Excellence

Provide organic and inorganic value to Link



Focus on generating resilient cashflow and delivering organic growth in the near-term



Utilise our operational capabilities in real asset management to support Link 3.0 strategy

LINK

Integrated Operating Platform



Improve efficiency

- ✓ Enhance workflow mechanics
- ✓ Accelerate decision-making and execution
- ✓ Better for teams and customers



Higher productivity

- ✓ Maximise operating cost efficiencies
- ✓ Lessen dependence on tangible efforts
- ✓ Enhanced operating margin







Tenant satisfaction

- ✓ Higher retention rate
- ✓ Implement cross-selling and synergies across the regional portfolio
- ✓ Consistency of engagement and insight

1Q FY 2023/24 Operational Highlights

Robust occupancies underpinned by improving consumer sentiment



Occupancies (%)	Retail	Office	Logistics
			
Hong Kong	97.9%	97.5%	N/A
Mainland China	87.2% ⁽¹⁾	90.7%	92.3%
Australia	98.2% ⁽²⁾	94.1% ⁽³⁾	N/A
United Kingdom	N/A		
Singapore	99.4%	N/A	

Notes:

- (1) The average occupancy including Qibao Vanke Plaza in Shanghai, our Qualified Minority-owned Property.
- (2) Represented 50% interest in three retail properties in Sydney acquired on 1 July 2022.
- (3) Included 100 Market street and 49.9% interest in a trust which holds five prime office assets in Australia acquired on 1 Jun 2022.
- (4) All figures for the period ended or as at 30 June 2023.

Hong Kong Retail Sales

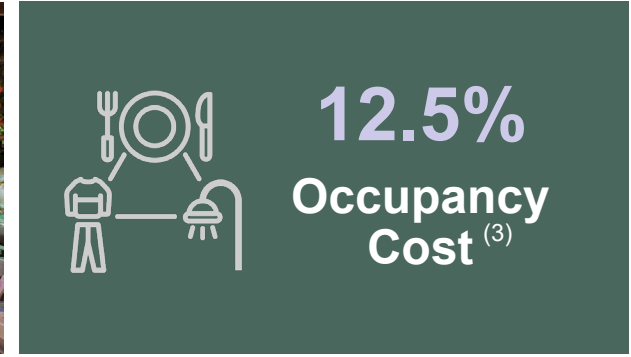
Tenant sales maintained steady growth



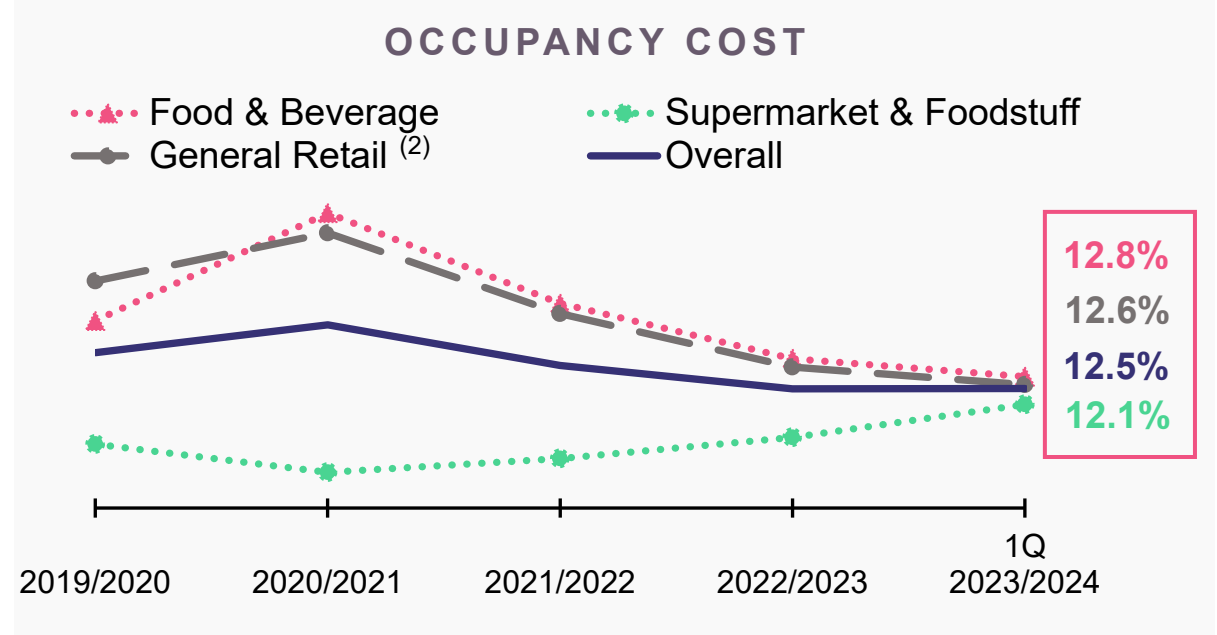
Sau Mau Ping Shopping Centre



Lung Hang Commercial Centre



FOR THE PERIOD APR 2023 – JUN 2023	TENANT SALES GROWTH ⁽¹⁾
Food and beverage	12.9%
Supermarket & foodstuff	-6.5%
General retail ⁽²⁾	6.7%
OVERALL	4.4%



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.
- (4) All figures for the period ended 30 Jun 2023 unless stated otherwise.

Asset Enhancements

Optimising asset for value creation

Tung Tau Market (Completed)



Tung Tau Market,
Wong Tai Sin



CAPEX
HK\$28M

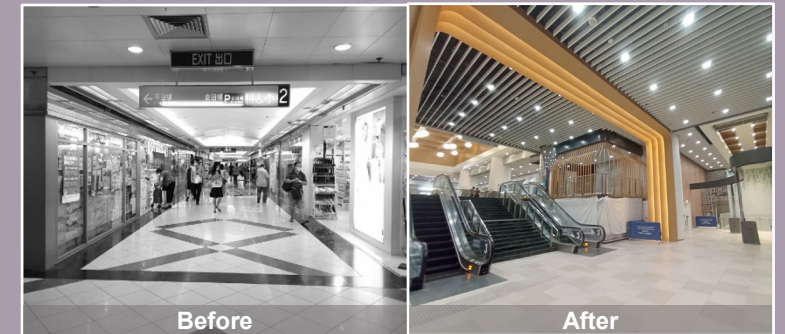


ROI
12.9%

Improved the utilisation of floor area with the conversion of underperforming retail and market space into new shops and services

Kai Tin (Underway)

Second phase of upgrade



Kai Tin,
Lam Tin



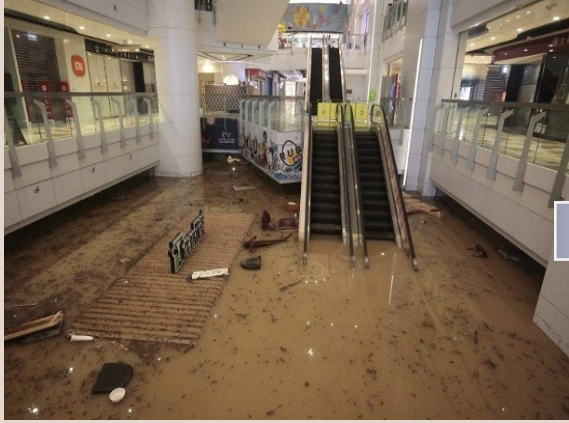
CAPEX
HK\$139M

Target Completion Date

Late 2023

- Re-layout anchor store to diversified trade mix
- Increased number of shops by 58%
- Improved vertical circulation with new staircase

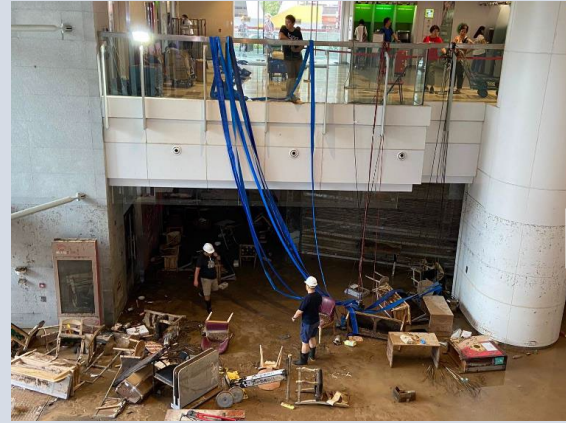
Prompt Response and Recovery at Temple Mall



Severely Inundated



Our Dedicated Team Working Around the Clock



Rapid Recovery



Temple Mall North was Heavily Flooded

- Caused by the **heaviest rains** in over **140 years**; recorded **158.1mm** of rainfall within **one hour** on **8 Sep**
- Rainwater inundated lower ground level impacting **8 tenants**
- No injury or casualty**



Demonstrated Operational Effectiveness

- Restoration** of the basement after **24 hours**
- Swiftly** initiated the process to **repair and renovate** the facilities
- Protected** under comprehensive **insurance policies**

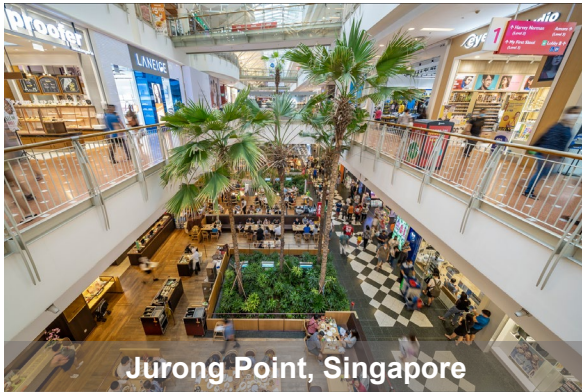


Remedial Actions

- Work with **tenants** to facilitate a **rapid return** to their **regular operations**
- Regularly** assess mall's facilities to further strengthen our **flood prevention** measures

International

Promising retail demand ongoing; office flight-to-quality



Jurong Point, Singapore



Queen Victoria Building, Sydney



388 George Street, Sydney

SG RETAIL

- Portfolio and **team integration** completed and **performing** strongly
- **Tenant sales** have largely recovered to **pre-COVID** levels across the malls
- More pronounced recovery was seen in the **F&B** and **Beauty & Wellness** categories

AU RETAIL

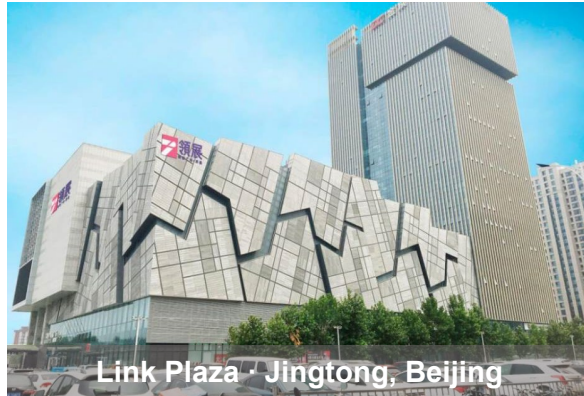
- **Sales** and **footfall** are gradually recovering to pre-COVID levels
- **Portfolio occupancy** continues to grow, now at 98.2%
- Leasing strategy focused on **new** and **unique retailers** yielding significant activity

INT'L OFFICE

- **Flight to quality** thematic continues
- Ongoing leasing success sees **388 George St Sydney 100% leased**
- We are strengthening **assets' placemaking strategy, amenities** and **ESG** credentials to offer a point of difference, including 347 Kent St Sydney AEI

Mainland China

Progressing on the recovery trajectory



Link Plaza, Jingdong, Beijing

RETAIL

- **Rental reversion** slowly picking up as the **retail** sector has **yet** to fully recover
- **F&B outlets** led the recovery and reached **100%** of pre-COVID levels



Link Square, Shanghai

OFFICE

- Companies remained **cautious** on expansion
- **Finance, TMT,** and **Professional Service** sectors drove **leasing demand**
- **Premium Grade A office** buildings demonstrate **resilience** amidst accelerated 'flight-to-quality' demand



Dongguan Warehouse, Dongguan

LOGISTICS

- **Occupancy** mildly **affected** due to the progressive filling of the newly acquired Changshu North facility
- Build-in **rental escalations** to ensure steady growth

Asset Enhancement – Link Plaza Tianhe

The latest asset enhancement project in China



Asset Enhancement – Link Plaza Tianhe

To tap the rising middle-class spending power



A New Social Hive Where Connections Come Alive



Ph. 1 Reopens
September 2023



Estimated CAPEX
~RMB 300M



ROI
~12.0%

- ✓ To tap into the spending of **middle-class** households in **Tianhe** and **Zhujiang New Town** areas
- ✓ **Reconfigured** vacant department store space to **unleash asset value**
- ✓ **Re-position** tenant mix by focusing on highly sought-after speciality and local F&B, entertainment and experiential offerings

Positioning



A round-the-clock urban lifestyle zone



A Generation Z gathering hub



Designated playground for children



A food avenue featuring local cuisines

Precise Positioning - Link Plaza Tianhe

Capture market demand by increasing experience-driven retail offerings

Before AEI

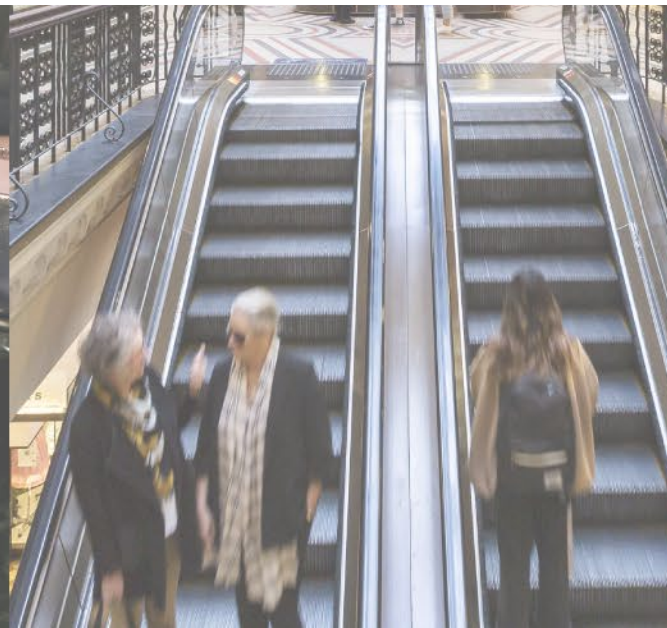


After AEI





Capital Management



Prudent Capital Management

Maintained a strong balance sheet and financial position with ample liquidity

Net Gearing Ratio



17.8%

Fixed-rate Debt Ratio



56.8%

Average Borrowing Costs



3.0%

Credit Rating



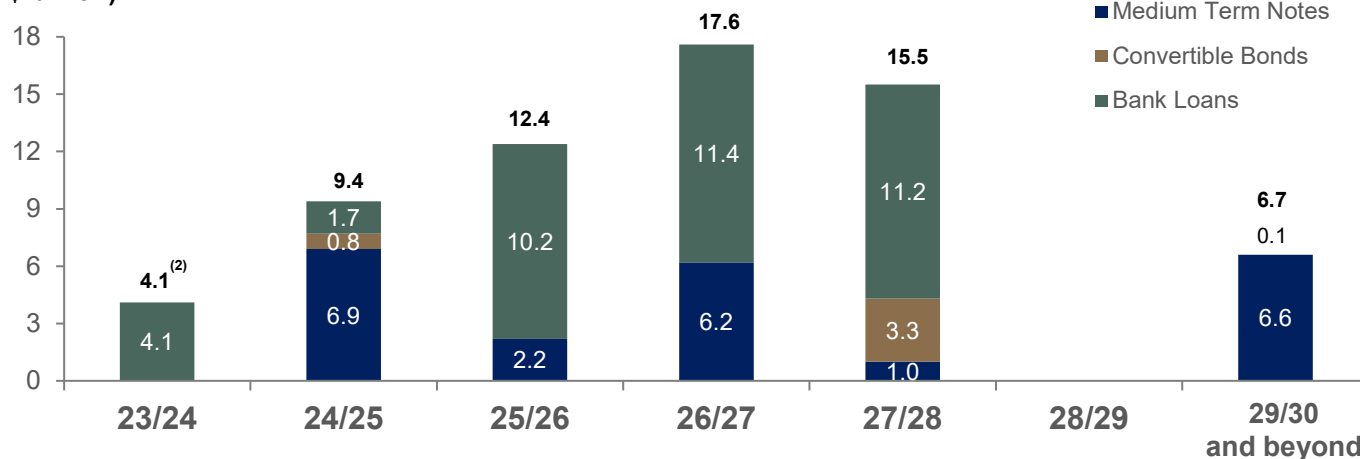
S&P: A (Stable)

Moody's: A2 (Stable)

Fitch: A (Stable)

Debt Maturity Profile (as of 31 March 2023)

(HK\$ billion)



Notes:

(1) All figures for the year ended or as at 31 March 2023.

(2) HK\$4.0B bank loans maturing in 2023/2024 have been repaid in April 2023.

(3) Including Australia, Singapore and the UK portfolios

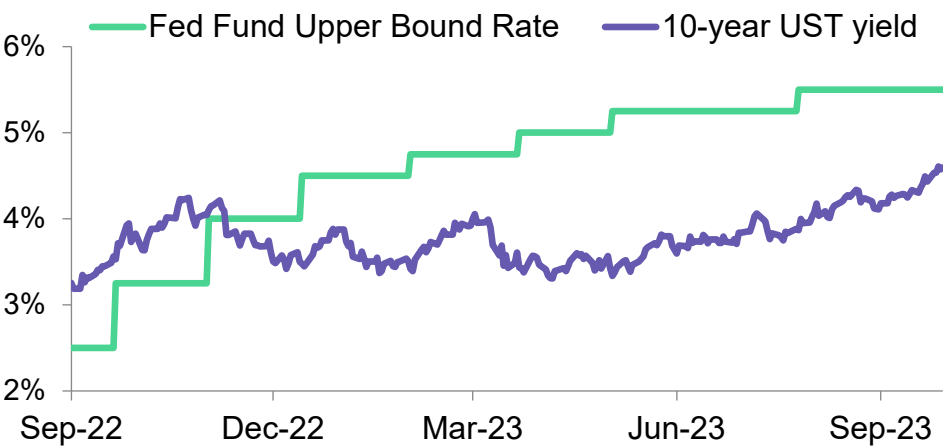
- Net gearing ratio remained steady
- No refinancing needs anticipated until late FY24/25
- Strategically increased our fixed-rate debt ratio amidst the higher-for-longer interest rate environment
- Non-HKD distributable income and overseas assets⁽³⁾ currency exposure substantially hedged



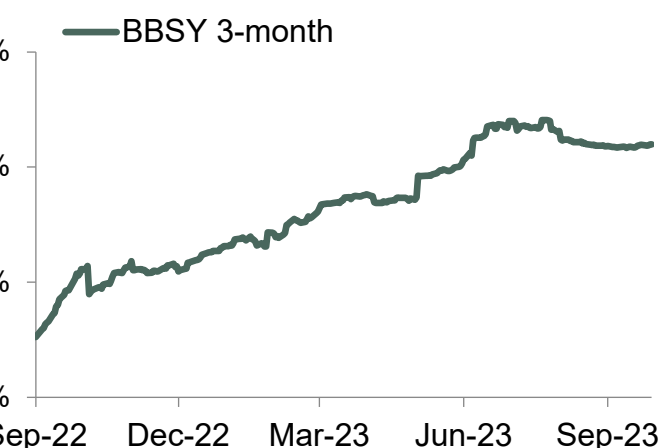
Interest Rate Uncertainties

Hovered at high levels over a protracted period

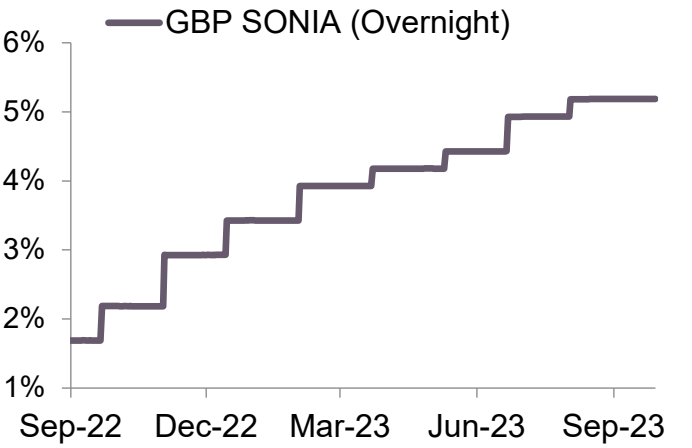
Fed Funds Rate & 10-year Treasury Yield



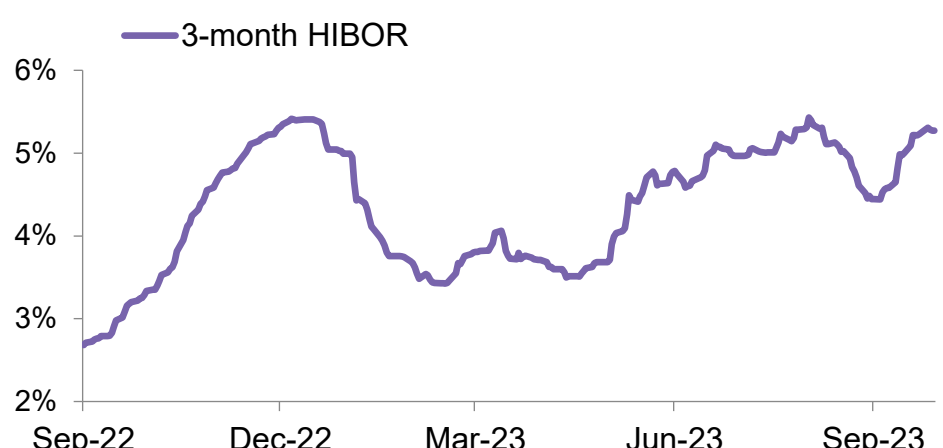
AUD BBSY



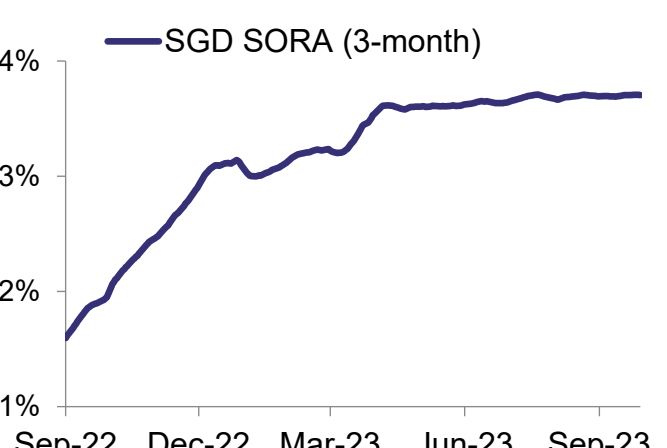
GBP SONIA



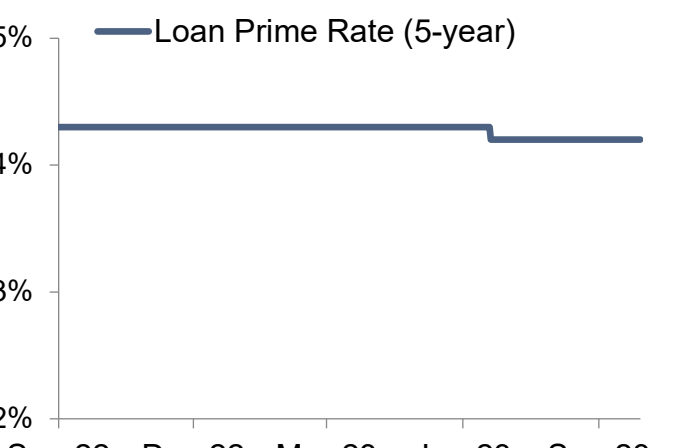
3-month HIBOR



SGD SORA



China LPR



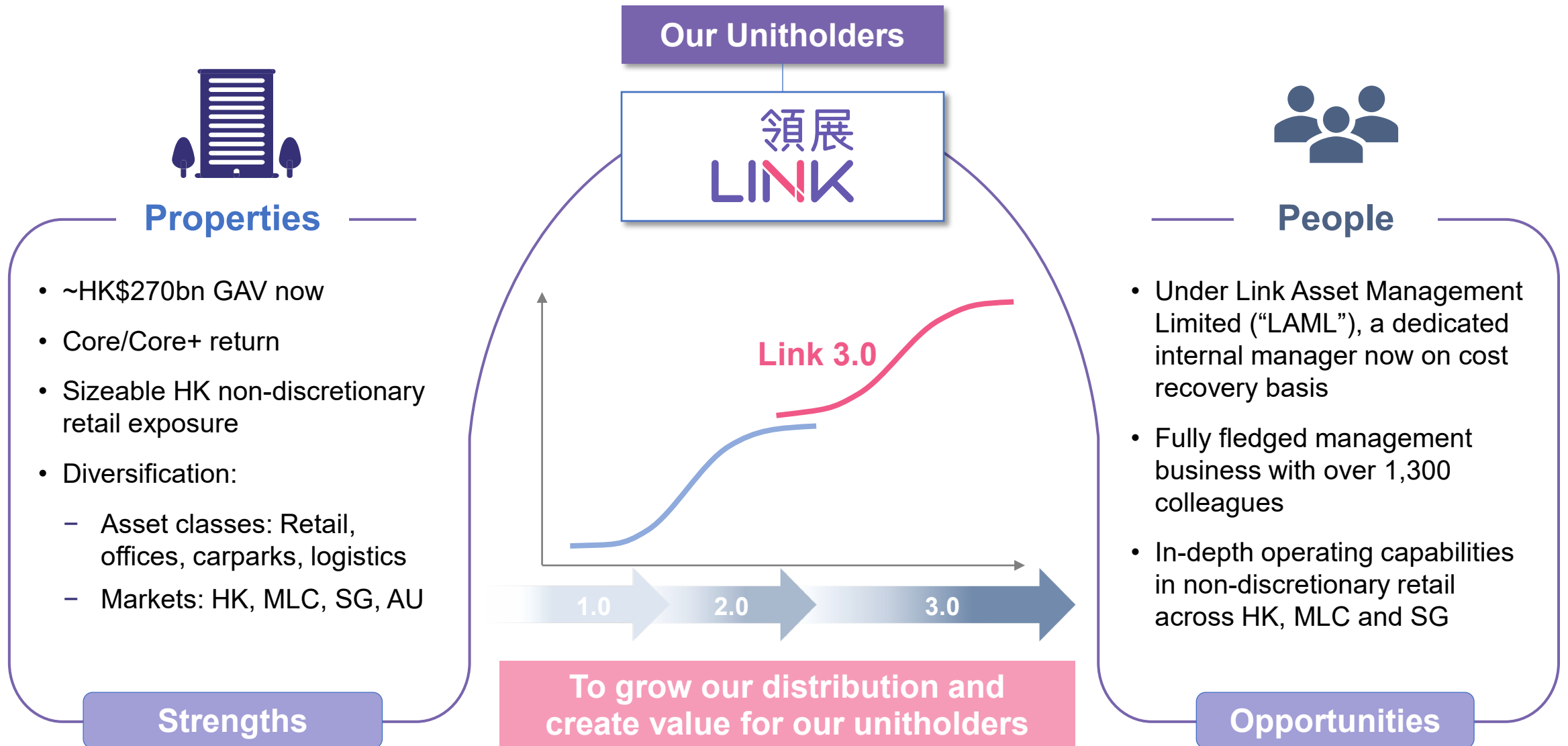
Source: Bloomberg



Strategy Update



“Properties” and “People” Combined under Link



Continue to grow our income from Properties + New growth driver from our People under LAML



Adopting an Asset-lighter Approach

Three Core Components under Link 3.0

領展
LINK



Assets on Balance Sheet

- Cautious and patient approach for acquisition
- Ongoing portfolio analysis and review to unlock value
- Continued diversification to increase resilience
- Focus on sustainable property income growth



Operating Platform

- Remain tenant-customer centric
- Enhance efficiency and productivity for our operation
- Continue to develop our capabilities amid diversification
- Operating excellence as our competitive edge



Fund Management Platform

- Extend to manage both public and private capital
- Build on top of our strong foundation with economies of scale
- Explore JV for existing assets and other possibilities
- Additional fee income stream to contribute to distribution

Cohesive development to fuel growth in the new normal of higher-for-longer rate environment

Our Strategic Direction



To be a World-Class APAC REAL ESTATE INVESTOR & MANAGER

01

Active asset management to achieve **organic growth**

02

Diversify our income source through **yield accretive investments** and **asset recycling**

03

Adopt an **asset-lighter approach** by working with **third-party capital** to grow **AUM** and **management fee income stream**

04

Expand our **capabilities** across different regions and asset classes in support of our asset-lighter approach

05

Active capital management to manage funding costs and financial risks

06

ESG and sustainability stewardship



Q&A





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