FY2024/25 Interim Pre-Blackout Briefing

3 Oct 2024

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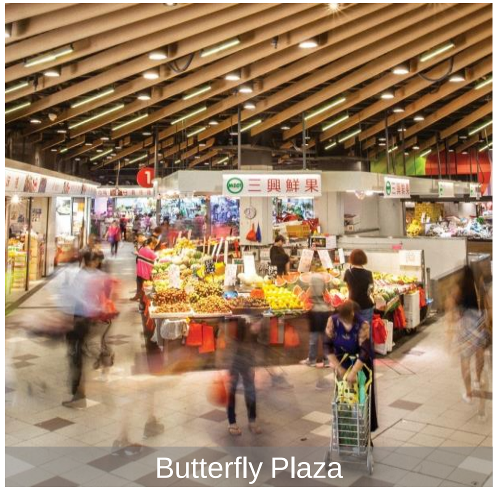
01

OVERVIEW

Central Themes Impacting the Macro Landscape

Resilience in the midst of divergence


Butterfly Plaza

Interest rates

Prospects of further **interest rate cuts** in **2024**

Easing inflation

Inflationary impact of wage growth has been **buffered** by profits


Swing By @ Thomson Plaza


Link Plaza Qibao

Middle East conflict

Continuous **global trade disruptions**

Uneven consumption

Robust in some economies, **tepid** in others

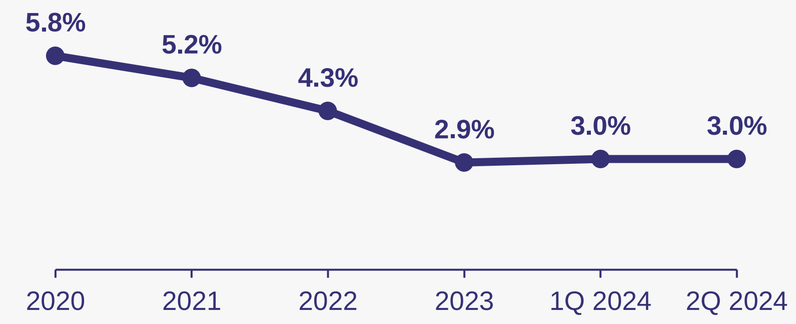

Queen Victoria Building

Market Prospects

Our markets showcase solid economic fundamentals

HONG KONG

Unemployment Rate (%) Remains Favourable

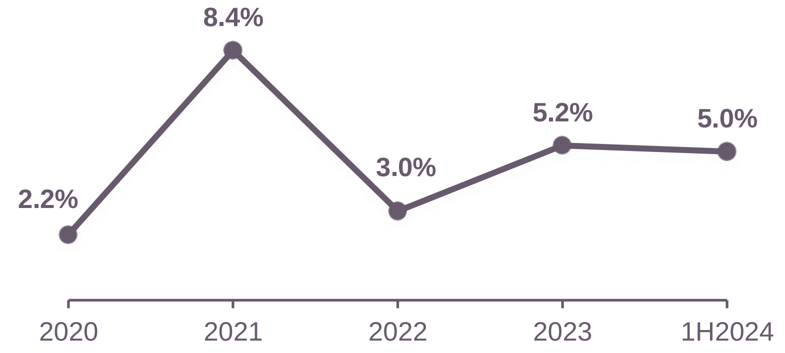


- The Hong Kong economy sustained moderate growth at +3.3% YoY during 2Q 2024
- The Central Government measures and HKSAR's efforts to boost inbound tourism and consumption
- Labour market is expected to remain tight with moderate economic growth, alongside continuing hikes in minimum wage

MAINLAND CHINA

- The Mainland China economy continued its growth trajectory with 2Q24 GDP at +5.0% YoY, supported by the expansion of new industries
- Inflation hovered at low levels (+0.5% YoY in Jul 2024), helping to keep both business and consumer costs in check
- Relaxation of home ownership policies in addition to expected fiscal stimulus boosted market sentiment

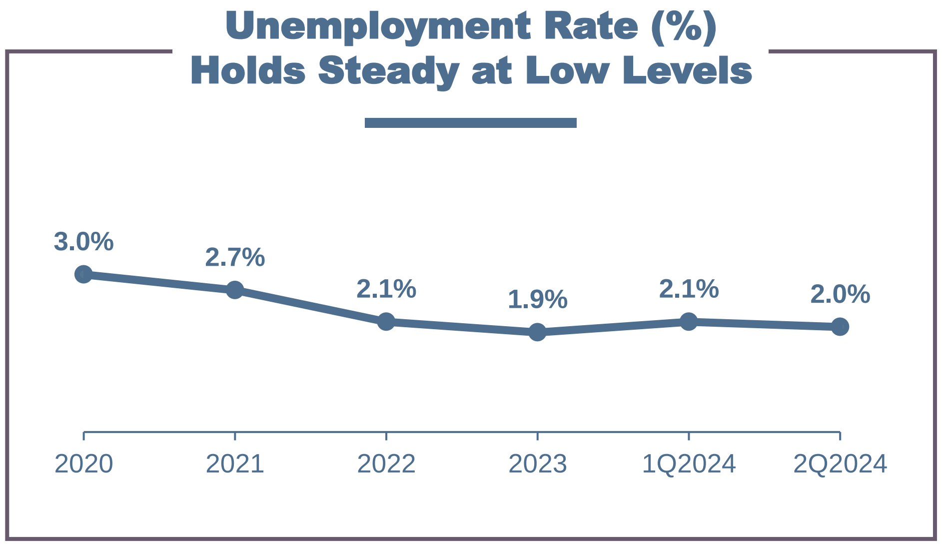
GDP Growth YoY (%) Sustains Growth Momentum



Market Prospects

Our markets exhibit notable economic strength

SINGAPORE



As a major developed market in the APAC, Singapore's economy experienced modest sequential growth in 2Q 2024 at +2.9% YoY.

Core inflation eased to 3.4% for most goods and services due to reduced business cost pressures.

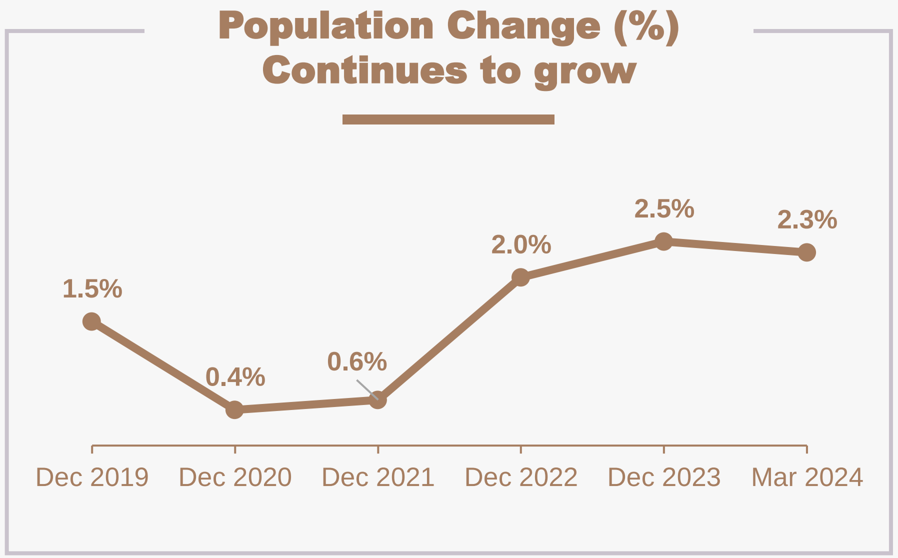
The labour market is expected to stay close to full employment due to its ability to attract investment and talent.

AUSTRALIA

August retail sales growth +3.1% YoY, exceeding expectations due to tax cuts and warmer weather.

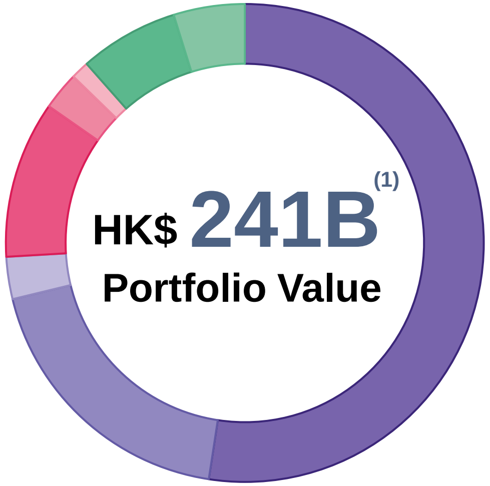
RBA maintained interest rates at 4.35%, reflecting its commitment to focus on bringing underlying inflation back within the target range.

Population growth, young demographics and infrastructure expansion are tailwinds to the labour market and consumption.



Portfolio Overview

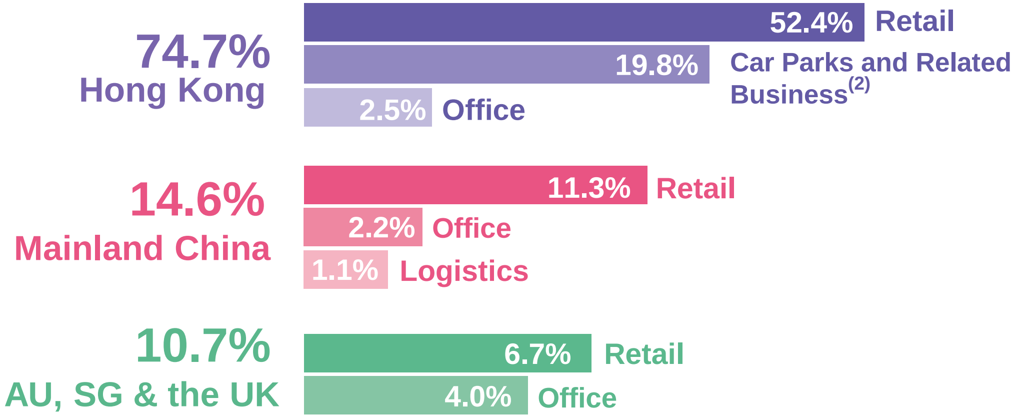
Consistent business performance amid opportunities and challenges

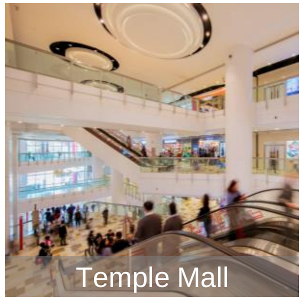


130 properties
Hong Kong

12 properties
Mainland China

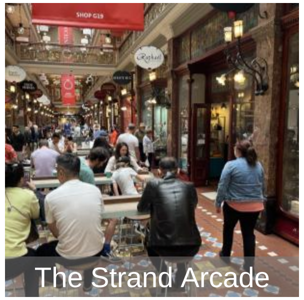
12 properties
AU, SG & the UK




Temple Mall


Link Plaza Liwan


Jurong Point


The Strand Arcade

Global

Interest rate cut cycle by the Fed a booster to overall sentiment

Hong Kong

Retail sales are facing headwinds amidst structural adjustments; however, we will intensify our efforts to boost **non-rental income**

Mainland China

Government support for the real estate sector to potentially improve consumer sentiment

International

Healthy economic data bolstered consumer and leasing **demand**

Notes:
(1) As at 31 March 2024, the total valuation of investment properties, including 49.9% value of the prime office portfolio in Sydney and Melbourne.
(2) Including two car park/car service centres and godown buildings in Hong Kong.

02

OPERATIONAL UPDATE

1Q FY 2024/25 Operational Highlights

Robust occupancies driven by leasing demand and improving consumer sentiment


Sau Mau Ping Shopping Centre


Link CentralWalk


Jurong Point

HONG KONG

97.5% Retail

99.2% Office

MAINLAND CHINA

93.6% Retail

90.5% Office

92.5% Logistics

INTERNATIONAL

98.4% Singapore retail

99.5%[(1)] Australia retail

89.4%[(2)] International office

Notes:

(1) Represented 50% interest in three retail properties in Sydney.

(2) Included 100 Market street, 49.9% interest in a prime office portfolio in Sydney and Melbourne, as well as The Cabot in London.

(3) All figures for the period ended or as at 30 June 2024 unless stated otherwise.

Hong Kong Retail Sales

Tenant resilience with stronger than market performance despite sales decline


Yat Tung Shopping Centre

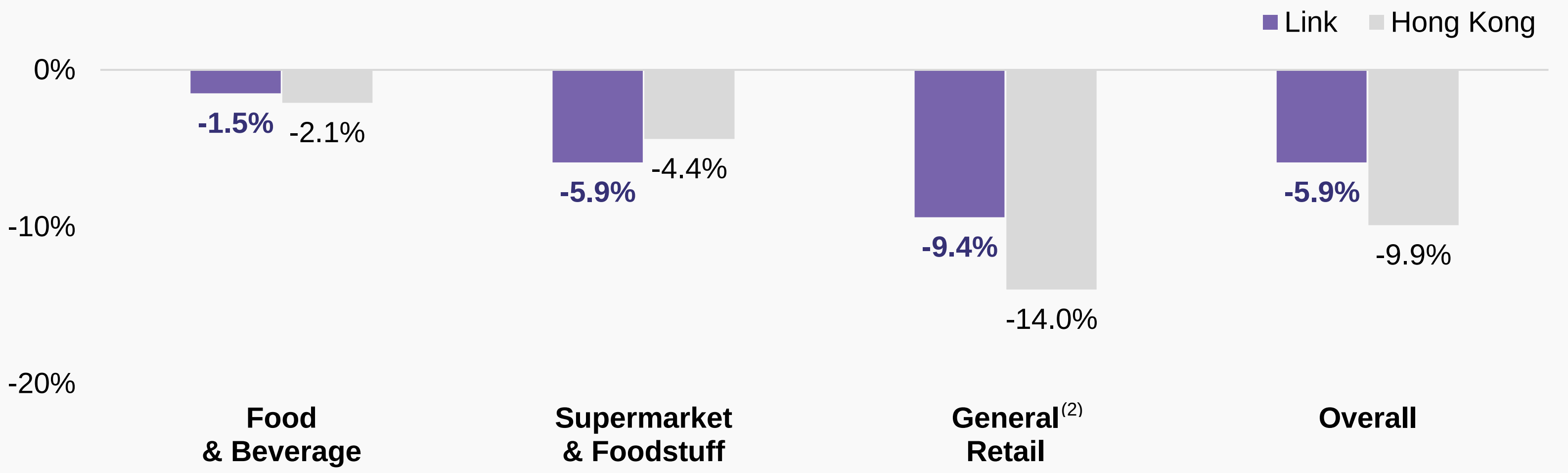

Lei Yue Mun Plaza


Lok Fu Place


Fu Tung Plaza

Tenant Sales Growth[1]

(For the period of Apr to Jun 2024)



- Our **tenant sales growth** faced challenges from changing consumption patterns and a strong Hong Kong dollar in the 1Q 2024/2025, albeit to **a lesser extent** compared to the broader market.
- Nevertheless, the recent **weakening** of Hong Kong dollar is expected to **moderate** the outbound leakage seen last season.

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.

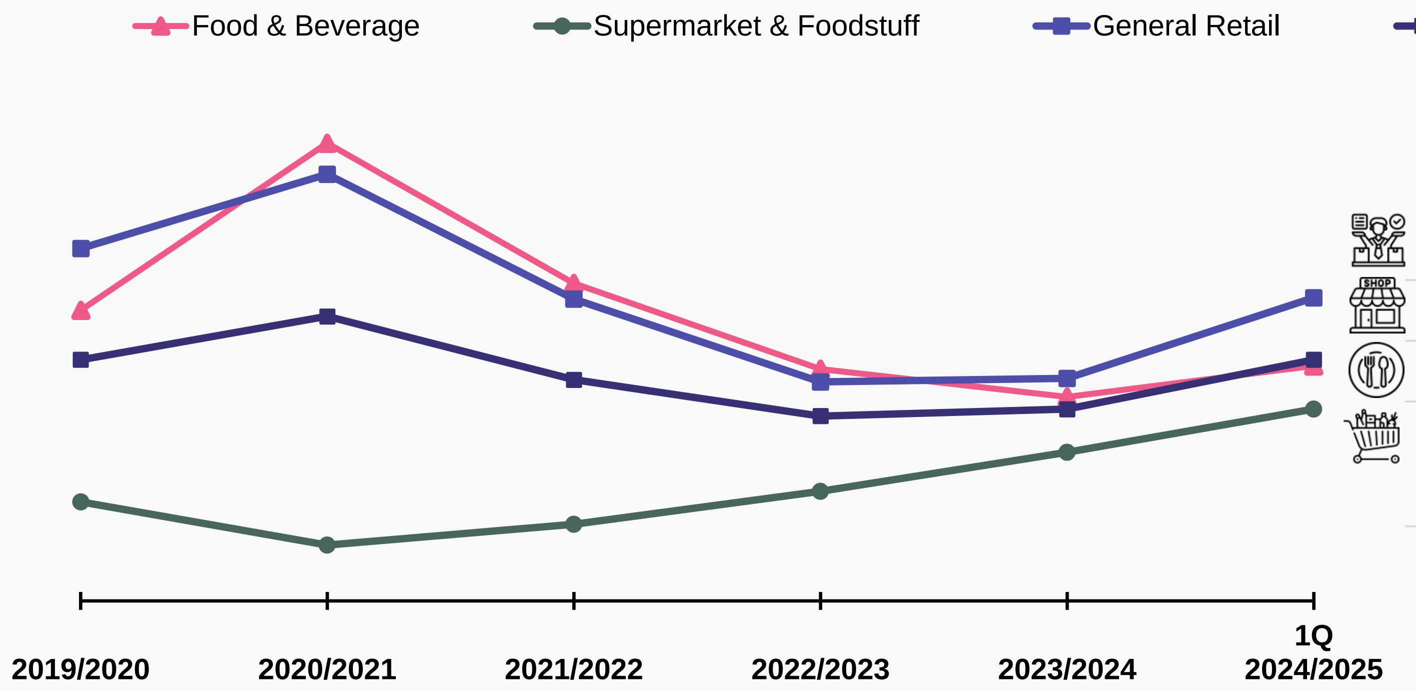
(4) All figures for the period ended 30 June 2024 unless stated otherwise.

Hong Kong Retail Sales

Occupancy costs remain within a sustainable range

Occupancy Cost [3]

(For the period of Apr to Jun 2024)



14.4% General

13.4% Overall

13.3% F&B

12.6% Supermarket & foodstuff

13.4%

Occupancy Cost [3]

Lung Hang Commercial Centre

Hing Wah Plaza

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 June 2024 unless stated otherwise.

Hong Kong Car Parks and Related Business

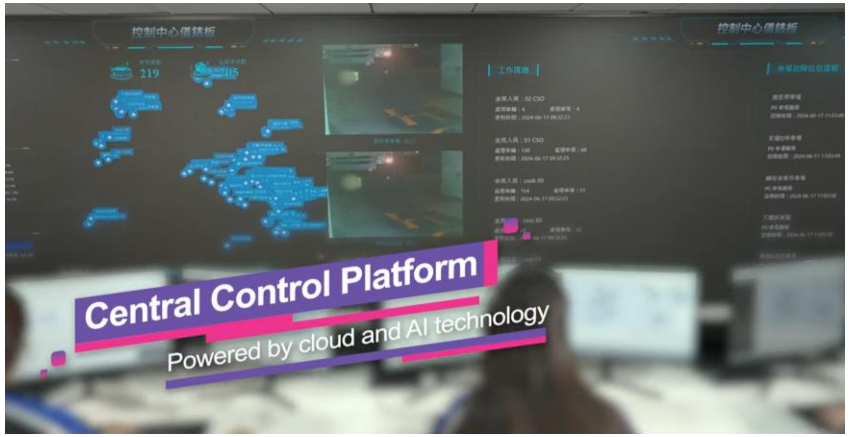
Smart parking system opens opportunities for productivity

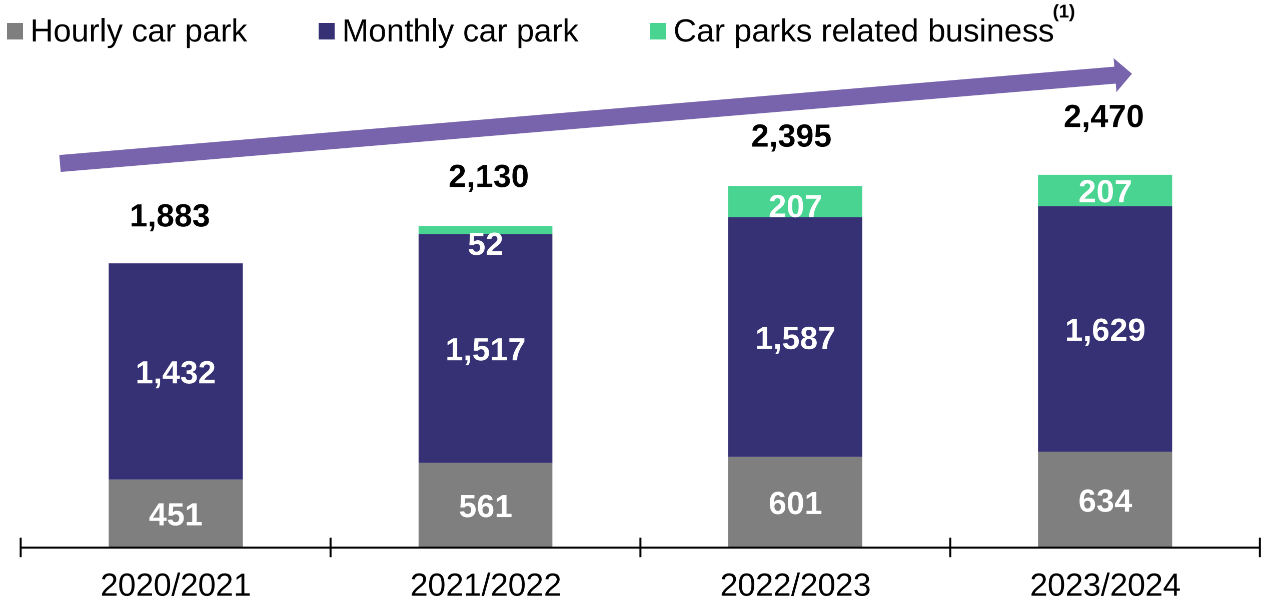
Number of Parking Tickets
Moderate decline

Revenue per space
Low single-digit growth

Total Income[3]
Marginally higher

- Car parks upgraded to **smart parking** system across **121 car parks** to ensure a seamless parking experience:
  - ✓ **License Plate Recognition System (LPRS)**
  - ✓ **Vehicle traffic efficiency**
  - ✓ **Digitalisation of services and payments**





Sustained car park income progress

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 year ended or as at 31 March 2024, unless otherwise stated.
(3) Car Park Total Income - includes parking fees from Monthly Car Park, Hourly Car Park (including Free Parking) and Others (Expense Recovery and other misc. income).

Link Car Park System and Central Control Platform

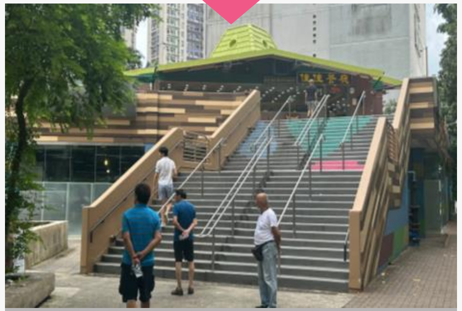
A highly efficient operation model that optimises the utilisation of parking resources

Asset Enhancements

Maximising asset value potential

Fu Shin
(Completed)


Before


After

CAPEX

HK$37M

ROI

17.2%

Completion date

Apr 2024

Sau Mau Ping Retail
(Completed)


Before


After

CAPEX

HK$58M

ROI

19.6%

Completion date

Jul 2024

International

Sustained retailer demand; trend maintained in office flight-to-quality

SG RETAIL

- **Portfolio occupancy** remained high at 98.4% with strong leasing demand
- **Tenant sales** maintain the growth trend in-line with overall Singapore since 2023
- **F&B** and **Beauty & Wellness** categories continue to be the main drivers

AU RETAIL

- **Portfolio occupancy** sustained their near-full level of 99.5%
- **Sales** have **exceeded** pre-COVID levels
- Leasing strategy focused on **enhancing tenant mix** and **refreshing product offering**

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

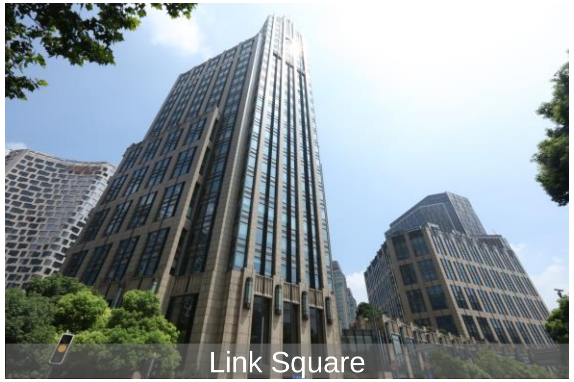
Note:
(1) All figures for the period ended or as at 30 June 2024 unless stated otherwise.

Mainland China

Resilient performance against a challenging landscape but stabilising in GBA

RETAIL

- Occupancy stood at 93.6%
- Softened demand in **F&B** due to **consumption downgrade**
- **Downsized, subdivided and replaced** underperforming tenants to boost mall productivity
- AE on **Link Plaza Tianhe ph. 2** and **Link Plaza Tongzhou** to start



OFFICE

- Occupancy rate **held above 90%** despite the influx of new supply
- **Fit-out works** in progress to facilitate a seamless move-in experience for prospective tenants and enhance market appeal

LOGISTICS

- Overall occupancy rate maintained at a **healthy level of 92.5%**
- Leasing momentum **remained soft** in the YRD but showed **stability** in the GBA
- Changshu warehouses **surpassed the market average** in occupancy despite fierce competition

Notes:

(1) YRD stands for Yangtze River Delta; GBA stands for Greater Bay Area.

(2) All figures for the period ended or as at 30 June 2024 unless stated otherwise.

Link CentralWalk Basement Transformation

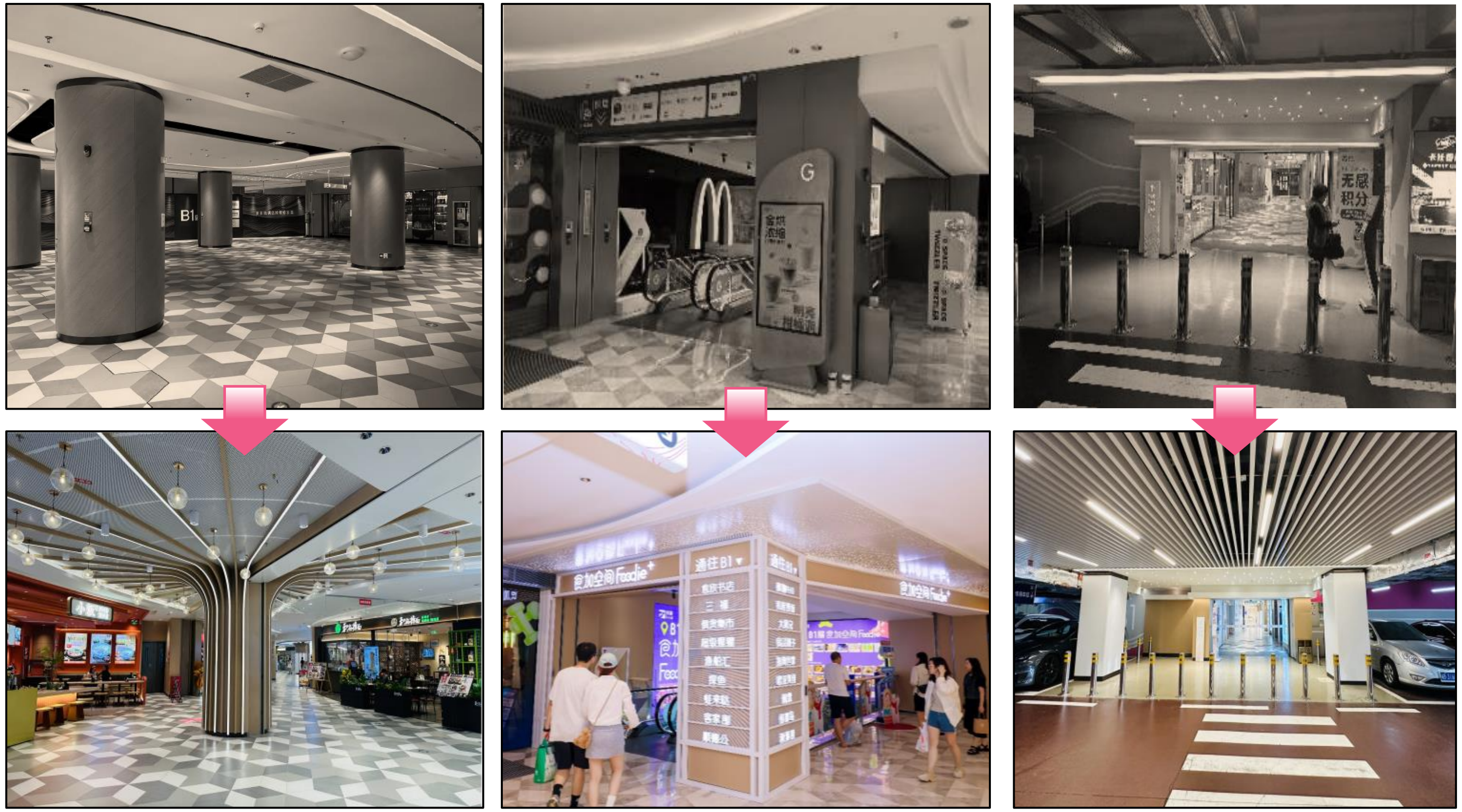
Improving visibility and enhancing its allure

CAPEX
RMB 24M

ROI
43.8%

Completion date
July 2024

Footfall & Tenant Sales
Historical High



Explored the revitalised basement

Link CentralWalk Basement Area Grand Re-Opening

03

CAPITAL MANAGEMENT

Strong Financial Position

Primed to capitalise on potential opportunities

NET GEARING RATIO
19.5%

AVERAGE BORROWING COST
3.78%

FIXED-RATE DEBT RATIO
69.8%

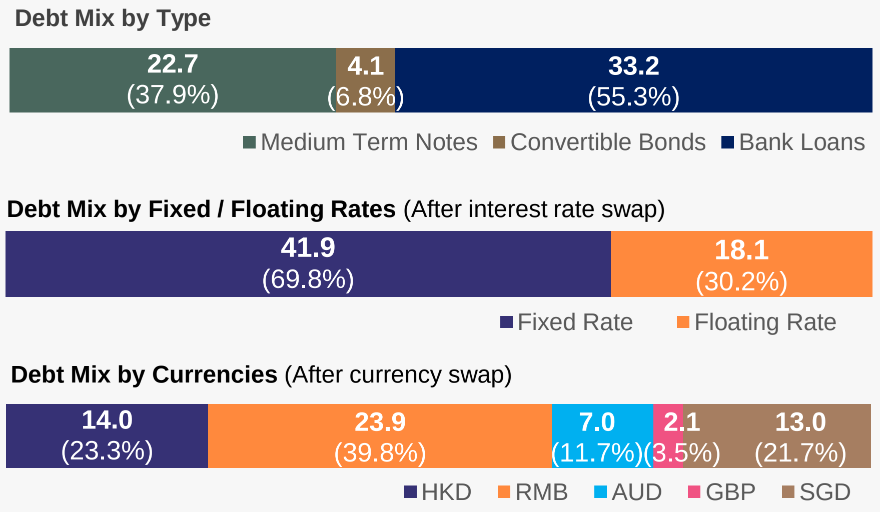
CREDIT RATINGS

A Stable	A2 Stable	A Stable
S&P	Moody's	Fitch

EBITDA INTEREST COVERAGE
4.3x

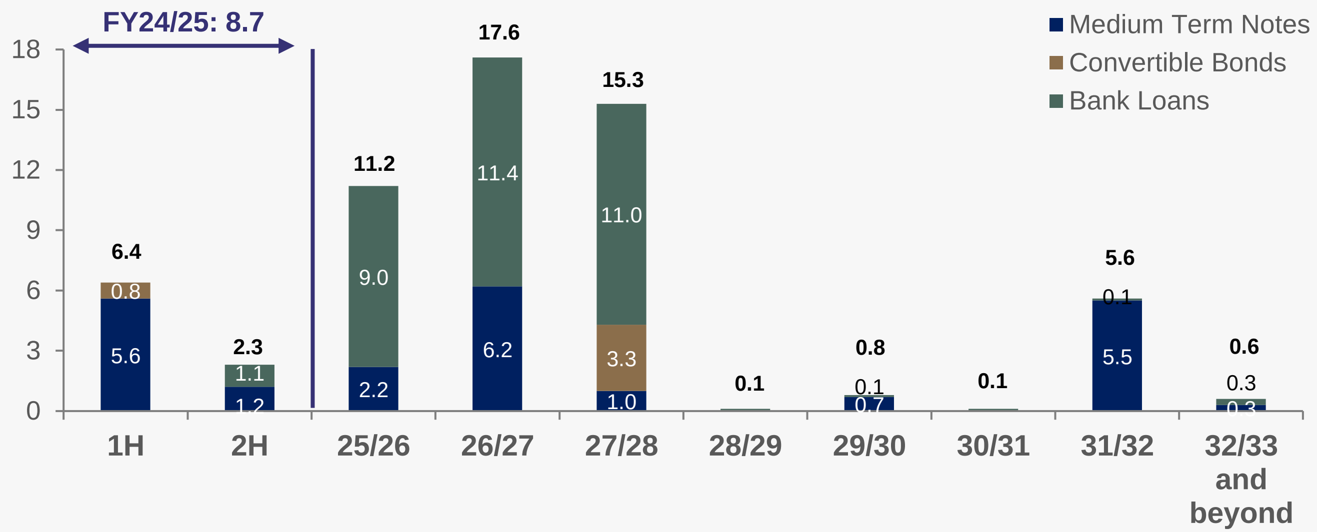
DEBT PROFILE BREAKDOWN

(HK$ billion)



DEBT MATURITY PROFILE

(HK$ billion)



Note:
(1) All figures for the year ended or as at 31 March 2024, unless stated otherwise.

04

STRATEGY UPDATE

Creating Value for Unitholders under Link 3.0

Through the two distinct businesses that Link REIT owns

領展 LINK

LINK REAL ESTATE INVESTMENT TRUST
(“LINK REIT”, 823.HK)

Link Asset Management Limited (“Link”)

Capabilities

Investment Management

- Comprehensive **capabilities** in fund, portfolio, capital, asset and property management
- Leverage our **fully-fledged platform** with solid **track record** to expand our management scope
- Evolving from a REIT manager to one that manages both **public and private capital**

+

Link REIT Portfolio

Investments

Interests in Real Estate

- **Actively managed** by Link to generate returns from the investments in properties, focusing on Asia Pacific
- Delivering resilient operating and financial results from **operational excellence** by Link, under its integrated operating platform
- **Diversifying** portfolio exposure to withstand market cycles and concentration risk

Under Link 3.0, we aim to continue diversification to deliver resilient earnings and growth

Link 3.0 Investment Strategy

Focus on markets with long-term strategic prospects

GEOGRAPHICAL FOCUS

Key developed markets in **APAC**, such as Australia, Japan, Singapore

Australia – Attractive valuations due to **significant cap rate expansion** already taken place

Singapore – **Safety** and **stability** make it a beneficiary of US-China tensions

Japan – **Interest rates** remain relatively **low**, underpinning **positive carry** in investments

RATIONALE

3 key attributes benefiting Link in these markets:

- **Low investment risk** – Market stability with some growth
- **Moderate to high** liquidity
- **Low to moderate** returns correlations to Hong Kong

Potential sectors include **retail, office** and **logistics** across the three markets

Pan-APAC portfolio offers **higher risk-adjusted returns**

Long term goal = Build a balanced, robust Asia Pacific portfolio generating attractive risk-adjusted returns for our unitholders


05
Q&A

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