



# 2014/2015 Annual Results Presentation Press Conference

10 June 2015

# Key Achievements

## A fruitful year

### 2014

Jul / Dec  **Disposal** of nine non-core properties for HK\$2,956M

Sep  **Acquisition of Lions Rise Mall** for HK\$1,380M

Dec  Completed HK\$477M **repositioning of H.A.N.D.S.**, our flagship shopping centre in Tuen Mun

Dec  Became a constituent stock of the **Hang Seng Index**

### 2015

Jan  Expanded investment mandate to include **property development**

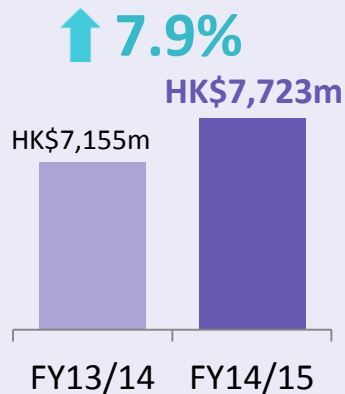
Jan  **Acquisition of commercial development land** for HK\$5,860M via joint venture

Mar  **First acquisition in Mainland China** – Beijing EC Mall for RMB2,500M

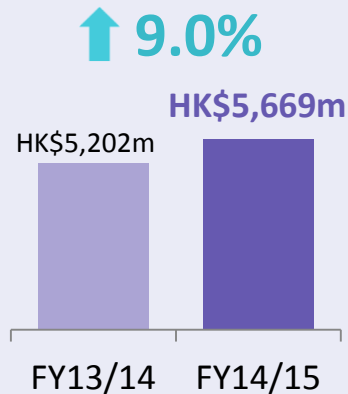
# Key Achievements

## Financial highlights

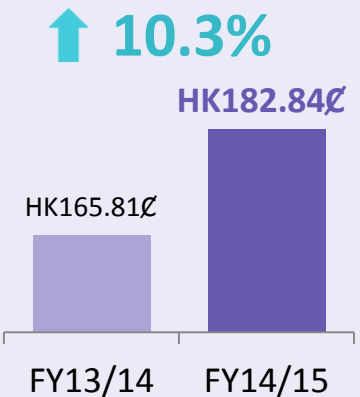
### REVENUE



### NET PROPERTY INCOME



### DISTRIBUTION PER UNIT



### OCCUPANCY RATE

↑ 0.4 ppts

94.8%

### AVERAGE UNIT RENT

↑ 7.8%

HK\$45.4 psf

### NET ASSET VALUE PER UNIT

↑ 23.6%

HK\$51.53

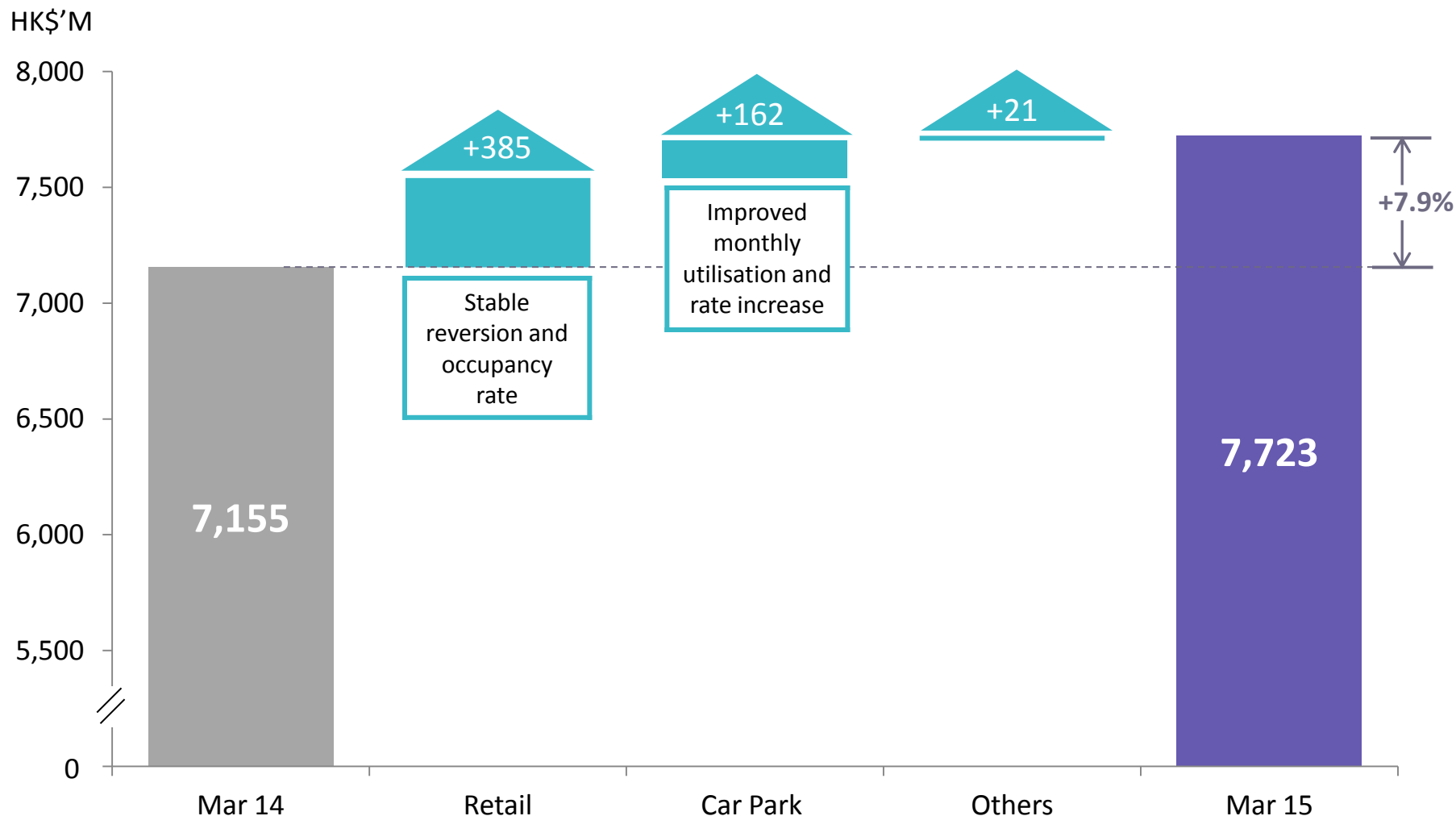
Note: (1) Variances represent percentage change year-on-year.



# FINANCIAL PERFORMANCE

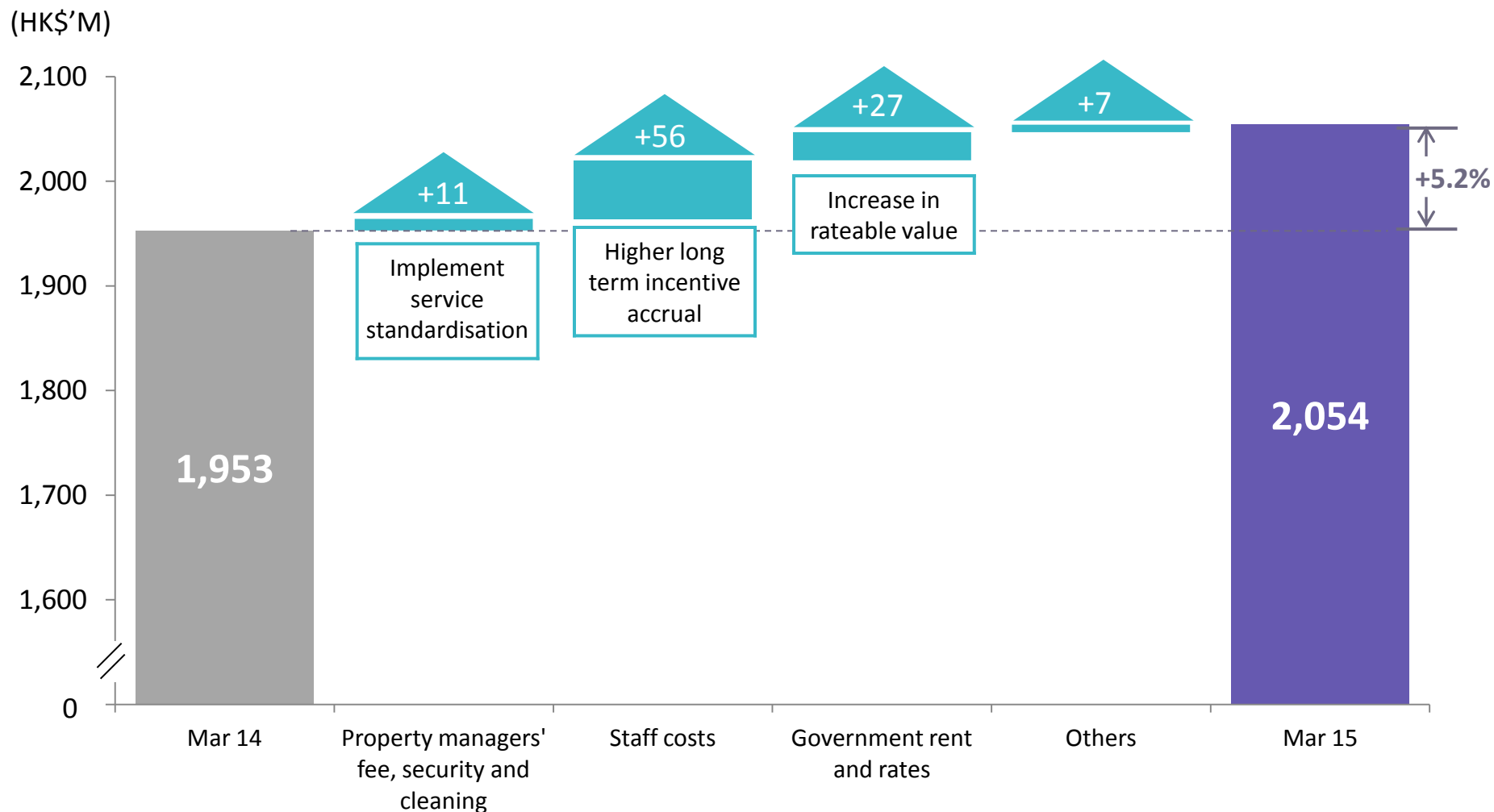
# Revenue Analysis

## Continuous growth in retail and car park revenues



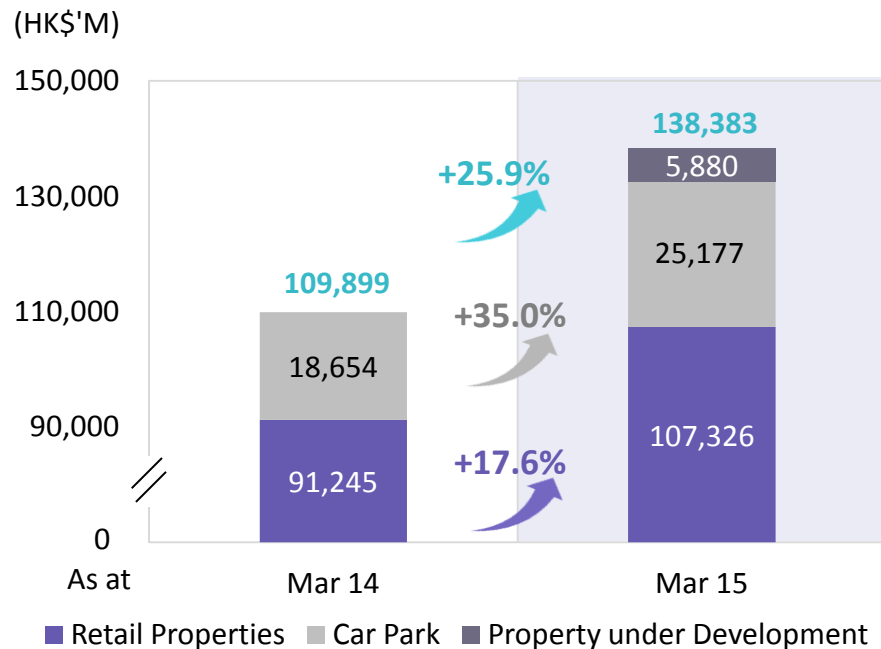
# Property Expense Analysis

## Continue to maintain discipline in cost control



# Property Valuation

## Cap rate compression to reflect market transactions

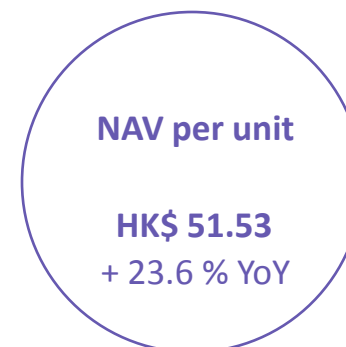


- Robust car park performance and lower cap rates supported value increase
- Average valuation per space of HK\$330K

Retail property value increase contributed by:

- Increase in net property income
- Lowered cap rates for smaller assets with better performance

	Weighted average capitalisation rate		
	31 Mar 2015	31 Mar 2014	Change
Retail	4.57%	5.09%	↓0.52ppts
Car Park	4.78%	6.16%	↓1.38ppts
<b>Overall</b>	<b>4.61%</b>	<b>5.27%</b>	<b>↓0.66ppts</b>





# OPERATIONS UPDATE



### New tenants introduced to portfolio



LifeWear



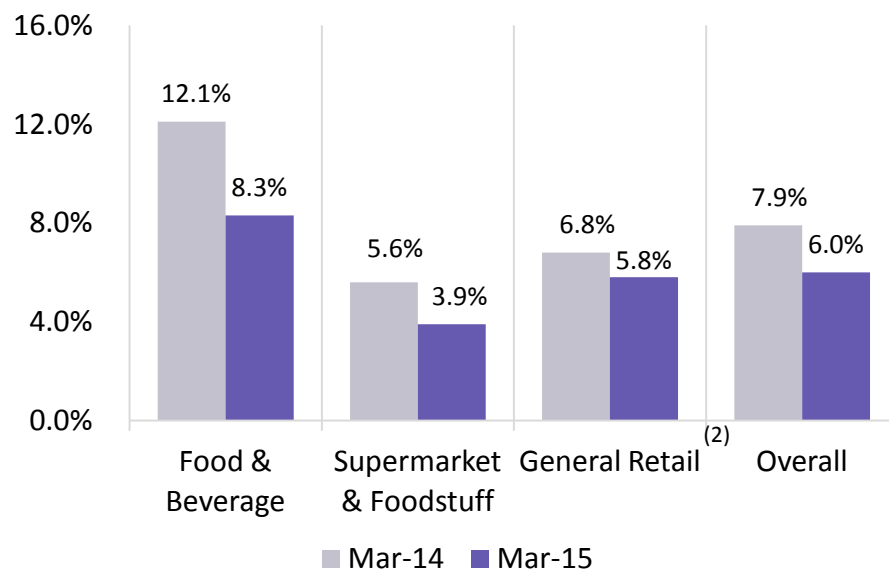
### Existing tenants expanding their businesses



Stitch & Soul

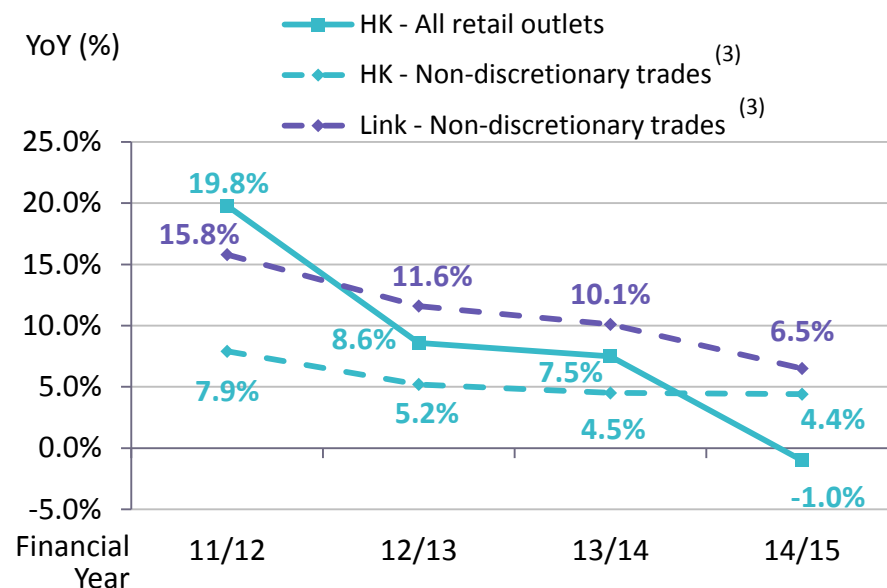
### Link's Tenant Gross Sales<sup>(1)</sup>

YoY (%)



### Link's Portfolio vs Overall Hong Kong<sup>(1)</sup>

YoY (%)



Notes: (1) Percentage figures represent year-on-year change in tenants' average monthly sales per square foot of the respective years.

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

(3) Non-discretionary trades include food & beverage, supermarket and foodstuff.

# Asset Enhancement

## Continuous pipeline extending to 2020

### Completed Projects in FY14/15

**Hoi Fu, Mong Kok**  
Capex: HK\$39M / mid 14  
ROI <sup>(1)</sup>: 19.1%



**Mei Lam, Shatin**  
Capex: HK\$87M / late 14  
ROI <sup>(1)</sup>: 17.8%



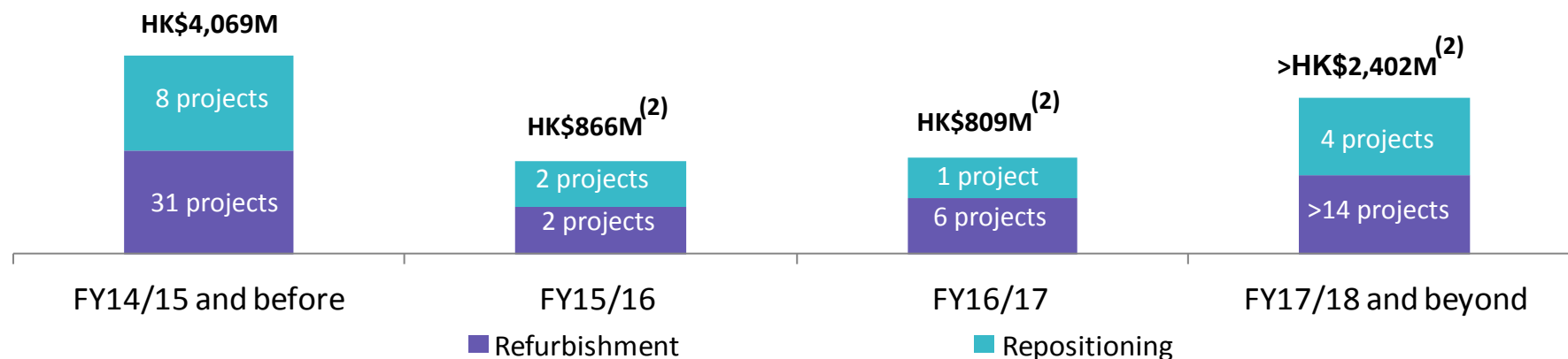
**Un Chau, Cheung Sha Wan**  
Capex: HK\$64M / late 14  
ROI <sup>(1)</sup>: 21.5%



**H.A.N.D.S, Tuen Mun**  
Capex: HK\$477M / late 14  
ROI <sup>(1)</sup>: 15.3%



### Project Pipeline



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

(2) Estimated figures as at 31 March 2015.

# Asset Enhancement

## Projects underway to enhance portfolio value



Notes: (1) Newly commenced projects  
(2) Estimated total capex / target completion date as at 31 March 2015



# Asset Enhancement

## Rebranding Lung Cheung Plaza & Wong Tai Sin Plaza as Temple Mall



- Integrate Lung Cheung and Wong Tai Sin as “one-mall”
- Unify identity and rebrand as **Temple Mall**
- Improve accessibility and enhance efficiency
- Reduce duplication in trades and enrich tenant mix to provide more choices for shoppers



Before



After

# Asset Acquisition

Extending Asset Management capabilities in Hong Kong and beyond

## 📍 Hong Kong



**Lions Rise Mall (2)**

- Immediately income-generating
- Synergy with existing portfolio
- Potential uplift in occupancy
- Catch up with market rent

**Consideration  
HK\$1,380M**

**Occupancy  
84% → 90+% (1)**

**Rental income  
increased 16%  
since acquisition**

**Property value  
RMB 2,500M**

**Occupancy  
99%**

**1/3 total leasable  
area expiring  
in 2015 & 2016**

- Immediately income-generating
- Strategic location
- Well-recognised market position
- Strong management team

## 📍 Mainland China



**Beijing EC Mall (3)**

Note: (1) Figure as at 31 March 2015.

(2) Acquisition was completed on 18 September 2014.

(3) Acquisition was completed on 1 April 2015.

# Property Development

## Design, build and hold for long-term income growth

<b>Location</b>	Commercial property development site in Kowloon East
<b>Development</b>	Grade-A office with retail element and car park
<b>Max. GFA</b>	884,000 sq. ft.
<b>Expected completion date</b>	June 2020
<b>Estimated Total Development Costs</b>	HK\$10.5 Billion
<b>JV structure</b>	The Link – 60% Nan Fung Development – 40%



# Asset Disposal

## Streamline portfolio and recycle capital



### Disposal Criteria

- Relatively smaller assets
- Lack of synergy
- Limited enhancement potential

Properties Disposed	9
Total Consideration	HK\$2,956 million
Premium to Valuation as at 31 March 2014	33%

### Recycle Capital for:

- New investment to expand portfolio
- Unit buyback
- Working capital to support operations





# BUSINESS STRATEGY AND OUTLOOK

# Expanded Business Model

Adding building blocks to secure long-term growth trajectory



## Market Overview



### Hong Kong

- Stable economic growth
- Mild slowdown in tourist growth
- Domestic consumption continue to grow



### Tier-1 Megacities in Mainland China

- Rising household income and urbanisation
- Government focus on quality of growth
- Stimulus measures to drive domestic consumption

## Outlook

Resilient portfolio  
delivers steady income growth

.....

Contain expenses  
to track inflation

.....

Sustain  
steady DPU growth

.....

Selective acquisitions  
to create long-term value

.....

Maintain strong  
capital structure

## Final Distribution

Ex Distribution date	23 June 2015
Distribution book close	25 June – 29 June 2015 (both days inclusive)
Record date for entitlement to cash distribution <sup>(1)</sup>	29 June 2015
Payment of cash distribution <sup>(1)</sup>	7 July 2015

Note: (1) There is no scrip alternative for this distribution.



Q&A's

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