



**Interim Results  
Press Conference  
2019/2020**

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**LINK**  
November 2019

# Interim Financial Results



Revenue | HK\$'M

**5,332**

+7.8% YoY <sup>(1)</sup>

NPI | HK\$'M

**4,071**

+8.5% YoY <sup>(1)</sup>

DPU | HK\$

**1.4147**

+8.3% YoY <sup>(2)</sup>

NAV per unit | HK\$

**90.58**

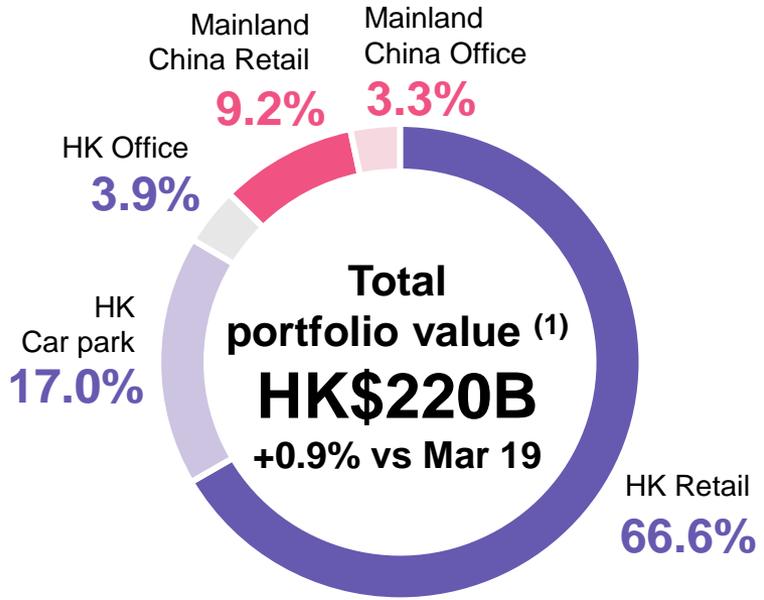
+6.1% YoY

Notes:

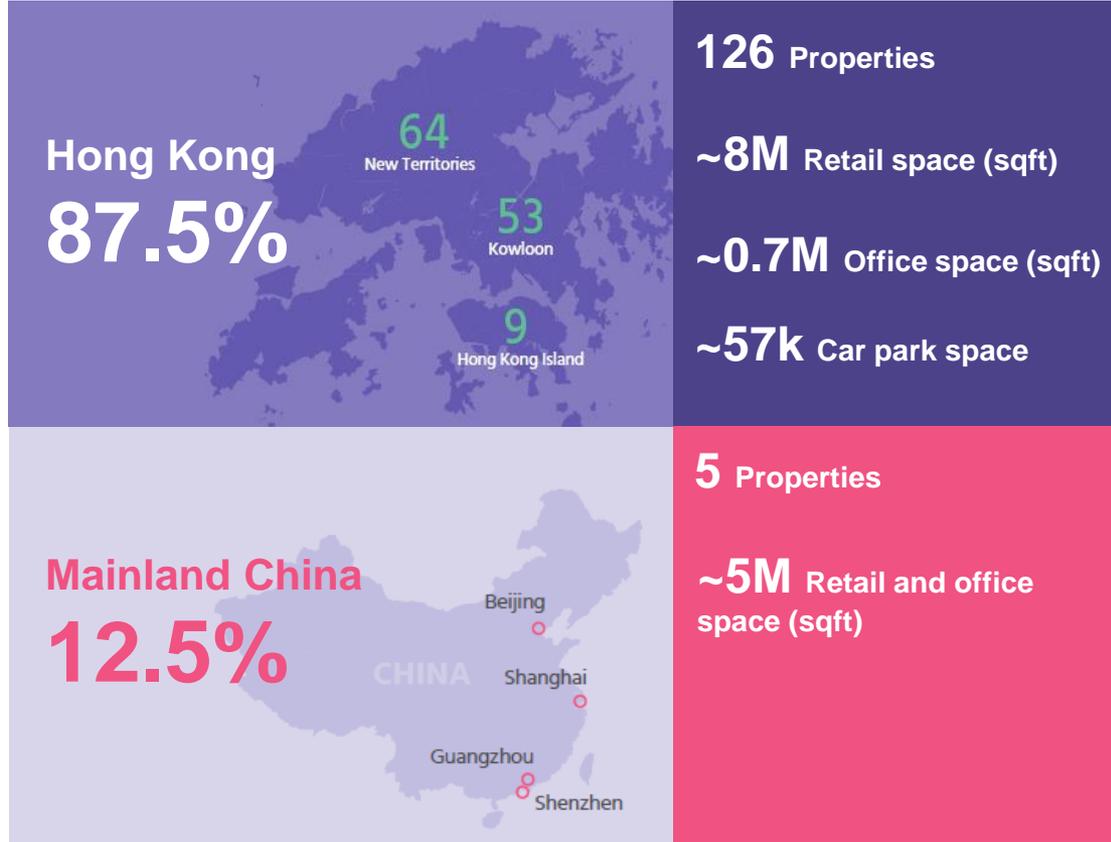
- (1) On a like-for-like basis, excluding any properties acquired, divested and/or newly operational (as applicable) during the periods under analysis.
- (2) Includes discretionary distribution of HK6.93 cents per unit in the interim distribution per unit.

# Quality Asset Portfolio

## Portfolio Mix



## 131 Assets Across Hong Kong and Mainland China



Note:  
 (1) By valuation as at 30 September 2019.

# Value Creation Model to Achieve Our Vision



Notes:  
 (1) For every HK\$1 invested.  
 (2) Measured by Total Impact Assessment.  
 (3) On a like-for-like basis comparing the baseline set in 2010.

# Vision 2025: Portfolio Growth

Valuation <sup>(1)</sup> **+0.9%** vs Mar 19

Grow at high single-digit CAGR

DPU <sup>(2)</sup>

**+8.3%** YoY

Sustain DPU growth

Credit Ratings

**A A2 A**

S&P Moody's Fitch

Maintain A ratings

**GOAL** Achieve high single-digit AUM growth



Notes:

(1) As at 30 September 2019.

(2) For the period ended 30 September 2019.

# Vision 2025: Culture of Excellence

## Learning Culture

### LinkREAD

Launched e-library to provide unlimited access to publications

## Recruiting Talent

### 6 Management Associates >40 Summer Interns

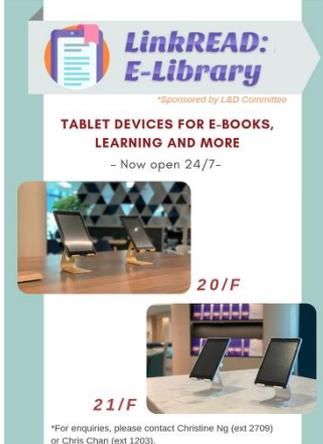
Build sustainable talent pipeline for future growth and development

## Staff Satisfaction

### Health & Well-being

Cultivate a sense of belonging through events and workshops

## GOAL Employer of Choice



**LinkREAD: E-Library**  
\*Sponsored by L&D Committee  
**TABLET DEVICES FOR E-BOOKS, LEARNING AND MORE**  
- Now open 24/7 -

20/F

21/F

\*For enquiries, please contact Christine Ng (ext 2709) or Chris Chan (ext 1203).



# Vision 2025: Visionary Creativity

## Tenant Academy

### Star talk series

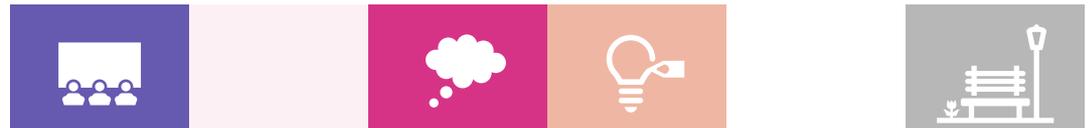
Management talks help tenants to improve business operation skills and their sales performances

## Link Together Initiatives

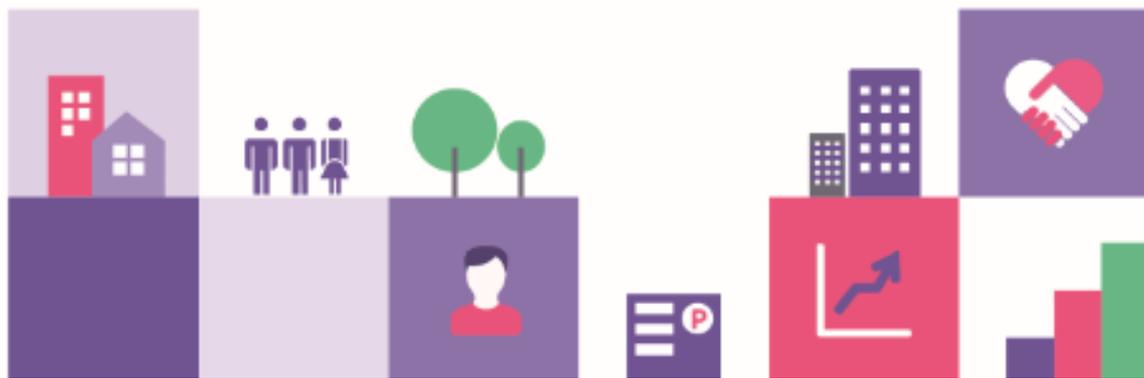
# \$14.1M

Earmarked for 6 projects and Link University Scholarships for 190 students

## GOAL Placemaking through Innovation



# Operational Updates



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# Resilient Hong Kong Retail Portfolio

**8.9%**<sup>(2)</sup>  
Revenue growth  
Like-for-like

**18.1%**  
Reversion rate

**96.9%**<sup>(3)</sup>  
Occupancy

**HK\$69.6psf**<sup>(3)</sup>  
Average unit rent



Notes:

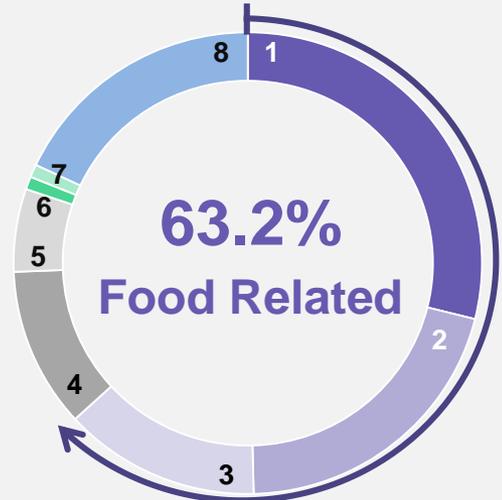
(1) All figures for the period ended 30 September 2019.

(2) On a like-for-like basis, excluding any properties acquired, divested and/or newly operational (as applicable) during the periods under analysis.

(3) As at 30 September 2019.

# Non-Discretionary Trade Mix Offering Stability

**Hong Kong Trade Mix by Monthly Rental**  
(as at 30 Sep 19)



- 1. Food & beverage 28.9%
- 2. Supermarket & foodstuff 20.7%
- 3. Markets/cooked food stalls 13.6%
- 4. Services 11.2%
- 5. Personal care/medicine 5.8%
- 6. Education/welfare & ancillary 0.9%
- 7. Valuable goods (1) 0.9%
- 8. Others (2) 18.0%

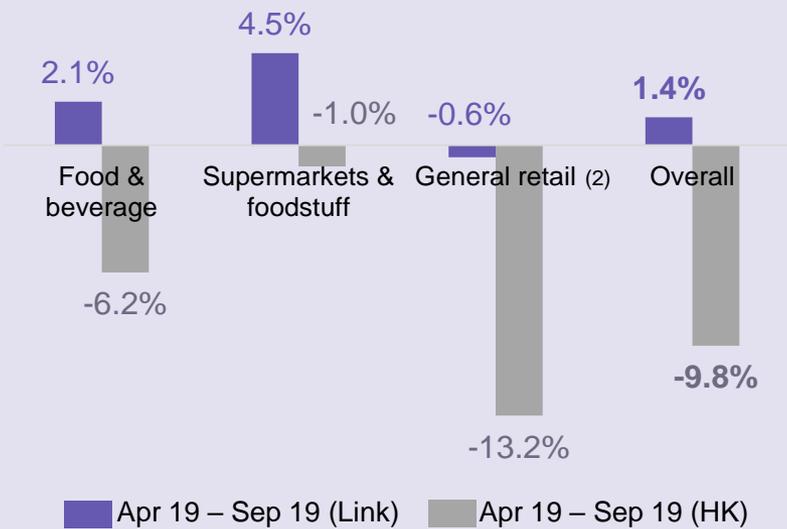
## Selected Tenants Expanding Within Link Portfolio



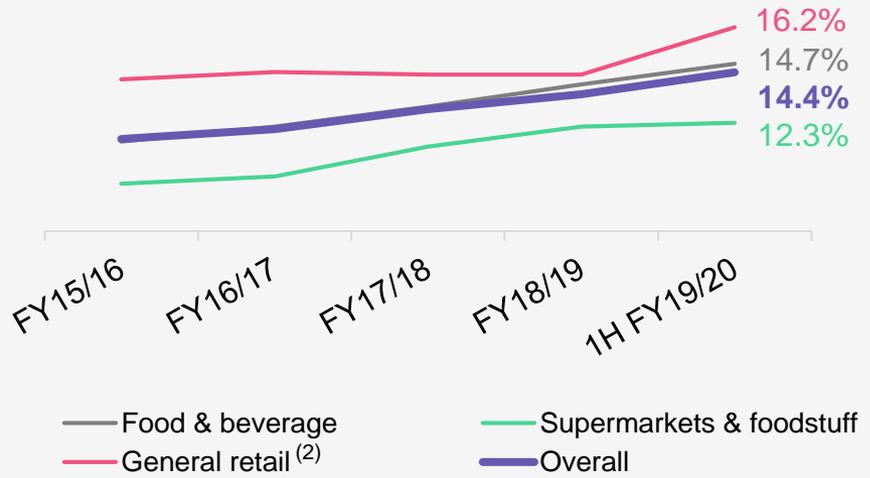
Notes:  
 (1) Include jewellery, watches and clocks.  
 (2) Include clothing, department store, electrical and household products, optical, books and stationery, newspaper, leisure and entertainment.

# Hong Kong Tenant Performance Bucking Market Trend

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



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



- Notes:
- (1) Percentage figures represent year-on-year change in tenants' average monthly sales per square foot of the respective periods.
  - (2) Including clothing, department store, electrical and household products, personal care/medicine, optical, books and stationery, newspaper, valuable goods, services, leisure and entertainment, and retail others.
  - (3) A ratio of base rent plus management fee to tenants' gross sales.

# Asset Enhancement

## Completed Projects



**Choi Ming**  
**CAPEX: HK\$104M**  
**ROI: 18.3%**

Enriched F&B  
 choices and retail  
 offerings



**Nam Cheong Place**  
**CAPEX: HK\$174M**  
**ROI: 14.0%**

First retail-to-market  
 conversion by Link

## Ongoing Projects

Underway

**8**

**CAPEX HK\$835M**  
**to be completed**  
**by 2021**

Under Planning

**>15**

**CAPEX >HK\$900M**  
**extending**  
**to 2025**

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 Portfolio



**8.2%**<sup>(2)</sup>  
Revenue growth  
Like-for-like

**HK\$2,929**  
Car park income per  
space per month

**HK\$663K**<sup>(3)</sup>  
Average valuation  
per space

## Notes:

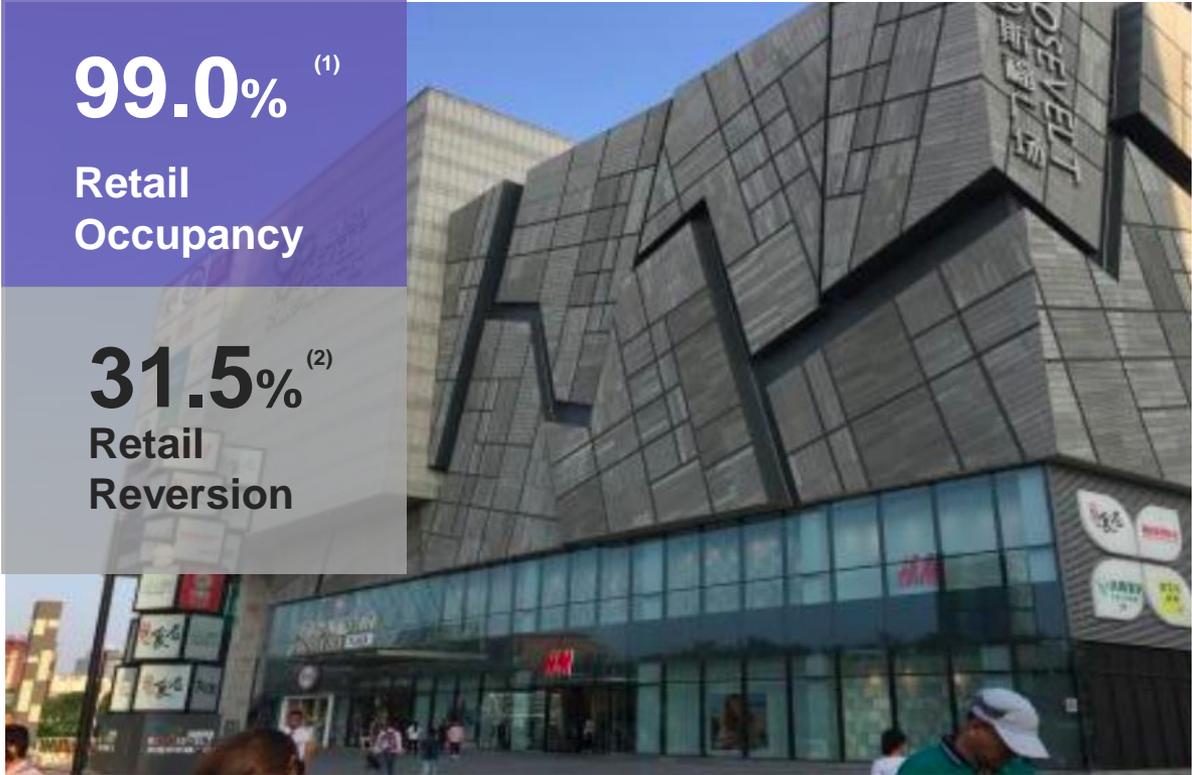
(1) All figures for the period ended 30 September 2019.

(2) On a like-for-like basis, excluding any properties acquired, divested and/or newly operational (as applicable) during the periods under analysis.

(3) As at 30 September 2019.

# Mainland China Retail Portfolio Remains Robust

✓ Newly-acquired Roosevelt Plaza and CentralWalk are trading well with reversions above 40%



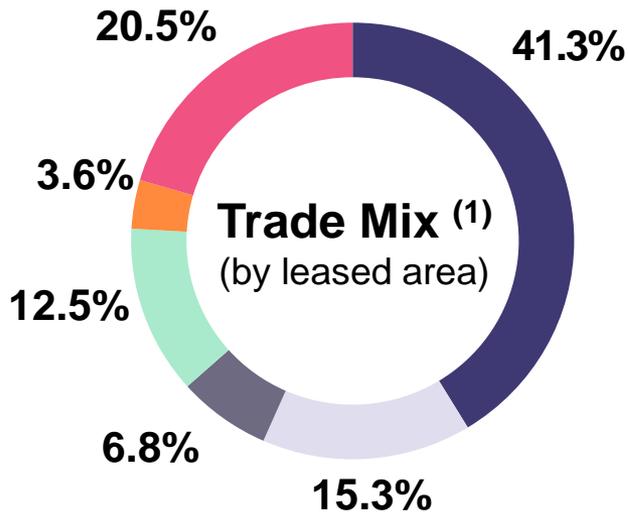
**99.0%**<sup>(1)</sup>  
Retail  
Occupancy

**31.5%**<sup>(2)</sup>  
Retail  
Reversion



Notes:  
 (1) As at 30 September 2019.  
 (2) For the period ended 30 September 2019.

# Mainland China Office Portfolio



- Professional services
- TMT
- Pharmacy
- Industrial goods & services
- Retailers & consumer products
- Others

✓ We are setting Mainland China headquarters in Shanghai to strengthen our operations and structure



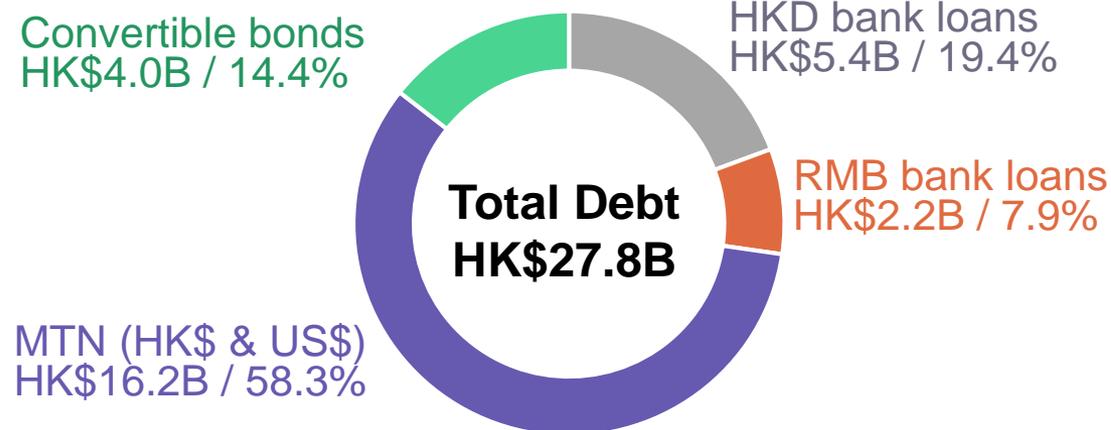
**95.1%**<sup>(1)</sup>  
Office  
Occupancy

**13.5%**<sup>(2)</sup>  
Office  
Reversion

Notes:  
 (1) As at 30 September 2019.  
 (2) For the period ended 30 September 2019.

# Well-balanced Financial Position

## Diversified Funding Sources



✓ **Raised a HK\$12B bank loan at attractive rate in September 2019**

Notes:

(1) Refers to HKD debt portfolio.

(2) All amounts are at face value and HK\$4B convertible bond has a maturity of 5 years with 3 years put option.

Gearing ratio

**11.9%**

Effective interest rate <sup>(1)</sup>

**3.23%**

Fixed rate debt/ total debt <sup>(1)</sup>

**64.7%**

Average fixed rate debt maturity <sup>(1)</sup>

**5.1 years**

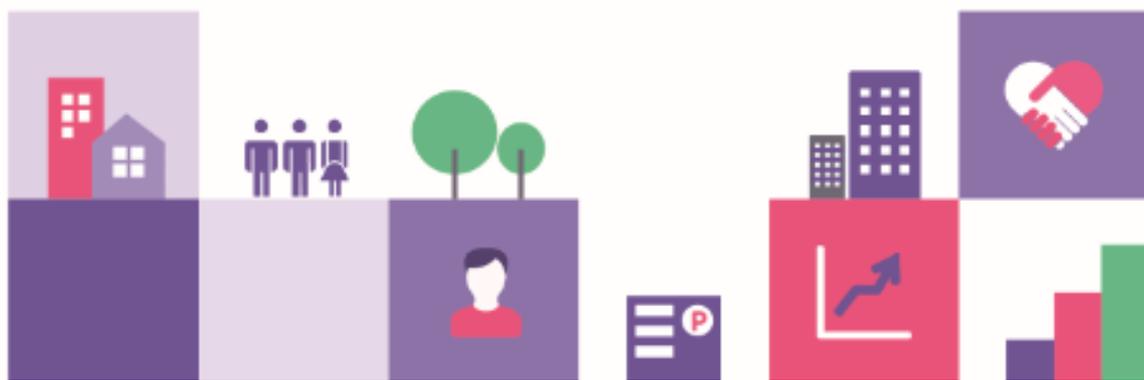
Credit Ratings

A/Stable  
S&P

A2/Stable  
Moody's

A/Stable  
Fitch

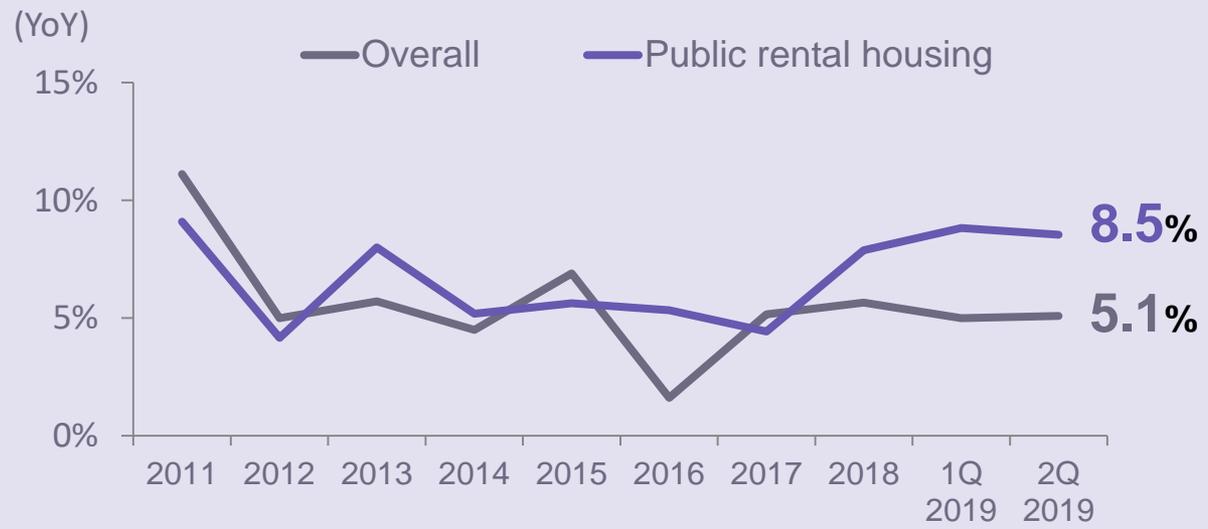
# Macro-environment and Our Strategy



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# Hong Kong Economy

## Median Monthly Household Income (1)



**-2.9%**  
GDP Growth (2)

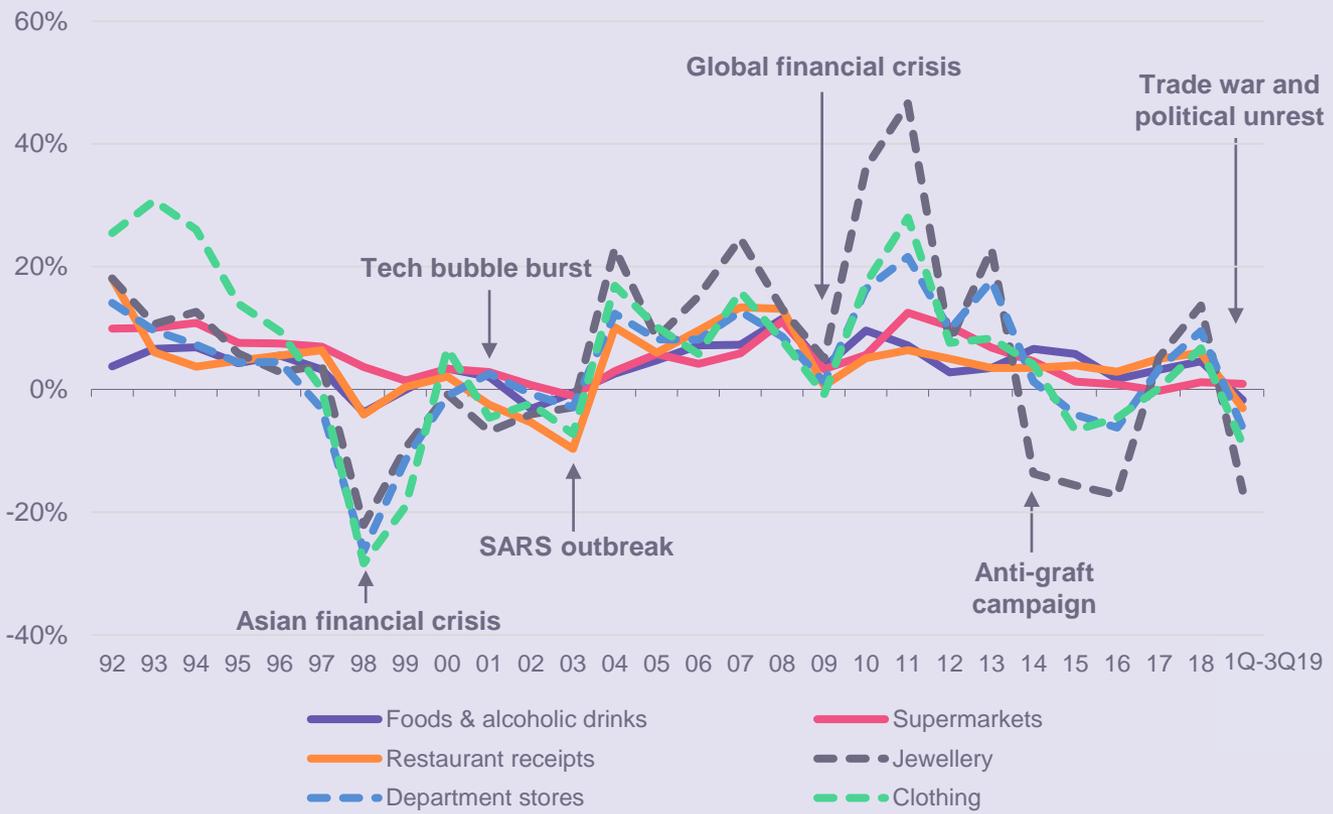
**2.9%**  
Unemployment (3)

Ongoing uncertainties from both international and domestic markets continued to impact the Hong Kong economy and consumer sentiment

Notes:  
 (1) Figure as at 2Q 2019  
 (2) Advance estimate for 3Q 2019 released on 31 Oct 2019  
 (3) Figure as at 3Q 2019  
 (4) Source: Census & Statistics Department

# Hong Kong Retail Sales & Restaurant Receipts

## Year-on-year Change



**Sales performance of non-discretionary trades, in particular supermarkets, remained resilient and relatively defensive**

# Mainland China Retail Sales and Office Rental Index

- Mainland China economy remains among one of the fastest-growing in the world
- Steady growth in disposable income and consumer spending in Beijing, Guangzhou and Shenzhen
- In Shanghai, office rents in Puxi core CBD is expected to hold up due to stable demand and available stock

## Retail sales

1Q-3Q 2019 YoY change

**+4.8%**  
Beijing

**+8.2%**  
Guangzhou

**+6.8%**  
Shenzhen

## Office Rental

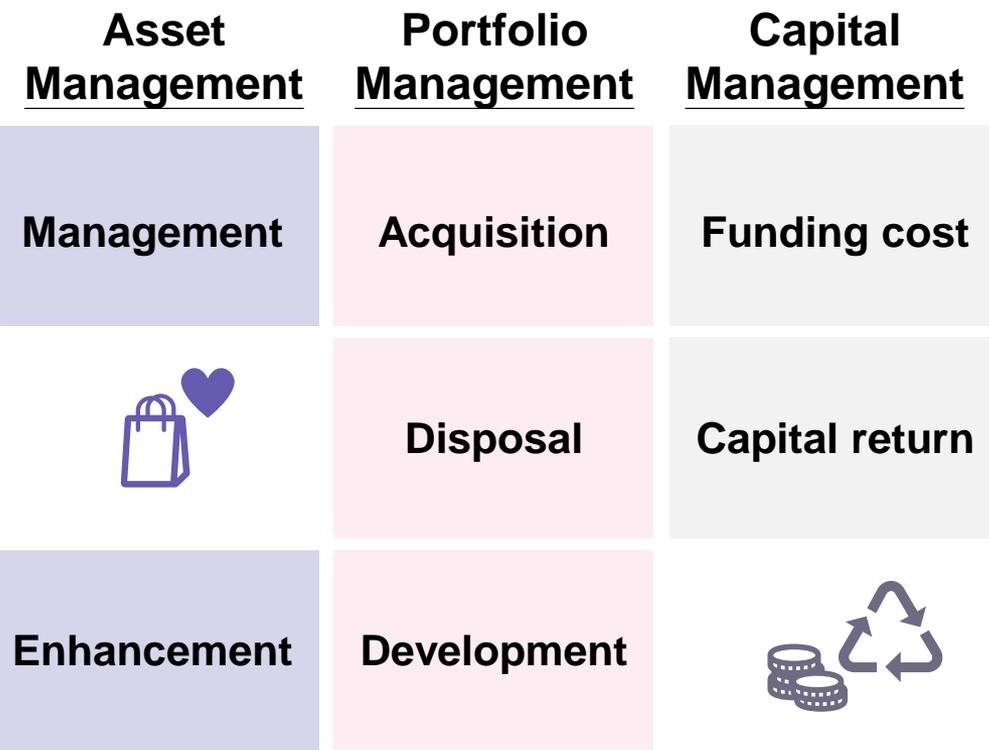
3Q 2019 Grade A office rental in core CBD YoY change

**-4.9%**  
Shanghai

**-0.3%**  
Puxi

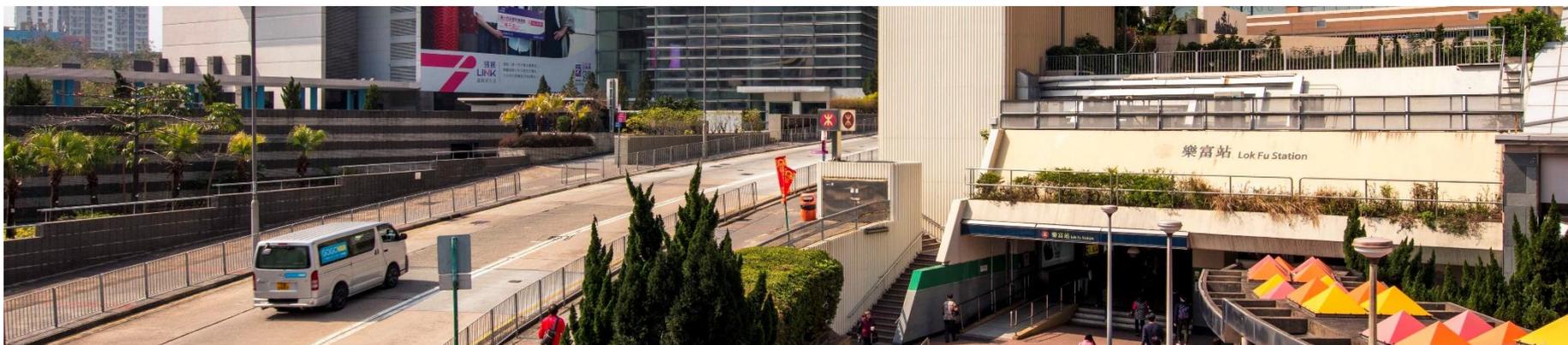
# Multi-Faceted Strategies in Place

## Our Strengths



# Vision 2025 Portfolio Growth

## Targeting Quality Assets with Resilient Performance



### Active asset management

- ✓ Maximise potential of organic portfolio
- ✓ Focus on reaching our AUM goal by 2025



### 1<sup>st</sup> AE in Mainland China

- ✓ CentralWalk in Shenzhen to start AE in early 2020

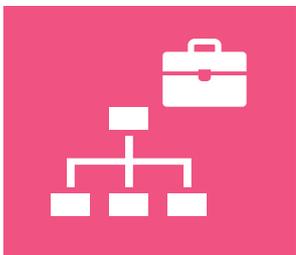


### Increased effort on inorganic growth

- ✓ Continue investments targeting Hong Kong and first tier cities and surrounding river deltas
- ✓ Opportunistically study acquisition potential of other gateway cities and asset types

# Vision 2025 Culture of Excellence

## Sustaining Talent Pipeline and Shaping Collaborative Culture



### Establishing Mainland China headquarters

- ✓ Improve reporting lines & tap into local talent pool



### Leadership development

- ✓ Offer performance development plans & training opportunities



# Vision 2025 Visionary Creativity

## Managing our Business with Innovation

### LINK PLAZA

#### Launch of Link Plaza

- ✓ Rebranding shopping centres in our current Mainland China portfolio



#### Placemaking

- ✓ Cementing our assets' popularity as "extension of living rooms"



#### Technology

- ✓ Innovative ways to engage stakeholders and to improve operational efficiency



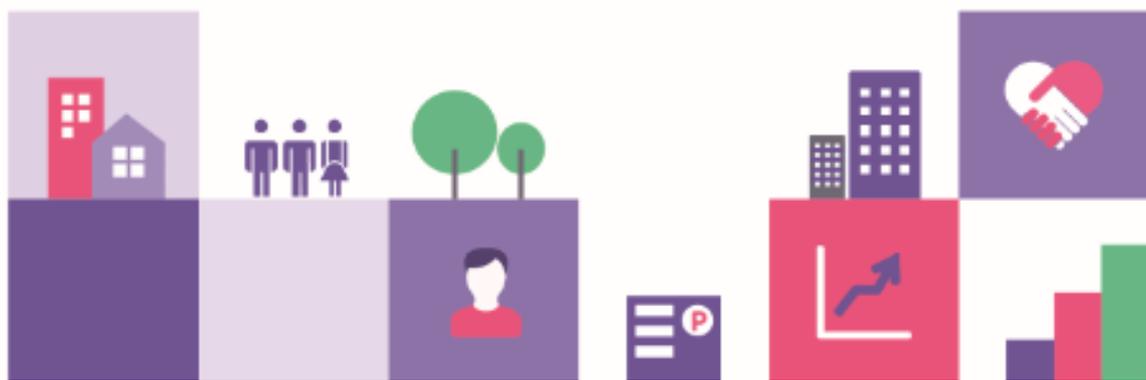
# Interim Distribution Calendar

Distribution period	April 2019 – September 2019
Last day of trading on a “cum” basis	26 November 2019
Ex-distribution date	27 November 2019
Distribution book close	29 November – 3 December 2019 (both days inclusive)
Record date for entitlement to cash distribution <sup>(1)</sup>	3 December 2019
Payment of cash distribution <sup>(1)</sup>	10 December 2019

Note:

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

# Q&A



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