



**Interim Results  
News Conference  
2020/2021**



**01**

# Interim Highlights





# Defensive Performance amid Challenging Environment

- **Resilient Performance:** high occupancy and rental collections
- **Steady DPU:** maintained 100% payout
- **Business as Mutual:** supporting our tenants with HK\$600 million Tenant Support Scheme
- **Solid Financial Position:** ample liquidity and strong credit profile
- **Vision 2025:** prudent portfolio growth with quality acquisitions



# Financial Performance

<b>Revenue</b> HK\$5,233M -1.9% YoY	<b>NPI</b> HK\$4,037M -0.8% YoY
<b>DPU</b> HK\$1.4165 <sup>(1)</sup> +0.1% YoY	<b>NAV per unit</b> HK\$74.60 -3.9% vs March 2020

**Our key financial performance indicators reflect our steady business performance despite challenges and uncertainties**



Note:  
(1) Includes discretionary distribution of HK7.00 cents per unit.



**We have been resilient so far in protecting the productivity of our portfolio**



## Occupancy Rates

**96.1%**

**Hong Kong Retail**

**94.7%**

**Mainland China Retail**

**100.0%**

**Australia Office**

**100.0%**

**United Kingdom Office**

## Reversion Rates

**-2.6%**

**Hong Kong Retail**

**8.1%**

**Mainland China Retail**

## Rental Collection Rate

**> 95.0%**

**Overall Retail Portfolio**

Note:

(1) All figures for the period ended / as at 30 September 2020.

# Operating “Business As Mutual”

## Management Priorities

- Health and safety of community and employees our top priority
- Assist tenants and stakeholders with most pressing needs

## Responses to Challenges

- ✓ HK\$600M Tenant Support Scheme
- ✓ Lease restructuring, rent reduction and management fee waivers, etc.
- ✓ Free disinfection service to tenants on request
- ✓ Car park discounts to school bus operators
- ✓ Flexible work arrangements for employees





# Realising Vision 2025



**Portfolio Growth**  
Achieve high single-digit CAGR in AUM

## Organic Portfolio

**~95%**

Maintained high occupancy in both Hong Kong and Mainland China portfolios

## Inorganic Drivers

**2**

Completed 2 acquisitions in overseas markets

## Credit Ratings

**A Stable**

Maintained investment grade “A” rating from 3 credit agencies



**Culture of Excellence**  
Become “Employer of Choice”

## Employee Well-being

Introduced Virtual Wellness Resources Centre, and family care and examination leave

## Learning Culture

Launched digital learning management system

## Talent Acquisition

Continued to offer student internships and Management Associate Programme



**Visionary Creativity**  
Placemaking through innovation

## Solar Panel Installation

**28** properties identified

Generating electricity that is equivalent to ~300 households’ annual electricity consumption

## Sustainability Financing

**HK\$2B**

2 sustainability-linked loans signed

## Link Together Initiatives

**190** university scholarships

Totalling HK\$3.8M to the first university students in three generations of their families

**02**

## **Operational Updates**

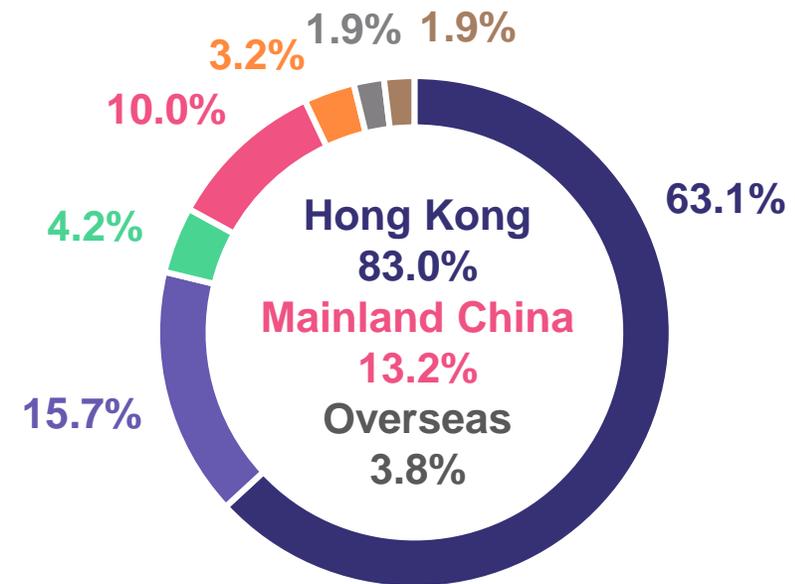


# Diversified Asset Portfolio



GEOGRAPHY	NO. OF PROPERTIES	AREA
Hong Kong	126 Retail, office and car park	~ 9M sq ft Retail and office space
Mainland China	5 Retail and office	~ 5M sq ft Retail and office space
Overseas	2 Office	~ 305K sq ft Sydney ~ 482K sq ft London

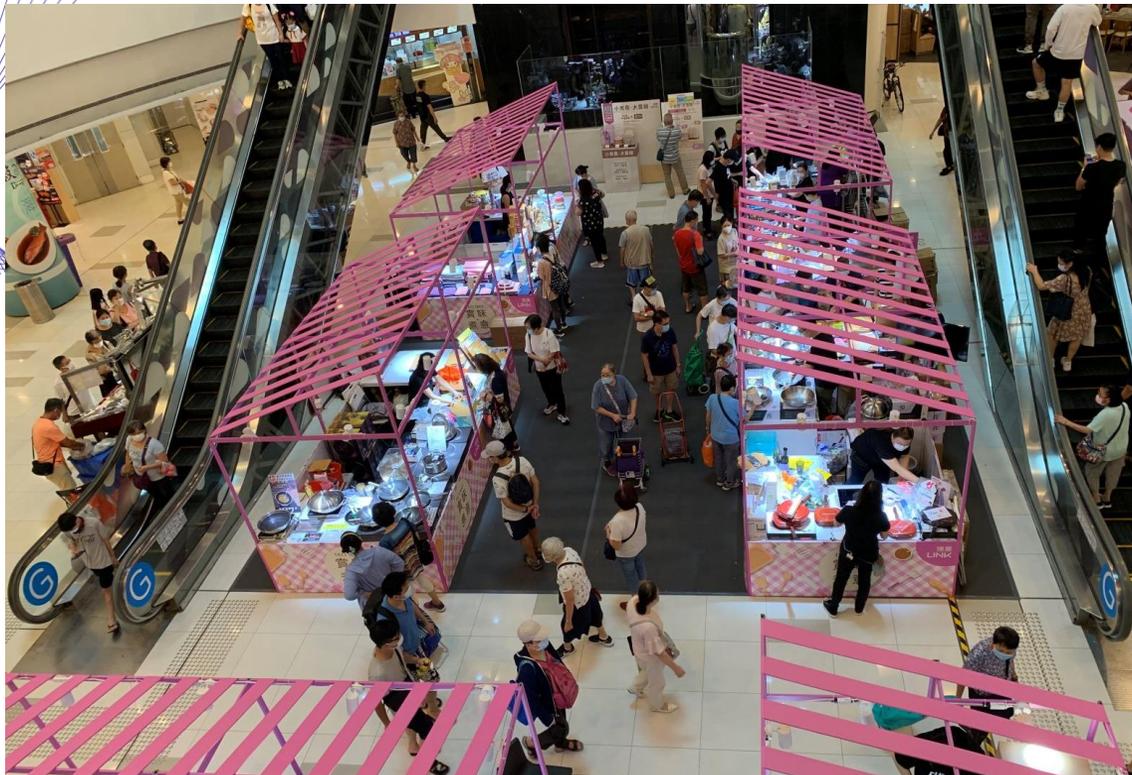
Total Portfolio Value HK\$195B <sup>(1)</sup>



- Hong Kong Retail
- Hong Kong Car park
- Hong Kong Office
- Mainland China Retail
- Mainland China Office
- Sydney Office
- London Office

Note:  
(1) By valuation as at 30 September 2020.

# Hong Kong Retail



<b>Revenue growth YoY</b>	<b>-5.5%</b>
<b>Occupancy rate</b>	<b>96.1%</b>
<b>Reversion rate</b>	<b>-2.6%</b>
<b>Average unit rent per square foot</b>	<b>HK\$68.7</b>

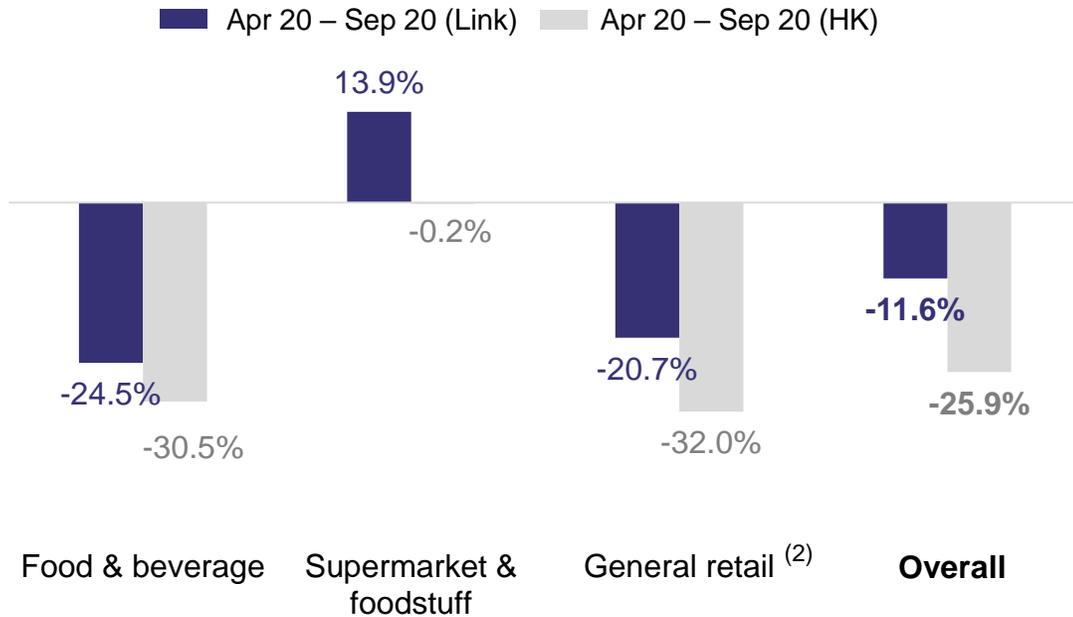
- No major concerns over rental collection and arrears
- Over 200 new leases joined our portfolio since April 2020 despite challenging operating environment

Note:

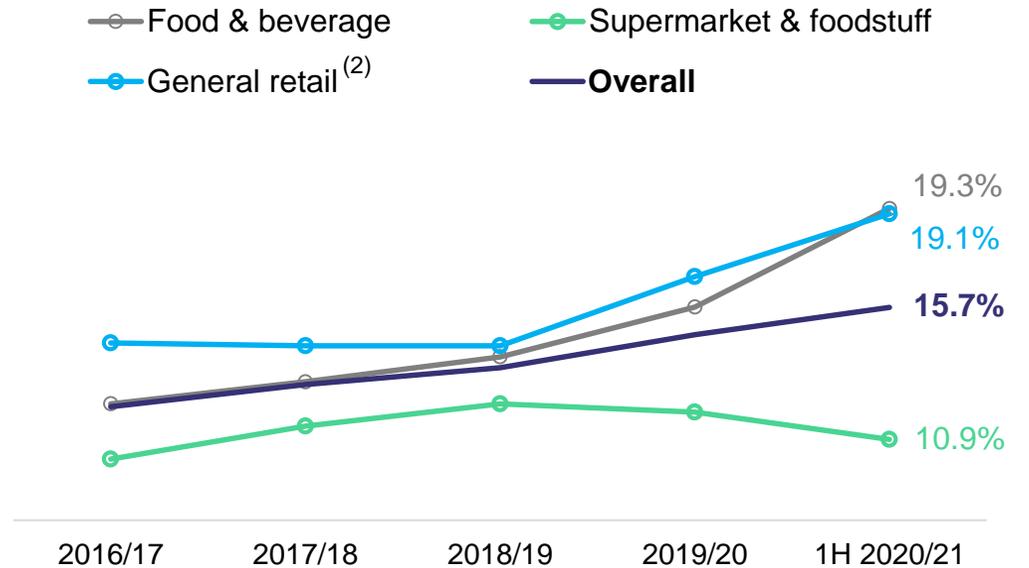
(1) All figures for the period ended / as at 30 September 2020.

# Hong Kong Tenant Performance

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



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



**Tenant sales were impacted by social distancing measures and weaker sentiment due to COVID-19**  
**Occupancy cost slightly increased up with general retail facing highest pressures due to dampened consumer sentiment**

### Notes:

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

(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 tenant sales.

# Hong Kong Carpark



**Revenue growth YoY**

**-5.7%**

**Car park income per space per month**

**HK\$2,745**

**Average valuation per space**

**~HK\$541K**

- Hourly parking adversely impacted by the partial lockdown
- Ticket sales, especially hourly parking, have been gradually recovering in September/October 2020

Note:

(1) All figures for the period ended / as at 30 September 2020.

# Hong Kong Office



<b>Office occupancy rate <sup>(1)</sup></b>	<b>~80%</b>
<b>Retail occupancy rate <sup>(1)</sup></b>	<b>~76%</b>

- Successfully achieved additional leasing during COVID-19
- Two floors previously occupied by co-working operator were vacated in October 2020 and being actively marketed

Note:

(1) As at 30 September 2020.

# Mainland China Retail



<b>Occupancy rate</b>	<b>94.7%</b>
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<b>Reversion rate</b>	<b>8.1%</b>
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- Occupancy was affected by COVID-19 lockdowns and the commencement of asset enhancement work in CentralWalk, Shenzhen
- Achieved positive reversion even during the pandemic
- Tenant sales in our shopping centres has recovered to ~90% of pre-COVID level
- Healthy rental collection without major issues
- Rolling out Link Plaza branding across Mainland China

Note:

(1) All figures for the period ended / as at 30 September 2020.

# Mainland China Office



**Occupancy rate**

**94.8%**

**Reversion rate**

**-7.7%**

- Reversion was impacted due to a surge of new office supply in Shanghai
- Successfully extended the lease with our leading anchor tenant by ten years
- Enhancement plan for office lobby and common areas to commence in mid 2021

Notes:

(1) All figures for the period ended / as at 30 September 2020.

# Overseas Offices

## 100 Market Street

Premium Grade A office in Sydney, Australia



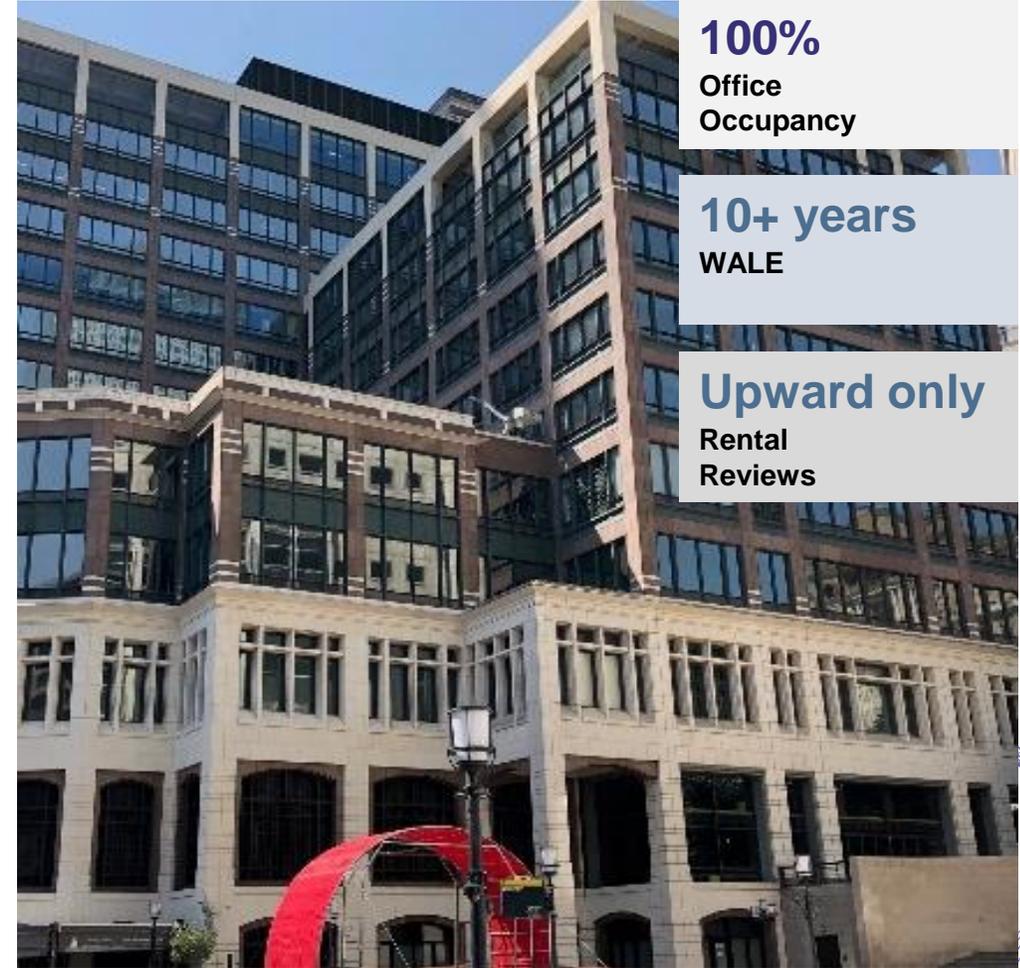
**100%**  
Office  
Occupancy

**~8 years**  
WALE

**~4%**  
Annual Rental  
Escalation

## The Cabot

Premium Grade A office in London, United Kingdom



**100%**  
Office  
Occupancy

**10+ years**  
WALE

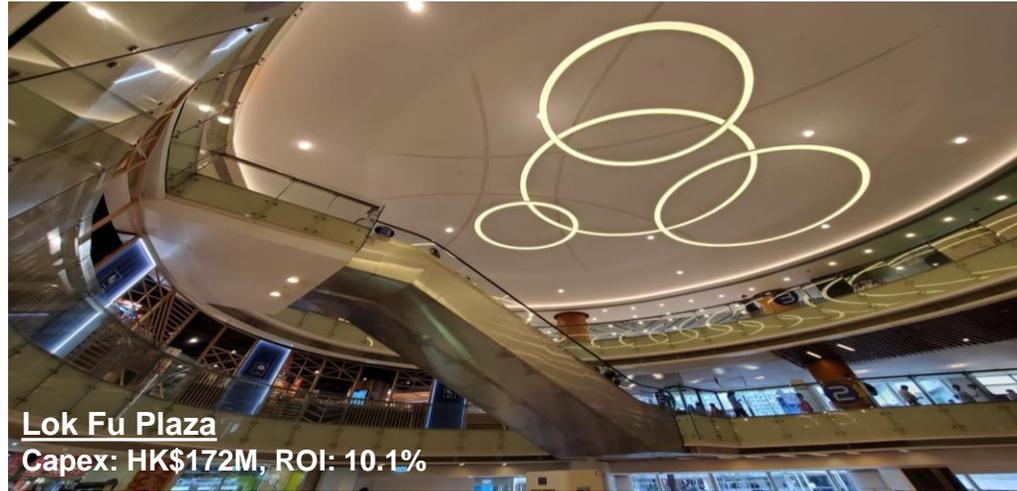
**Upward only**  
Rental  
Reviews

Note:

(1) As at 30 September 2020.

# Asset Enhancements

Completed 2 projects  
yet ROIs were impacted  
by dampened leasing  
market



More prudent and flexible pipeline going forward

	Estimated Costs	Target Completion Date
<b>Underway</b>	<b>535M</b>	
<b>Kai Tin Shopping Centre</b>	<b>153M</b>	Late 2020
<b>Tai Wo Plaza</b>	<b>50M</b>	Early 2021
<b>Hing Wah Shopping Centre</b>	<b>30M</b>	Mid 2021
<b>CentralWalk, Shenzhen</b>	<b>302M</b>	Late 2021
<b>Under Planning</b>	<b>&gt;1.0B</b>	



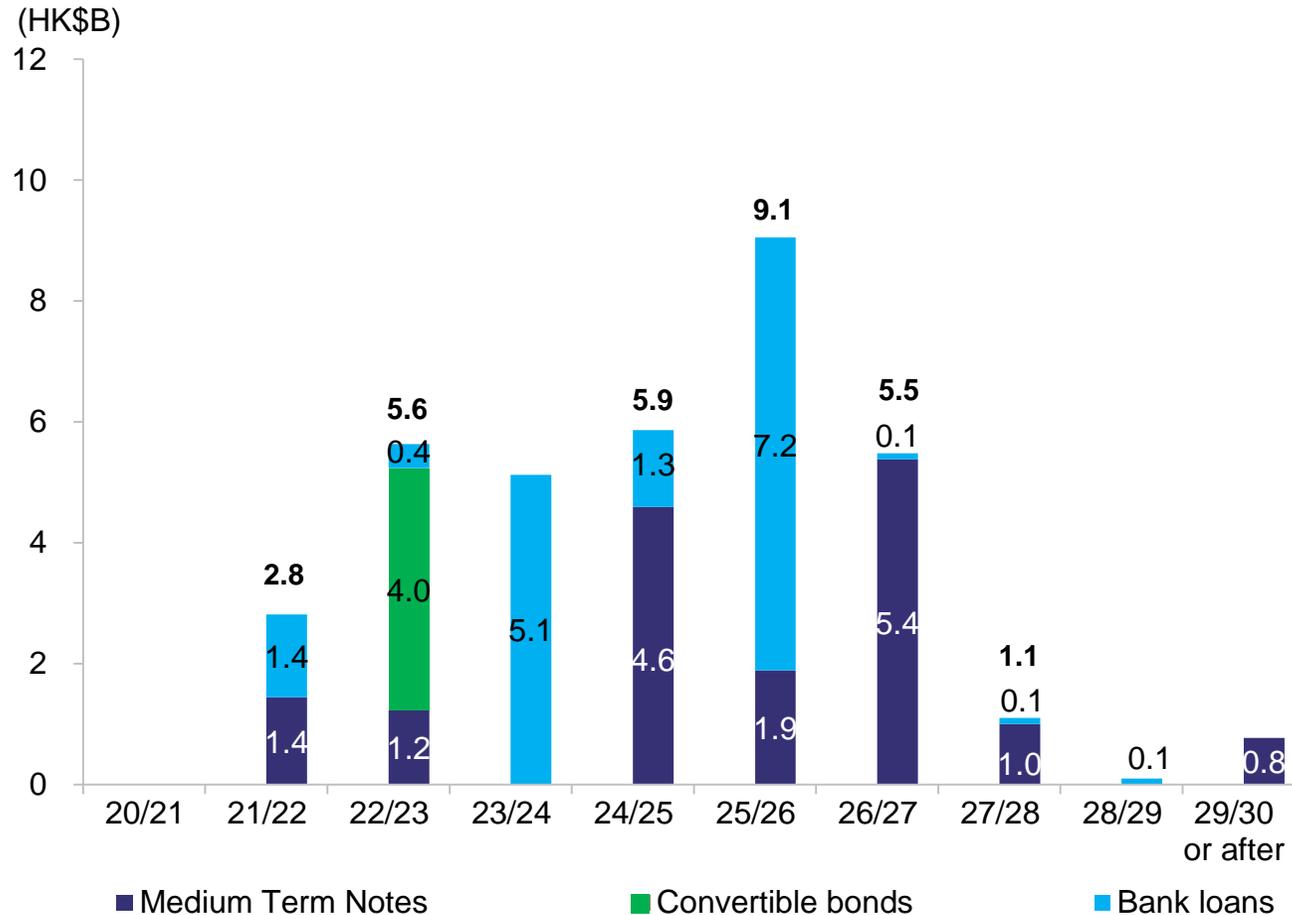
Note:

(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.



# Prudent Capital Management

## Staggered Debt Maturity Profile as at 30 September 2020



Notes:

(1) All amounts are at face value.

(2) HK\$4B convertible bond has a maturity of 5 years with a 3-year put option exercisable in 2022/23.

## Sound capital position with strong liquidity

### Key Debt Metrics

Average borrowing cost	2.84%
Available liquidity	HK\$13.6B
Fixed rate debt / total debt	55.9%
Average fixed rate debt maturity	4.6 years
Gearing ratio	17.7%

### Credit Ratings and Outlook

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

# Valuation

HK\$'M	As at 30 Sep 2020	As at 31 Mar 2020	As at 30 Sep 2020	As at 31 Mar 2020
<b>Hong Kong</b>				
Retail properties	123,012	127,515	3.10% – 4.50%	3.10% – 4.50%
Car parks	30,588	31,732	3.10% – 5.30%	3.10% – 5.30%
Office property	9,360 <sup>(1)</sup>	9,914 <sup>(1)</sup>	3.00%	3.00%
<b>Mainland China</b>				
Retail properties	19,583	19,146	4.25% – 4.75%	4.25% – 4.75%
Office property	6,266	6,171	4.25%	4.25%
<b>Overseas</b>				
Australia office	3,773	-	4.50%	N/A
United Kingdom office	3,712	-	5.22%	N/A
<b>Total valuation</b>	<b>196,294</b>	<b>194,478</b>		
<b>Valuation of investment properties</b>	<b>195,112 <sup>(2)</sup></b>	<b>193,224 <sup>(2)</sup></b>		

## Hong Kong

- Decline in value of Hong Kong properties was mainly due to decline in market rent assumptions

## Mainland China

- Increase in value of Mainland China properties was mainly due to RMB appreciation of 4.1% (Sep 2020 vs Mar 2020)

Notes:

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

(2) The amount has excluded two floors of The Quayside which Link has occupied for self-used office and was classified as property, plant and equipment.

**03**

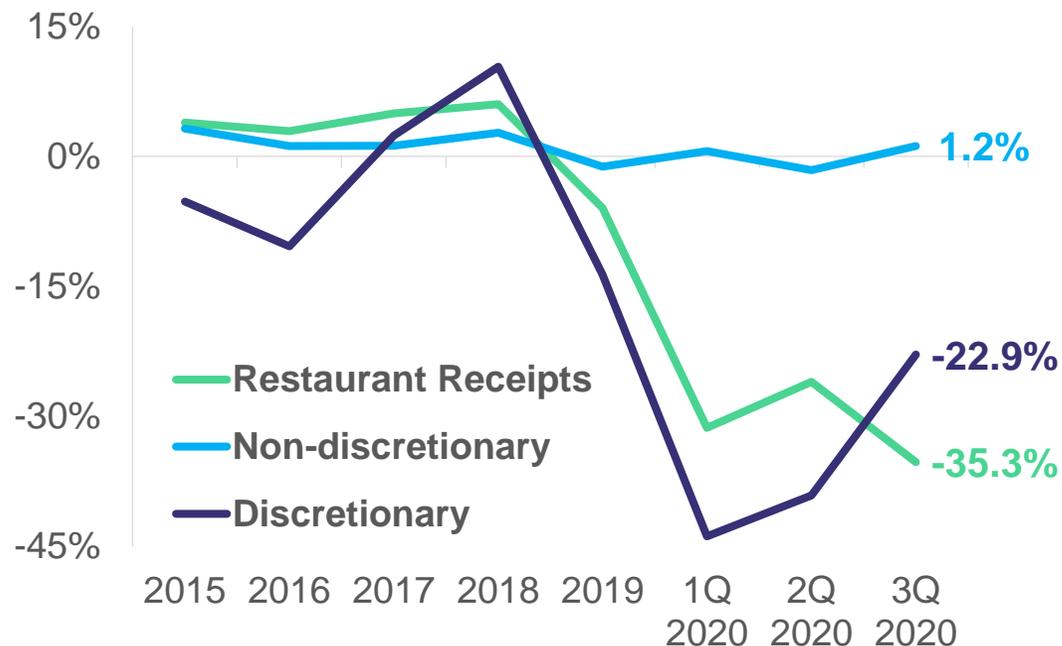
## **Macro-environment and Strategy**



# Operating Landscape – Hong Kong

## Fragile economy as COVID-19 disrupted economic activities

Retail Sales Growth YoY <sup>(1)</sup>



### Higher unemployment rate impacting median household income

**6.4%**<sup>(2)</sup>

Unemployment Rate

**-9.8% YoY**<sup>(3)</sup>

Overall  
Household Income

**-7.8% YoY**<sup>(3)</sup>

Public Rental Housing  
Household Income

### Rising vacancy exerted pressure on office rents

**-18.8% YoY**<sup>(2)</sup>

Overall Hong Kong  
Grade A Office Rental

**-12.8% YoY**<sup>(2)</sup>

Kowloon East  
Grade A Office Rental

### Steady parking demand

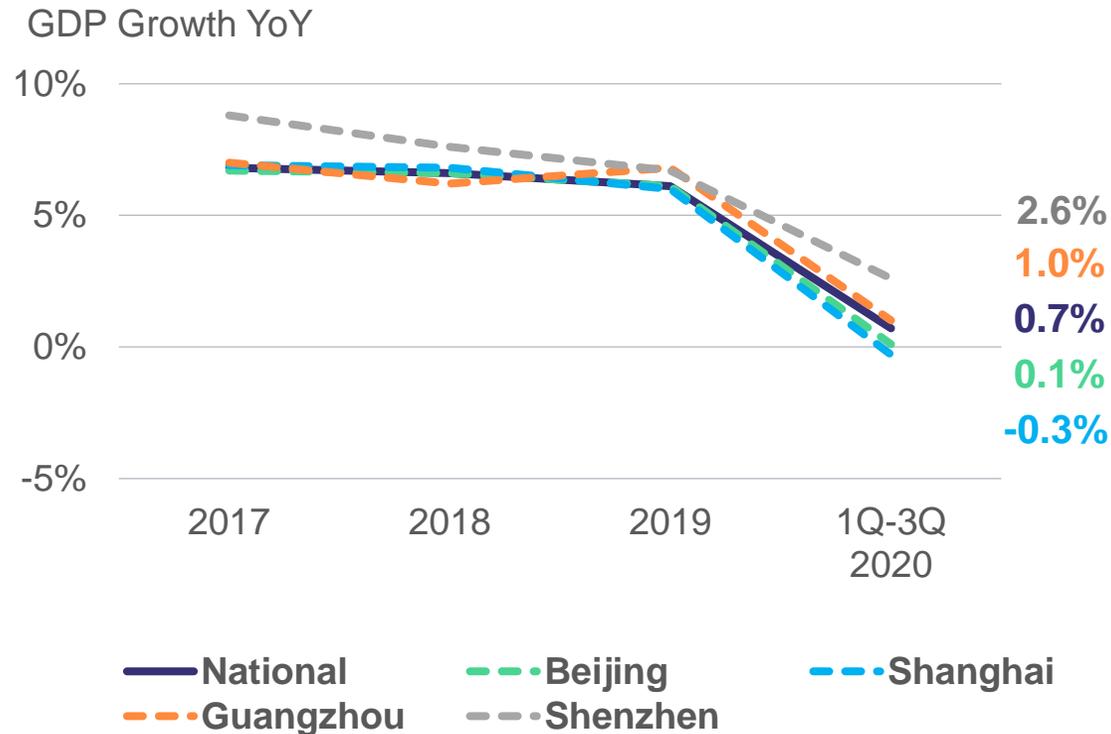
**0.5% YoY**<sup>(2)</sup>

Private Car Licensing

- Notes:
- (1) Non-discretionary retail sales include supermarkets and foodstuff, and discretionary retail sales include the remaining retail trades
  - (2) Figures for 3Q 2020 / as at 3Q 2020
  - (3) Figures for 2Q 2020

# Operating Landscape – Mainland China

## Initial impact from COVID-19 but quickly stabilised



### Decline in retail sales narrowed

<b>-13.1% YoY<sup>(1)</sup></b>	<b>-6.2% YoY<sup>(1)</sup></b>	<b>-9.0% YoY<sup>(1)</sup></b>
Beijing	Guangzhou	Shenzhen

### Office rent declined due to soft demand

<b>-4.5% YoY<sup>(2)</sup></b>	<b>-9.7% YoY<sup>(2)</sup></b>
Puxi Core CBD Grade A Office	Pudong Core CBD Grade A Office

### Urban household disposable income growth improved in line with economic recovery

<b>2.5% YoY<sup>(1)</sup></b>	<b>4.9% YoY<sup>(1)</sup></b>	<b>3.0% YoY<sup>(1)</sup></b>
Beijing	Guangzhou	Shenzhen

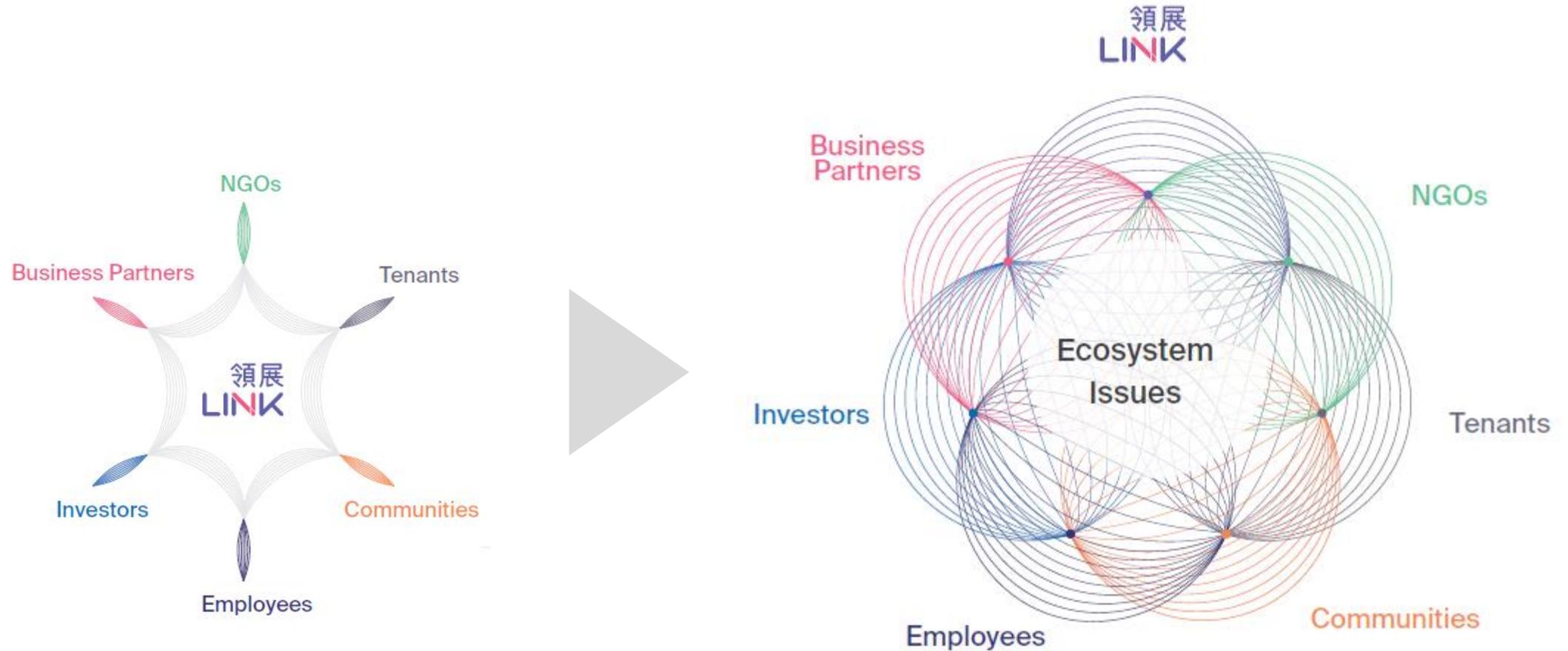
#### Notes:

(1) Figures for 1Q-3Q 2020

(2) Figures as at 3Q 2020

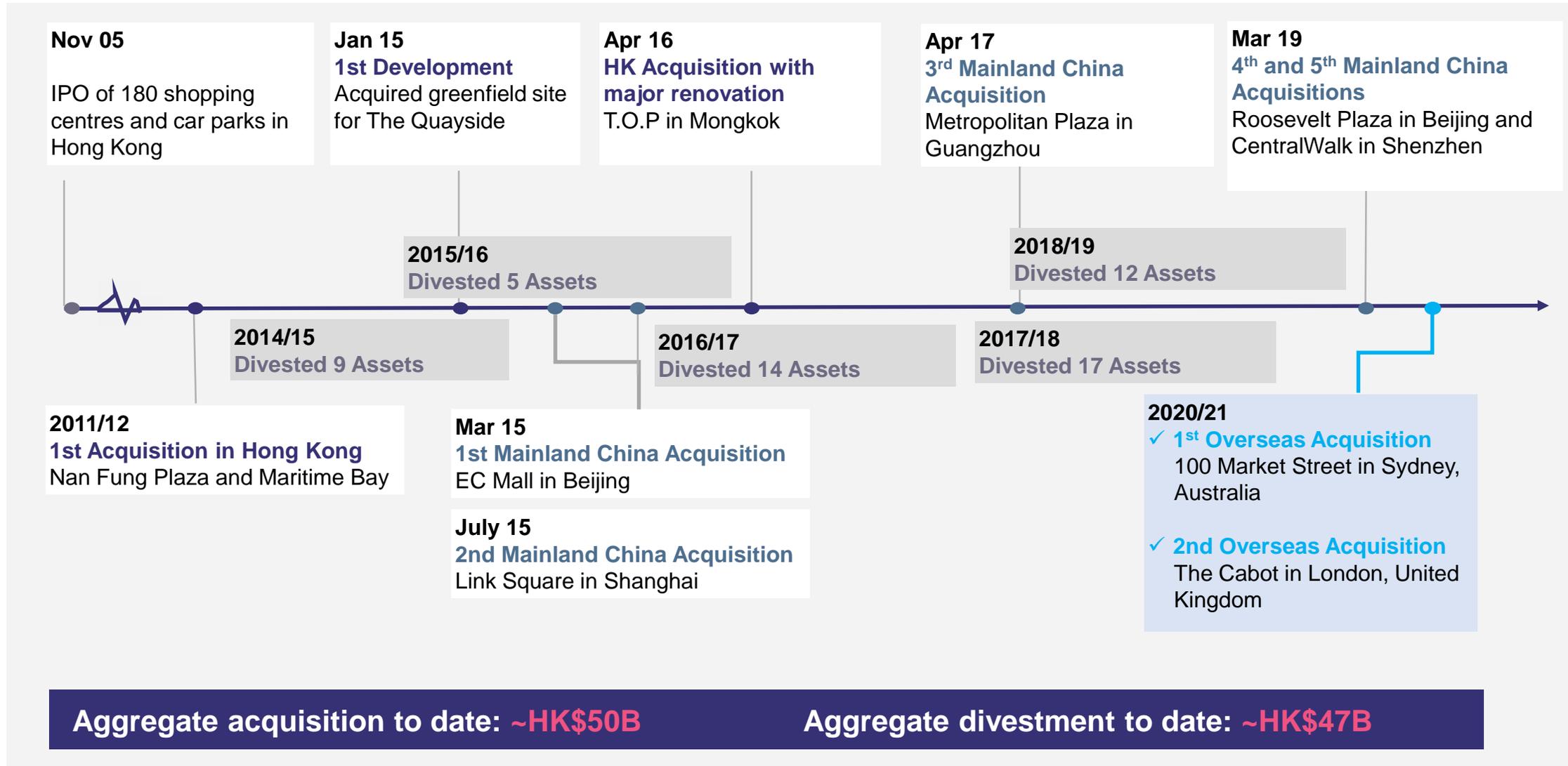
# Our Business As Mutual Ethos

From Business as Usual to **Business as Mutual**



An interactive framework for business operations to improve overall resilience and long-term sustainability of the Link ecosystem via collaboration

# 15 Years of Successful Track Record and Execution



# Near-term Priorities – Asset Management

## Focus on our defensive core platform

- **Business As Mutual** Deep collaboration with stakeholders to ride through external challenges
- **Shopping Environment** Provide our shoppers and stakeholders with hygienic and quality ambience
- **Creating Value** Focus on maintaining occupancy and strategically managing existing portfolio

>200 new leases in our Hong Kong portfolio since April 2020



Maintain high hygiene standard



# Near-term Priorities – Portfolio and Capital Management

## Quality portfolio with sustainable growing returns

- **Our Strategy** Focus on our existing “core” while adding “core-plus” and “value-add” assets
- **Inorganic Growth Drivers** Assets in Hong Kong, Mainland China tier-1 cities and their surrounding delta areas and overseas including United Kingdom, Australia, Singapore and Japan
- **Prudent Approach** Seeking to deliver stable and quality income

## Strong capital structure to steer through uncertainties

- **Ample Facilities** Constant monitoring to ensure sufficient coverage for operations and potential acquisition funding
- **Credit Ratings** Maintain high credit ratings for favourable funding cost
- **Forex Management** Cost effective hedging of foreign currency exposure to Mainland China and overseas markets
- **Capital Return** Further buyback will depend on market conditions and other regulatory concerns
- **Distribution Payout** Maintain 100% payout ratio and remain committed to the HK14 cents per year discretionary distribution up till 2021/2022

<b>Distribution period</b>	<b>April 2020 – September 2020</b>
<b>Last day of trading on a “cum” basis</b>	<b>18 November 2020</b>
<b>Ex-distribution date</b>	<b>19 November 2020</b>
<b>Distribution book close</b>	<b>23 November – 24 November 2020 (inclusive)</b>
<b>Record date for entitlement to distribution</b>	<b>24 November 2020</b>
<b>Ten trading days to determine issue price for scrip in lieu of interim cash distribution</b>	<b>23 November – 4 December 2020 (both days inclusive)</b>
<b>Final date for scrip election</b>	<b>14 December 2020 (no later than 4:30 pm)</b>
<b>Payment of distribution</b>	<b>28 December 2020</b>



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