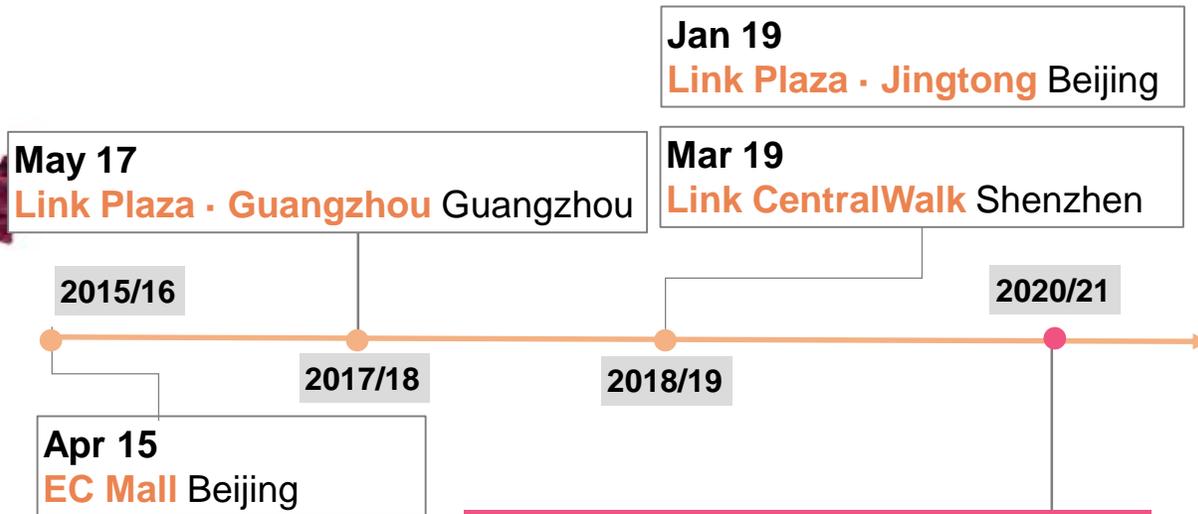
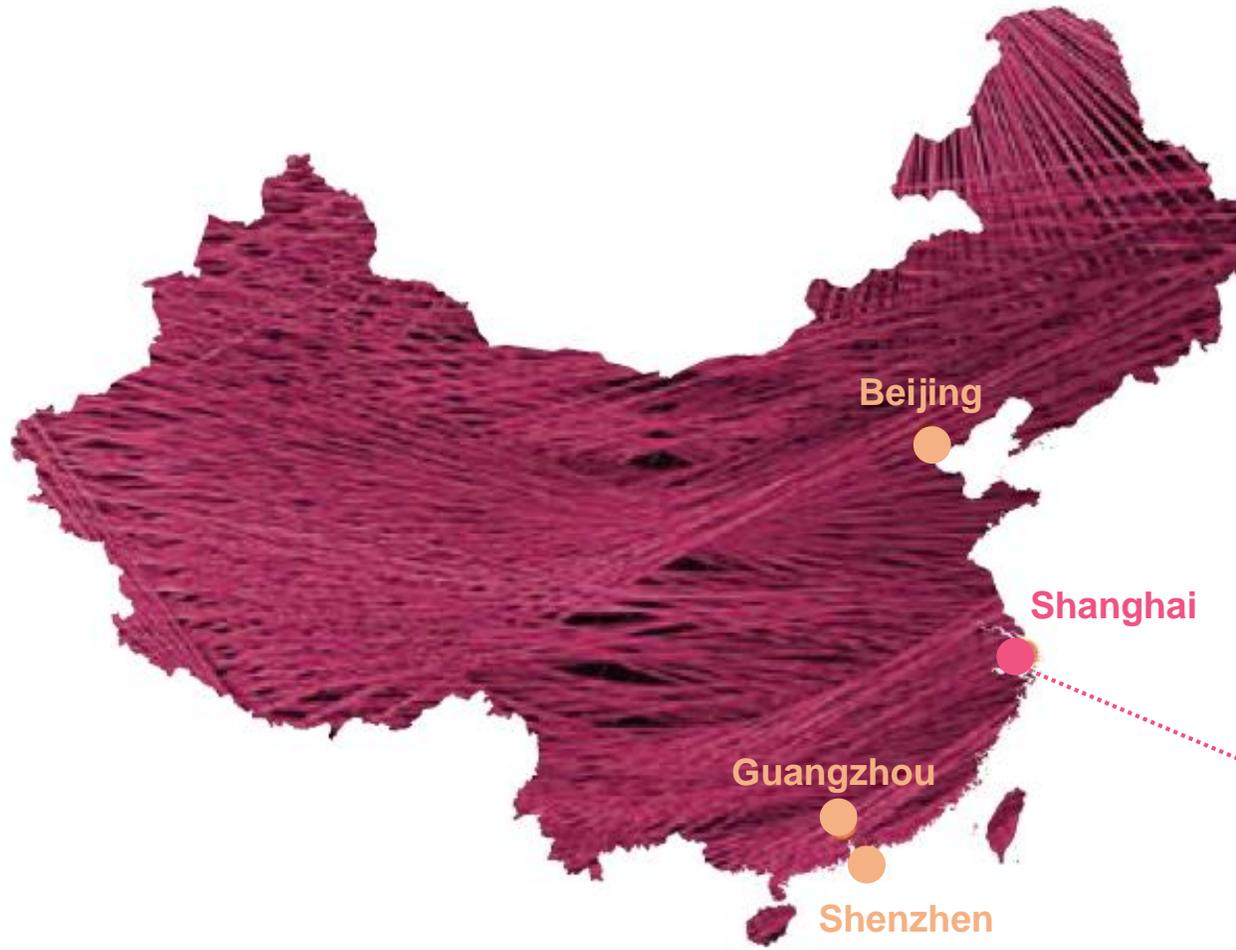




## Acquisition of 50% Interest in Qibao Vanke Plaza, Shanghai

24 February 2021

# 6<sup>th</sup> Investment in Mainland China



**6<sup>th</sup> Mainland China Acquisition**  
**Qibao Vanke Plaza**  
Shanghai



- First retail property investment in Shanghai
- Strong post COVID-19 recovery in retail sales

# Qibao Vanke Plaza Property Particulars



## Agreed Property Value

**RMB 6,400 M <sup>(1)</sup>**

## Expected Completion of Acquisition

**March 2021 <sup>(2)</sup>**

|                               |   |
|-------------------------------|---|
| <b>Location</b>               | 5/3 Qiu, 620 Block,<br>Qibao Town, Minhang District,<br>Shanghai, the PRC                                   |
| <b>Completion</b>             | 2016  |
| <b>No. of Floors</b>          | Retail: B1 – 5/F (6 floors)<br>Car Park: B3 – B2 (2 floors) <sup>(3)</sup>                                  |
| <b>Gross Floor Area</b>       | Total: 233,872 sqm<br>Retail: 148,853 sqm<br>Car park & others: 85,019 sqm                                  |
| <b>Car Park Spaces</b>        | ~1,471  |
| <b>Occupancy Rate</b>         | 97.8%   |
| <b>Monthly Passing Income</b> | RMB 32.8 M <sup>(1,4)</sup>   |
| <b>Other Shareholder</b>      | 50% equity interest held by<br>珠海市懋德誠投商業發展有限公司<br>(held by affiliates of<br>China Merchants Bank and Vanke) |

### Notes:

- (1) For 100%.
- (2) Subject to regulatory approval.
- (3) Part of B1 is also served as car park.
- (4) The monthly passing income (excluding management fees) was approximately RMB32,752,626 with retail income of approximately RMB29,012,250/month, and other income of RMB3,740,376/month (including RMB1,272,102/month from car parking fees).
- (5) Data as at 31 December 2020.

# Investment Rationale

## 1 Prime location in Shanghai

- **Shanghai enjoys the fastest retail recovery** among Tier 1 cities in Mainland China
- Along with improvement of surrounding infrastructure including Jiamin Line, Airport Connection Line and Qibao Eco-Business Park, **catchment population is expected to further increase by 8.4% by 2025<sup>(1)</sup>**
- **Directly connected to Qibao metro station along Metro Line No.9, which will become interchange station of two lines**, upon completion of Jiamin Line, **by 2025/26**

## 2 High quality regional shopping centre with strong upside potential

- **97.8% occupied** as at 31 December 2020
- **>70% its monthly passing base rental income is expiring in 2021-2023**
- **Currently in its second leasing cycle** that offers re-tenanting opportunities

## 3 Attractive entry yield with strong strategic partners

- **Immediately yielding** after acquisition
- **Strengthens Link's retail portfolio and network in Mainland China**
- **Strong partners with proven management capabilities**

Notes:

(1) JLL Research.

(2) Data as at 31 December 2020.

# Key Economic Indicators for Shanghai

**GDP** **1.7%**  
GDP Growth

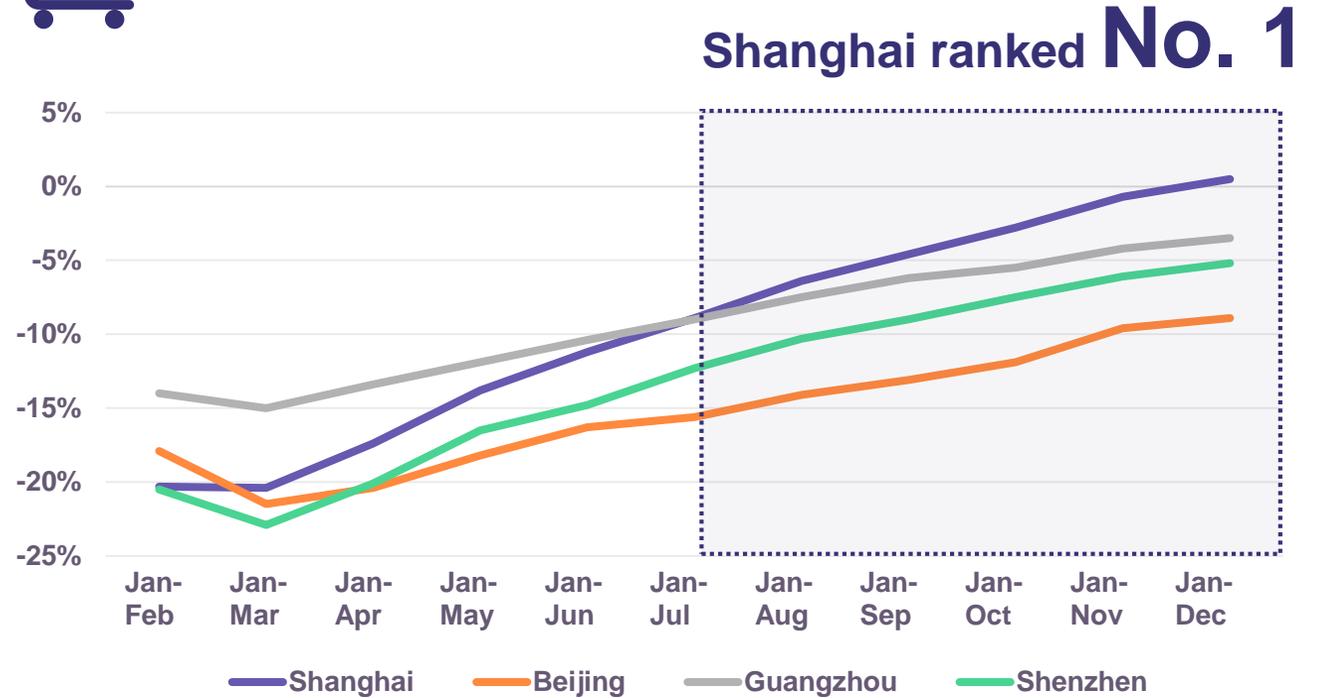
**1.7%**  
CPI Growth

**3.8%**  
Disposable  
Income  
Growth

**6.2%**  
FDI Growth



### Retail Sales YoY Growth Rate in 2020



**Shanghai is leading in retail sales recovery in Mainland China**

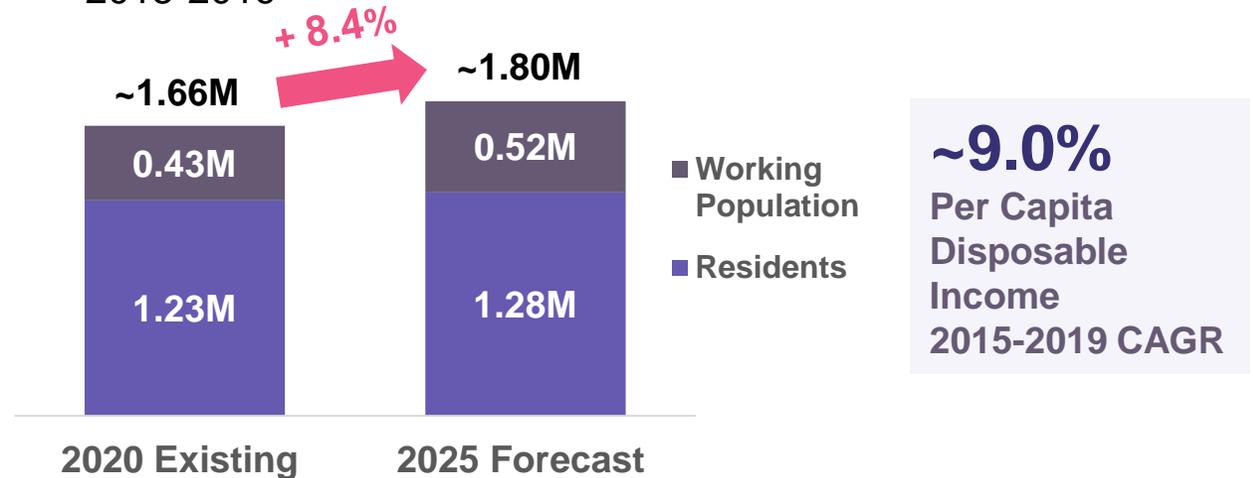
Sources: NBS, BMBS, SMSB, GMSB, SBSM.  
Note: For 2020 1Q-4Q, except stated otherwise.

# Qibao Town is Strategically-located in Shanghai with Vast Potential



## 📍 Qibao Town

- **Convenient location**
  - 17 mins to Hongqiao Airport by car
  - 30 mins to The Bund by car
- **Growing catchment and affluence level**
  - **Expected catchment population to increase** with the upcoming completion of 24 residential and 9 office projects in Qibao Town <sup>(1,3)</sup>
  - **Increasing per capita disposable income** of Minhang District for 2015-2019 <sup>(2)</sup>



**Retail space demand is well-supported by upcoming population growth**

Source: (1) JLL Research (2) People's Government of Minhang District, Shanghai  
Note: (3) Estimated to complete by 2025

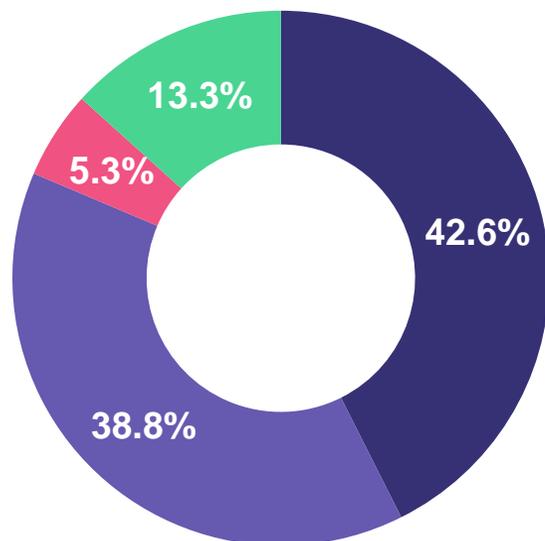
# Neighbouring Attractive Hubs in Shanghai with High Accessibility



Excellent connectivity with direct access to metro and prime location in Qibao Town

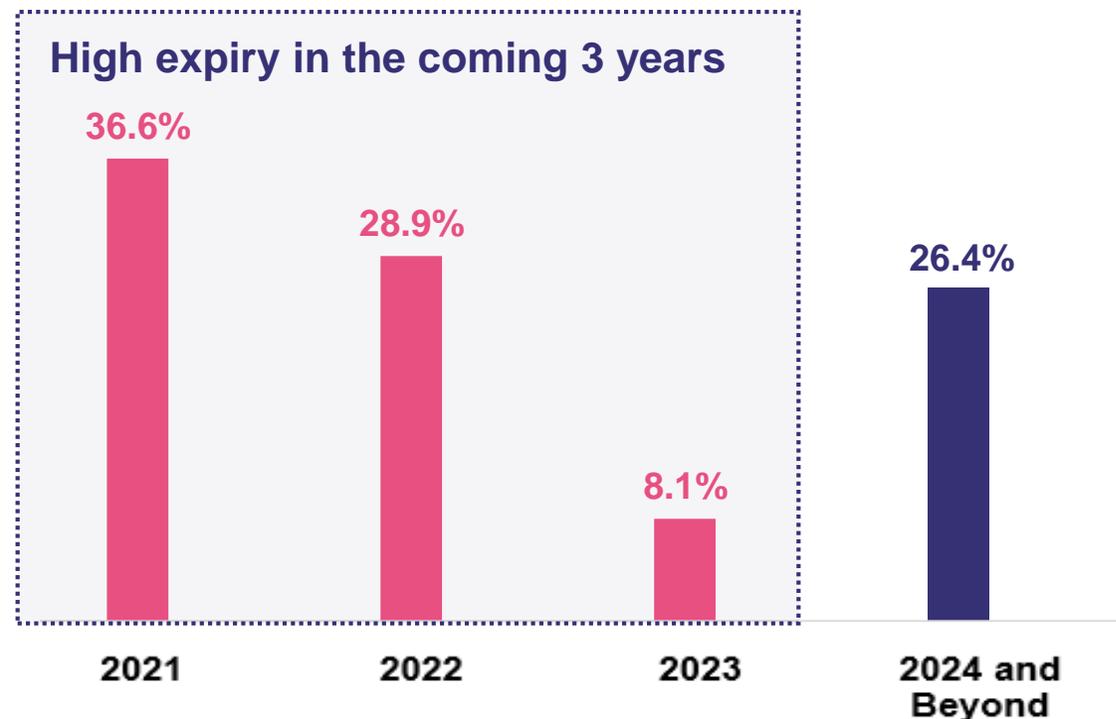
# Mid-Upper Market Focus with Diverse Trade Mix and Short WALE

Trade mix as of December 2020  
(by monthly passing base rental income)



■ Fashion and Accessory    ■ Food and Beverage  
■ Life Services            ■ Others<sup>(1)</sup>

Short WALE of 2.2 years with >70% of passing base rental income to expire during 2021-2023



**Strong upside potential as passing rent is below market<sup>(2)</sup>  
while the shopping centre enters its second leasing cycle against strong tenant demand**

Notes:

(1) Others including family & kids, home appliance & audio visual, entertainment and supermarket.

(2) JLL Research.

(3) Data as at 31 December 2020.

# Wide Range of International and Local Culinary Choices

## Food Related Trades

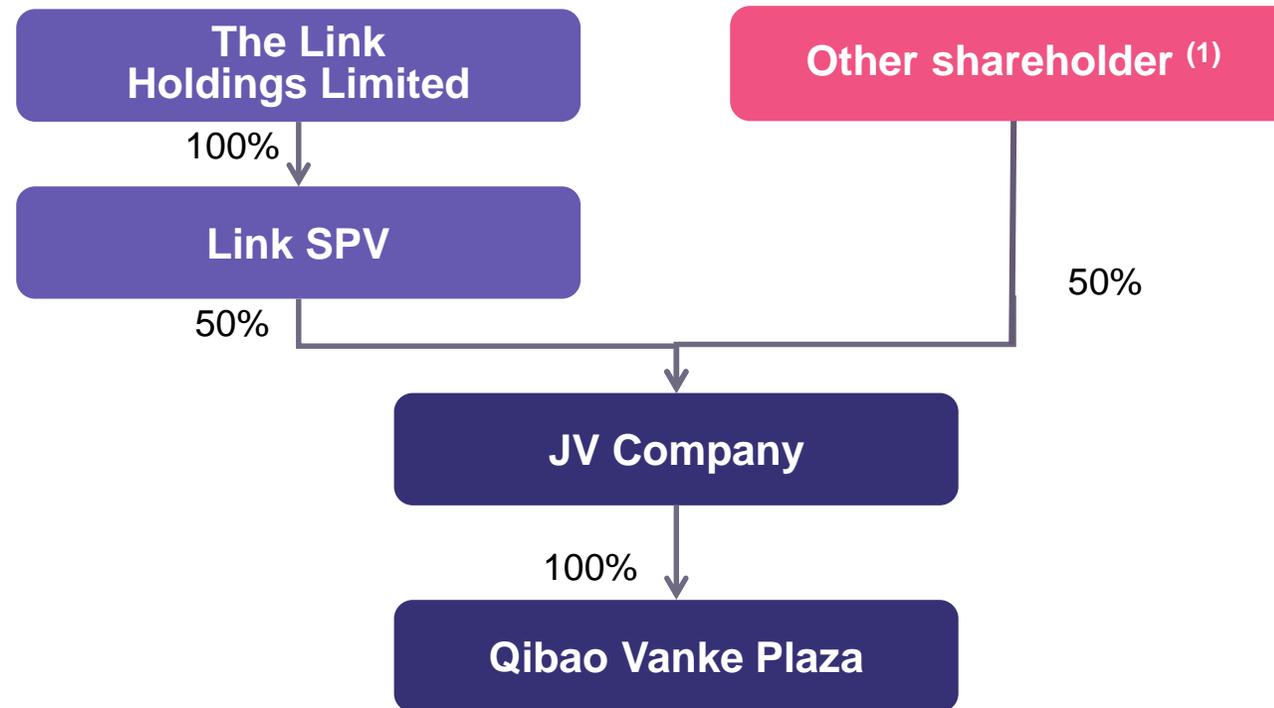


# Trendy Retail and Entertainment Offerings Targeting Different Customers

## Fashion & Others



# Joint Venture Investment Structure



**Strategic partnership with strong local real estate player with proven management expertise**

Notes:

(1) Other shareholder refers to 珠海市懋德誠投商業發展有限公司 (held by affiliates of China Merchants Bank and Vanke).

(2) Both parties shall have right of first refusal over the other party's equity interest of the JV Company, which is the sole owner of Qibao Vanke Plaza.

# Post-Acquisition Management Arrangement

## Link

**Asset management team to monitor managers' performances**

**Board Representation**

**3 of 6 directors**

**Management Committee Representation**

**2 of 4 members**

- **Current retail manager <sup>(1)</sup> will continue to provide management services**
- **The manager will receive management fee and performance based fee**
- **Agreement is terminable** upon failure to meet KPIs
- **Link has authority** over certain operational matters **and has veto power** on management appointment and dismissal

**Link will ensure the asset performs to its maximum potential**

Note:

(1) Being 上海築浦信息技術有限公司, which is an affiliate of Vanke.

# Immediately Accretive Transaction

|  |  |
|--|--|
| <b>Consideration for 50% Equity Interest <sup>(1)</sup></b>        | <b>RMB 2,772.3 M</b>                     |
| <b>Agreed Property Value</b>                                       | <b>RMB 6,400 M</b>                       |
| <b>Valuation by Colliers <sup>(2)</sup></b>                        | <b>RMB 6,580 M</b>                       |
| <b>Monthly Passing Income <sup>(2,3)</sup></b>                     | <b>RMB 32.8 M</b>                        |
| <b>Financing</b>   | <b>Existing cash and debt facilities</b> |
| <b>Accounting Treatment <sup>(4)</sup></b>                         | <b>Equity method</b>                     |
| <b>Portfolio Mix</b>   |  |
| ▪ Pro-forma adjusted ratio of Mainland China assets <sup>(5)</sup> | <b>14.8 %</b>                            |
| <b>Impact on Gearing</b>   |  |
| ▪ Pro-forma adjusted ratio of debt to total assets <sup>(6)</sup>  | <b>19.2 %</b>                            |

Notes:

(1) Consideration will be subject to adjustments upon completion.

(2) Source: Valuation report dated 31 December 2020 for 100%.

(3) The monthly passing income (excluding management fees) for 100% was approximately RMB32,752,626 with retail income of approximately RMB29,012,250/month, and other income of RMB3,740,376/month (including RMB1,272,102/month from car parking fees).

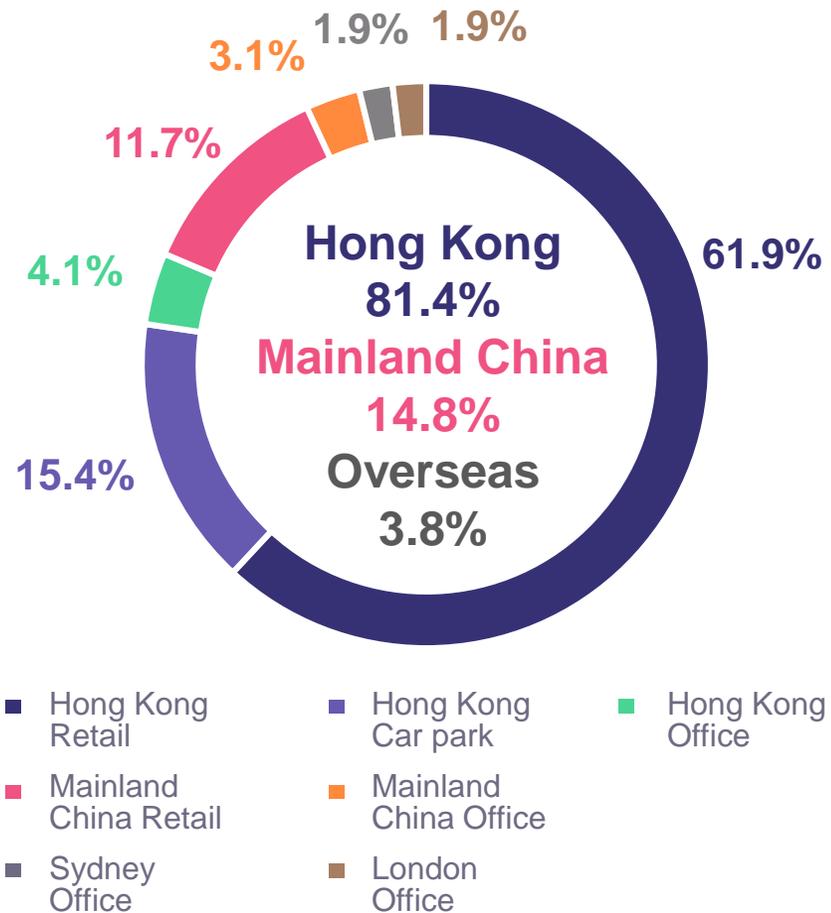
(4) Share of profit of the joint venture will be presented in Link's consolidated income statement below the net property income and will be contributed to Link's distributable amount subject to the distribution adjustments pursuant to the trust deed.

(5) As at 30 September 2020 on a pro-forma basis, including Link's valuation of investment properties and 50% agreed property value of Qibao Vanke Plaza.

(6) Assuming a drawdown of HK\$3,332.5M on Link's debt facilities to finance the acquisition and including the value of Link's 50% interest as if the acquisition took place on 30 September 2020 (after adjusting interim distributions on 28 December 2020).

# Strengthened Portfolio with Geographically Diversified Mix

## Investment Portfolio HK\$199B <sup>(1)</sup>



## Guidance on Portfolio Management

| Geography      |           |                     |
|----------------|-----------|---------------------|
|                | Pro-forma | Management Guidance |
| Hong Kong      | 81.4%     | 70-75%              |
| Mainland China | 14.8%     | ≤20%                |
| Overseas       | 3.8%      | ≤10%                |

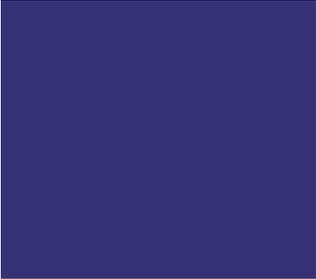
  

| Asset Class |           |                     |
|-------------|-----------|---------------------|
|             | Pro-forma | Management Guidance |
| Office      | 11.0%     | 15-20%              |

Note:

(1) As at 30 September 2020 on a pro-forma basis, including Link's valuation of investment properties and 50% agreed property value of Qibao Vanke Plaza.

**Continue to focus on core, core plus, and value-add opportunities prudently by assessing their risk and reward profile to enhance growth trajectory of our portfolio**



# Appendix



# Appendix 1

## Exterior Photos of Qibao Vanke Plaza

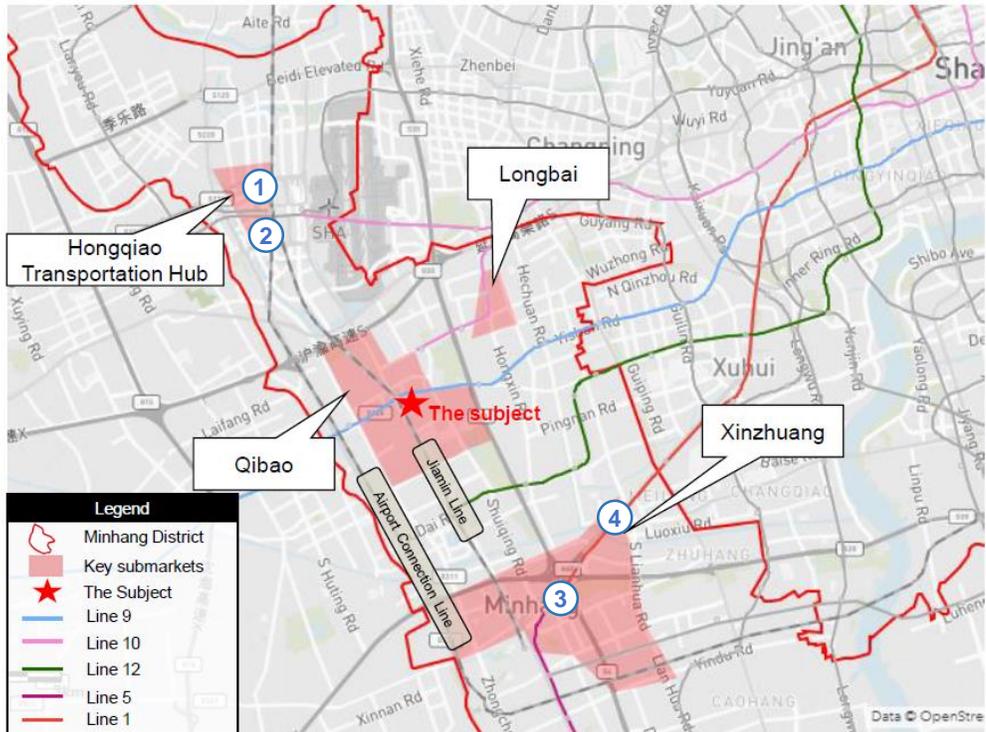


# Appendix 2 Interior Photos of Qibao Vanke Plaza



# Appendix 3

## Future Retail Supply in Minhang District



### Existing Retail Stock and Future Supply in Minhang

| Submarkets                  | Existing Stock as of 3Q20 (GFA, sqm) | Future Supply 4Q20 – 2024 (GFA, sqm) |
|-----------------------------|--------------------------------------|--------------------------------------|
| Qibao                       | 526,000                              | 0                                    |
| Xinzhuang                   | 830,900                              | 171,000                              |
| Hongqiao Transportation Hub | 593,400                              | 224,800                              |
| Longbai                     | 548,000                              | 0                                    |



| Project Name                         | 1. The Gate                              | 2. The Eco Valley                        | 3. TOD DOWN   | 4. Lianhua Road Station          |
|--------------------------------------|--|--|---|----------------------------------|
| Trade Area                           | Hongqiao                                 | Hongqiao                                 | Xinzhuang   | Xinzhuang                        |
| Developer                            | Shanghai Kingdom Luenmei Properties      | Hongqiao CBD Investment & Shanghai Land  | SHKP, Shanghai Urban Development & Xinzhuang Government | Shentong Metro & Mitsui Fudosan  |
| Estimated Completion Year            | 2021                                     | 2021                                     | 2024  | 2022                             |
| Retail GFA (sqm)                     | 70,168                                   | 29,835                                   | 133,000   | 31,005                           |
| Direct Distance to Qibao Vanke Plaza | 6.0km                                    | 5.0km                                    | 5.6km   | 5.8km                            |
| Positioning                          | Mid range                                | Mid range                                | Mid range   | Mid range                        |
| Accessibility                        | ~0.8km to Metro Line No.2, No.10 & No.17 | ~0.6km to Metro Line No.2, No.10 & No.17 | Direct access to Metro Line No.1 & No.5                 | Direct access to Metro Line No.1 |



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