



## Acquisition of Two Institutional Grade Car Park/Car Service Centres and Godown Buildings in Hong Kong

10 November 2021



# Property Particulars – Target Properties



	Hung Hom Property	Chai Wan Property
<b>Location</b>	No. 50 Po Loi Street, Hung Hom	No. 60 Ka Yip Street, Chai Wan
<b>Land Lease</b>	999 years from 1864	75+75 years from 1981
<b>Completion</b>	1980	1989
<b>Gross Floor Area</b>	421,401 sq ft	438,351 sq ft
<b>Number of Storeys</b>	13 (G-12F)	9 (G-8F)
<b>Number of Parking Spaces</b>	932 (50% are required to open to public)	45
<b>Monthly Rent <sup>(3)</sup></b>	HK\$8.0M	HK\$7.3M (up to June 2022) HK\$7.9M (from July 2022)

**Agreed Property Values**  
**HK\$5,820M**

**Expected Completion of Acquisition**  
**31 December 2021 <sup>(2)</sup>**

Notes:

- (1) Data as at 22 October 2021
- (2) Subject to regulatory approval
- (3) Upon completion, a sale and re-leasing arrangement would be entered with the existing tenant
- (4) The Chai Wan Property is a 9-storey godown building with a GFA of approximately 438,351 sf. which has been repurposed to a 4S full-service building hosting an automotive showroom, car servicing and repair workshops, godowns and ancillary offices. The Hung Hom Property is a 13-storey mixed-use car park building with a GFA of approximately 421,401 sf. which has also been repurposed to a 4S full-service building hosting an automotive showroom, car servicing and repair workshops, as well as a car park with 932 private and public parking spaces



## Rare assets strategically located in urban areas

- **Purpose-built properties** catered to holistic before-and-after car sales services
- Hung Hom Property
  - Located in a **high-density area** surrounded by private residential and commercial buildings within **3-minute walk from Whampoa MTR Station**
  - **Rare sizable public car park with >400 parking spaces**
- Chai Wan Property
  - A waterfront property located on the **eastern-end of Hong Kong Island**
  - All floors offer **panoramic view of Victoria Harbour**

## Stable cashflows with regular rental step-up

- Stable cashflows with **annual rental increment of 4%**: Secured sale and re-leasing arrangement with an initial **fixed term of 5 years and three optional 3-year terms** thereafter for each property

## Established and reputable tenant from Jardine Matheson Group

- **Zung Fu Company Limited** is the exclusive car dealer of Mercedes-Benz for over 60 years and wholly-owned subsidiary of Jardine Matheson

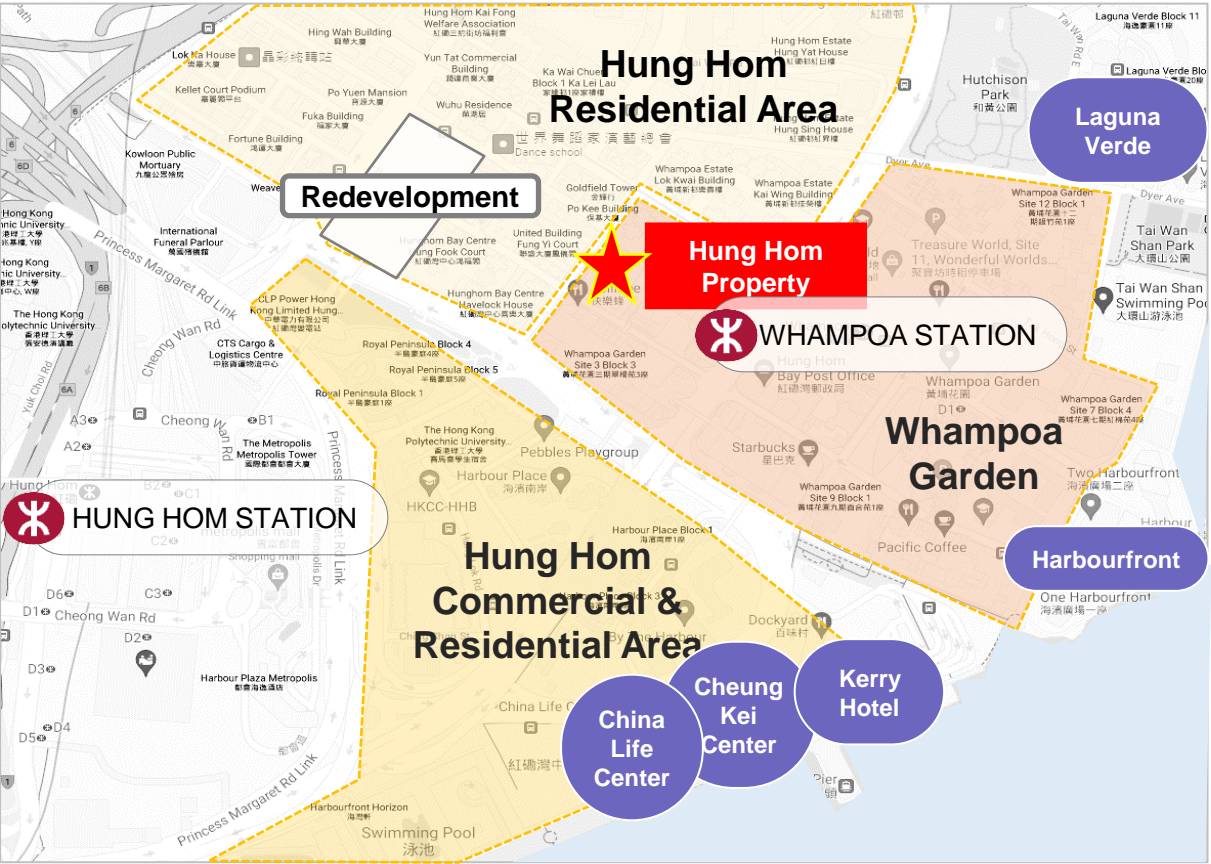
## Benefits from the tight supply of godown and car parking spaces

- **Lack of supply in godown space**, coupled with reduction in existing stock due to redevelopment and wholesale conversions initiatives
- **Growth of private vehicles far exceeding new supply of parking spaces**, further exacerbated demand and supply imbalances

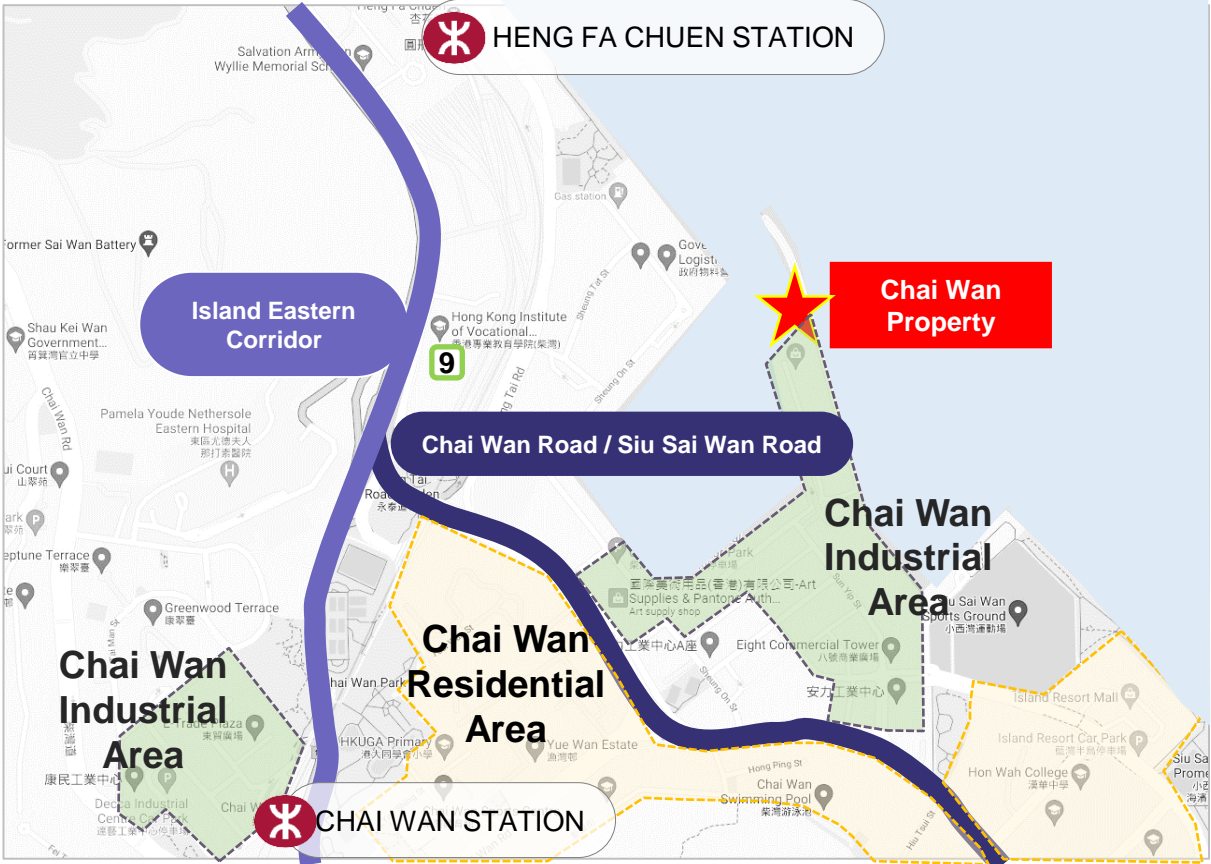


# Scarce Assets Located in Urban Areas

## Hung Hom



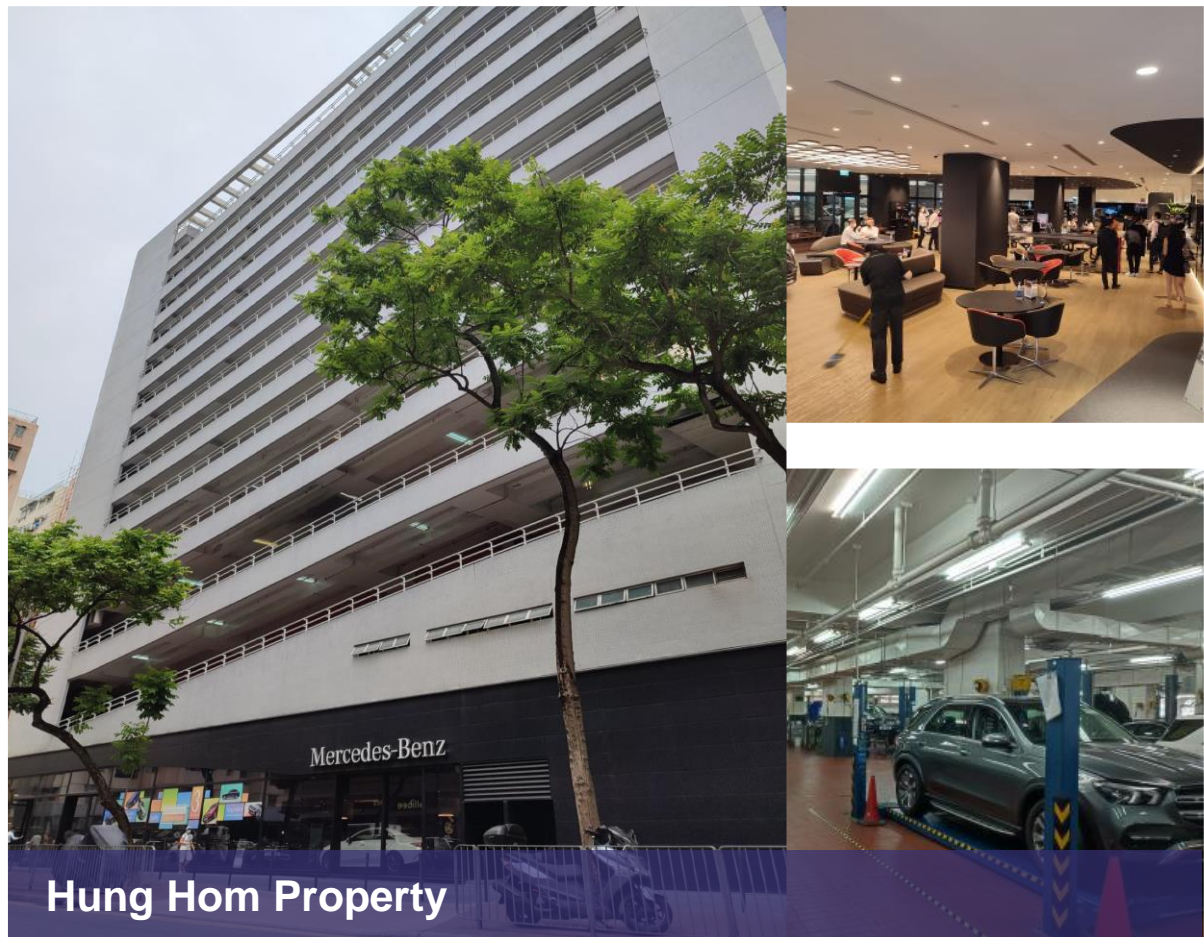
## Chai Wan



Access to two quality holistic before-and-after car sales services centres that generate stable incomes



# Quality Assets with an Established and Reputable Tenant



Hung Hom Property

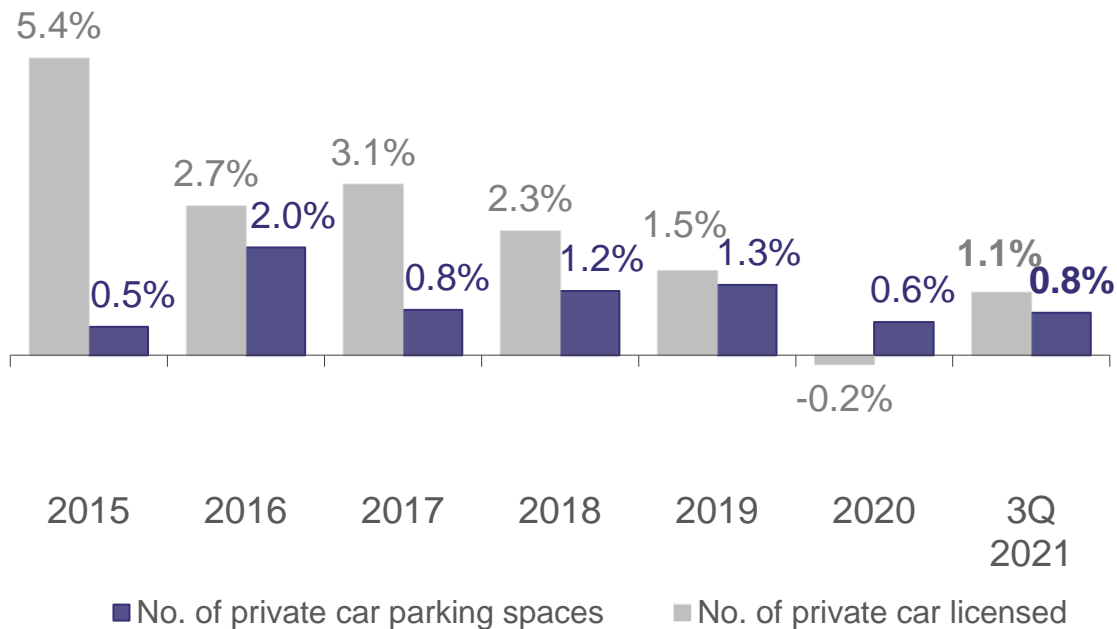


Chai Wan Property

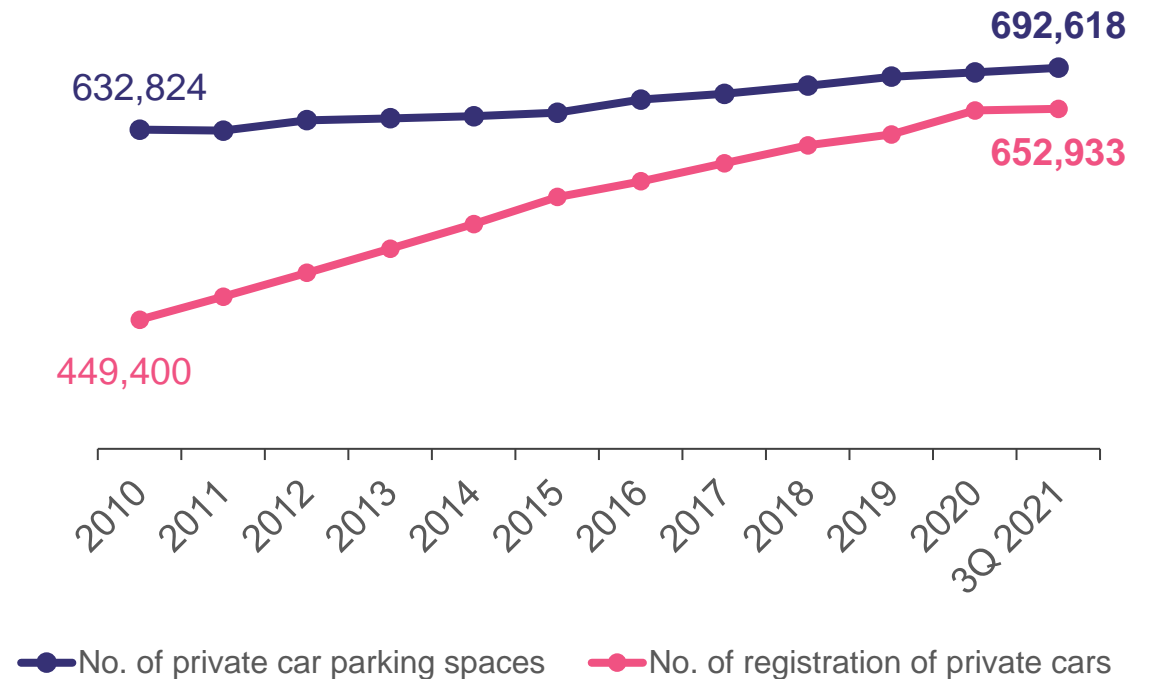
Purpose-built properties, blue-chip tenant with long lease requirement



## Private Car Demand and Supply (YoY)



## No. of Registration of Vehicles and Parking Spaces (Private Cars)



**Persistently limited supply of car parking spaces accelerated the upward pressure on demand and rents**



# Financial Impact

	Hung Hom Property	Chai Wan Property
<b>Agreed Property Values</b>	<b>HK\$3,120M</b>	<b>HK\$2,700M</b>
<b>Valuation by Colliers <sup>(1)</sup></b>	<b>HK\$3,119M</b>	<b>HK\$2,962M</b>
<b>Monthly Rent (with 4% annual increment) <sup>(2)</sup></b>	<b>HK\$8.0M</b>	<b>HK\$7.3M (up to June 2022) HK\$7.9M (from July 2022)</b>
<b>Financing</b>	<b>Link's own cash resources and debt facilities</b>	
<b>Impact on Gearing</b>		
▪ Pro-forma adjusted ratio of debt to total assets <sup>(3)</sup>		<b>23.6 %</b>

## Notes:

(1) Source: Valuation report dated 22 October 2021

(2) Upon Completion, a sale and re-leasing arrangement would be entered with the existing tenant

(3) Upon Completion, based on the consolidated financial position of Link as at 30 September 2021 (as disclosed in the 2021/22 Interim Results Announcement), the ratio of debt to total assets of Link would increase from approximately 21.6% (after adjusting for the impact of the interim distribution declared on 10 November 2021, the acquisition of 75% interests in two recently-developed modern logistics assets in Guangdong Province which was completed on 27 October 2021, and the acquisition of 50% interests in the Sydney CBD retail portfolio which was announced on 7 November 2021) to approximately 23.6% (assuming a drawdown of HK\$5,831.7 million on Link's debt facilities to finance the Acquisition and including the value of Link's interest in the Target Companies as if the Acquisition took place on 30 September 2021).



# Appendix





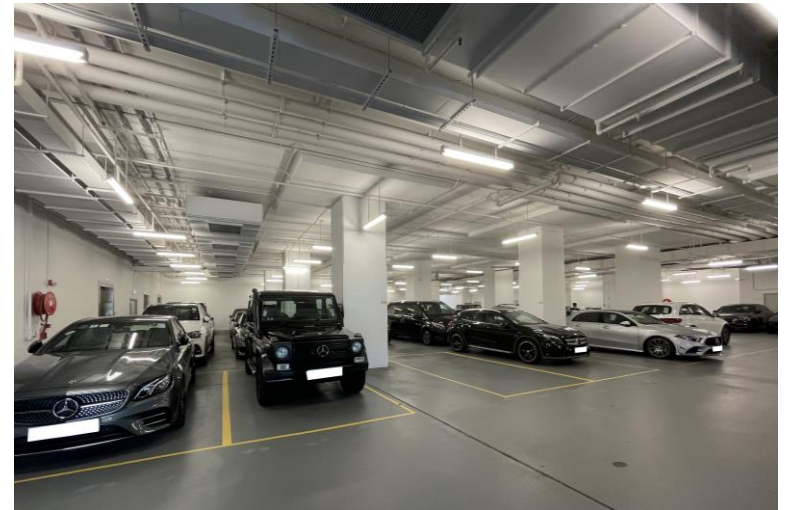
# Appendix 1 Photos of Hung Hom Property





## Appendix 2

# Photos of Chai Wan Property





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