

Annual Report  
2015/2016

Strategic Report

領展  
LINK

We **Link** People  
to a Brighter Future

Link Real Estate Investment Trust  
Stock code: 823



# We **Link** People to a Brighter Future

## About Link

Link Real Estate Investment Trust is the first REIT listed on the Stock Exchange and is a constituent of the Hang Seng Index. We are Asia's largest REIT and also one of the world's largest retail focused REITs in terms of market capitalisation. With a diversified portfolio that consists of retail facilities, fresh markets, car parks and offices across Hong Kong, Beijing and Shanghai, we aim to deliver sustainable growth and create long-term value for our Unitholders.

## About this report

Our 2015/2016 Strategic Report covers our performance from 1 April 2015 to 31 March 2016 and has been prepared according to the International Integrated Reporting Council's <IR> Framework. We highlight the interactions among financial, environmental, social and governance factors and underline their influence on our long-term sustainable development.

The information reported here is consistent with indicators used for our internal management and Board reports and are comparable with our previous Integrated Reports. Reporting this way allows us to present a comprehensive, but concise, overview of how we create value for different stakeholders.

## Materiality

This report has been structured according to Link's corporate sustainability framework and four strategic priorities. The Board believes that these strategic priorities represent the material opportunities that will drive value creation for stakeholders. These material opportunities have been developed taking into account our industry trends, the environment in which Link operates, feedback from our key stakeholders and the inherent risks of our business. The Board reviews and approves the strategic objectives on an annual basis.

## Navigation

The following icons have been used throughout the report to illustrate how different aspects of our corporate sustainability framework is embedded into our business strategy and operations.



ASSET/BRAND



TENANT



ECONOMY



ENVIRONMENT



STAFF



CORPORATE  
GOVERNANCE



COMMUNITY

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### Hong Kong

Our portfolio in Hong Kong comprises properties including retail facilities, fresh markets, car parks and offices.



### Mainland China

To diversify our asset base geographically, we extended our reach to tier-one cities in Mainland China. Assets currently include EC Mall in Beijing and Corporate Avenue 1 & 2 in Shanghai.

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## Complete 2015/2016 Reports and Presentations

Our complete suite of 2015/2016 reports and presentations can be accessed and downloaded from our corporate website at [Linkreit.com](http://Linkreit.com)

### STRATEGIC REPORT

Our Strategic Report, compiled according to the <IR> Framework, presents a comprehensive, but concise, overview of how we create value for different stakeholders and the progress we have made on our strategic priorities.

### GOVERNANCE, DISCLOSURES AND FINANCIAL STATEMENTS

This report provides our detailed governance, disclosures and financial statements. Governance and disclosures sections are prepared in accordance with the REIT Code, applicable provisions of the Listing Rules, and other relevant laws and regulations while the Consolidated Financial Statements have been prepared in accordance with the Hong Kong Financial Reporting Standards, the requirements of the Trust Deed and the relevant disclosure requirements of the REIT Code, and audited by PricewaterhouseCoopers.

### VALUATION REPORT

This report summarises the market value of the individual properties as valued by CBRE Limited.

### SUSTAINABILITY WEBSITE

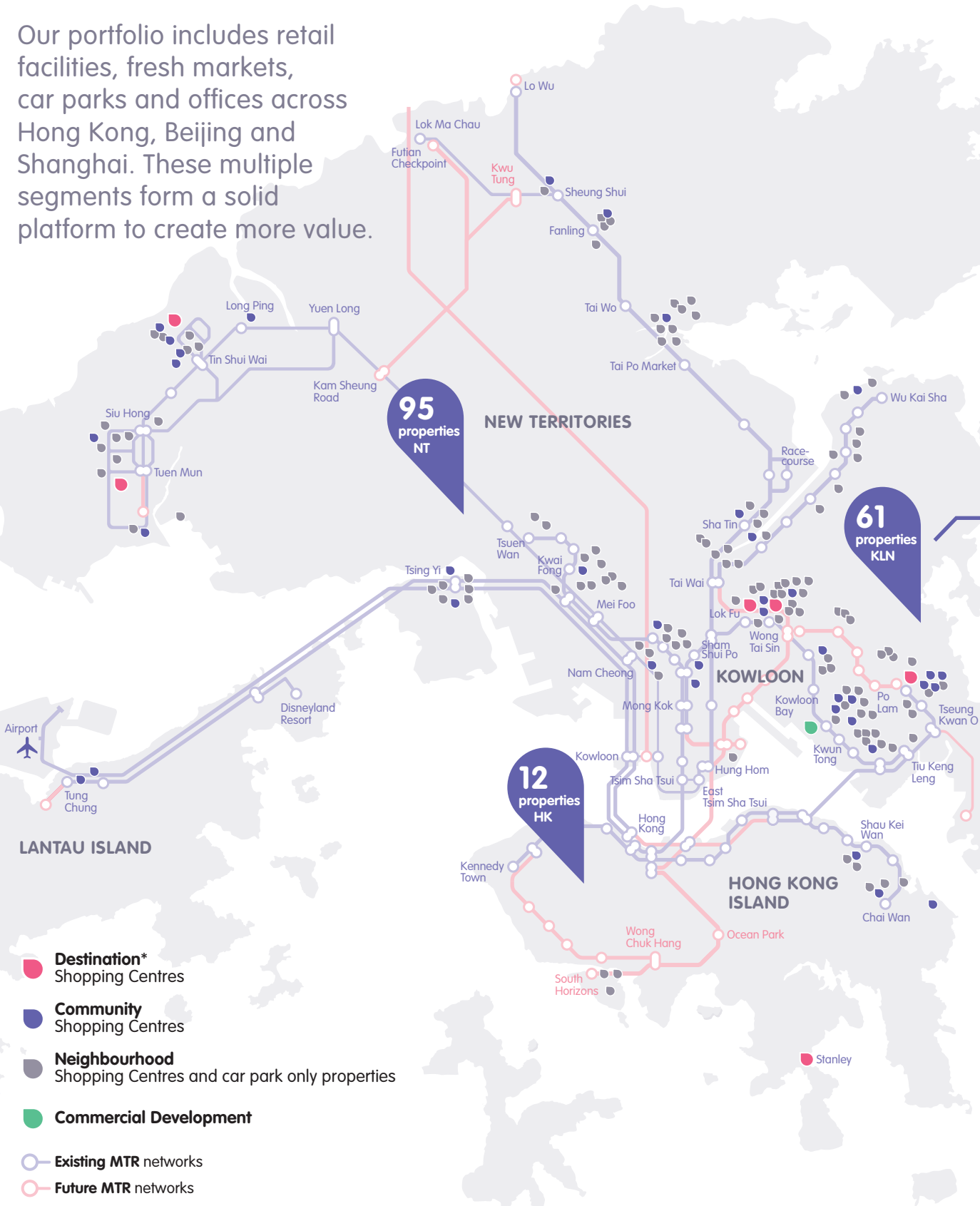
Up until 2013/2014, Link issued separate annual sustainability reports. Since then, our latest corporate sustainability performance is reported on our website. This and past reports can be accessed at [Linkreit.com/sustainability](http://Linkreit.com/sustainability)



Access our corporate website for further information

# Our Portfolio

Our portfolio includes retail facilities, fresh markets, car parks and offices across Hong Kong, Beijing and Shanghai. These multiple segments form a solid platform to create more value.



\* Temple Mall North (formerly Lung Cheung Plaza) and South (formerly Wong Tai Sin Plaza) and H.A.N.D.S (being On Ting Commercial Complex and Yau Oi Commercial Centre) have been merged together, rebranded and are considered as two Destination Shopping Centres.

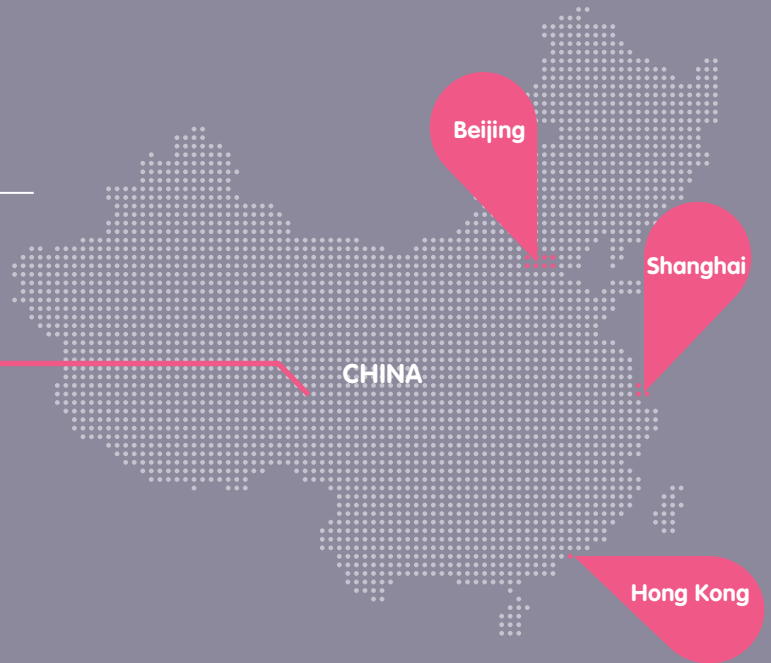


## 2

Properties in Mainland China

**1.8 million sqft**

Retail and office space



## 168

Properties across Hong Kong

**75,000**

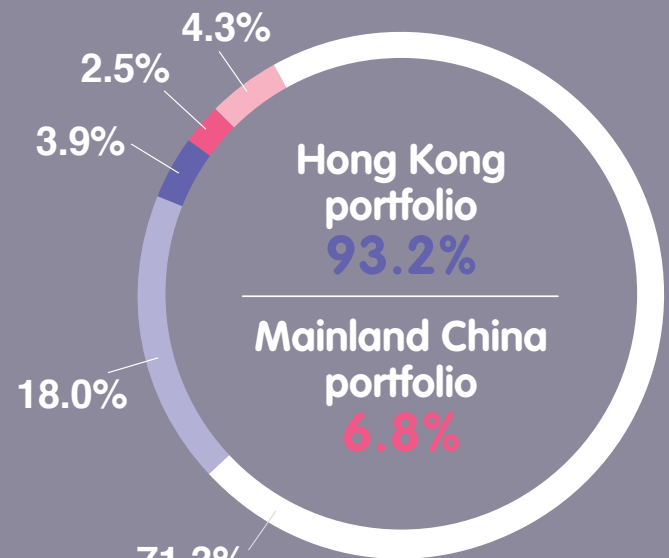
Car park spaces

**884,000 sqft**

Under development

**10 million sqft**

Retail space



Portfolio mix by value

- Hong Kong retail
- Hong Kong car park
- Hong Kong office
- Mainland China retail
- Mainland China office

# 10-Year Highlights

In 2015/2016 Link reached a milestone, celebrating our 10th anniversary since listing on the Stock Exchange. During this time, Link has established itself as an innovative and agile REIT. We remain committed to growing the business responsibly and sustainably by staying focused on creating economic, social and environmental value for our stakeholders.

**Our 10th anniversary is an appropriate time for us to celebrate our achievements and the solid foundation we have established.**

**2005**  
Nov

Link Real Estate Investment Trust (previously known as The Link Real Estate Investment Trust), Hong Kong's first listed REIT, was listed on the Stock Exchange (Stock Code: 0823) on 25 November 2005.



**2006**  
Jun

Link was assigned a corporate credit rating of A with a stable outlook by Standard & Poor's and a corporate credit rating of A3 with a stable outlook by Moody's Investors Service.

**2006**  
Jul

Grand opening of **Tsz Wan Shan Shopping Centre**, the first asset enhancement project.



**2008**  
Jun

**Link Tenant Academy** was launched to provide tenants with the latest market information and business management skills.



**2009**  
Nov

Employed additional 232 property management staff to enhance service quality.

**2010**  
Jun

Kick-started the asset enhancement project of **Tai Yuen Market**, Link's first fresh market enhancement.



Sep

Moody's Investors Service upgraded Link's corporate credit rating from A3 to A2 with a stable outlook.

**2010**  
Dec

Completed the major asset enhancement of **Lok Fu Plaza**, our flagship shopping centre.



**2011**  
Jan

Earmarked HK\$0.2 billion to bring facilities in line with new standards of **barrier free access** in phases.

Jul

Acquired commercial podium of **Nan Fung Plaza** in Tseung Kwan O for HK\$1.2 billion, marking Link's first acquisition after IPO.



More importantly, our 10th anniversary marks an opportunity for us to look forward to the next decade which promises further growth and broader business reach so that we **Link People to a Brighter Future**.

## 2012 Jan

Acquired the retail podium of **Maritime Bay** in Tseung Kwan O for HK\$0.6 billion.

## 2013 Jan

Launched **Link Together Initiatives** to contribute further to community sustainability through charitable donations.



## Mar

Link was included in the **FTSE4Good Index Series**, a first for Hong Kong-listed REITs.



FTSE4Good

## 2014 Sep

Acquired **Lions Rise Mall** in Wong Tai Sin for HK\$1.4 billion.

## Dec

Link became a constituent of the Hang Seng Index.

**H.A.N.D.S** celebrated its grand opening after completing asset enhancement, the largest asset enhancement project since IPO.



## 2015 Jan

Successfully tendered for a **commercial development on Hoi Bun Road in Kowloon East** through a joint venture with Nan Fung Development Limited for a land premium of HK\$5.9 billion.



## Apr

Acquired **EC Mall** in Beijing for RMB2.5 billion, marking Link's first investment in Mainland China.



## 2015 Aug

Acquired **Corporate Avenue 1 & 2** in Shanghai for RMB6.6 billion.



Launched a **new corporate identity** which expresses Link's vision and highlights our ability to connect and bring people together.

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LINK

## Nov


Celebrated the **10th anniversary** since IPO.

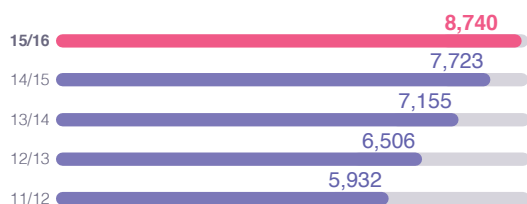


## 2015/2016 Performance Highlights

Link's business value is determined by our financial achievements and our non-financial contributions. Our performance indicators are based on our Sustainability Framework, our environmental stewardship priorities and from extensive engagement with our tenants, shoppers, staff, local communities and investors. **As a result, we have implemented strategies that conserve our resources, ensure that we are a responsible employer and contribute towards building a thriving community – all of which lead to delivering sustainable returns.** Together, our financial and non-financial performance indicators provide a holistic view of the long-term sustainable value Link delivers.

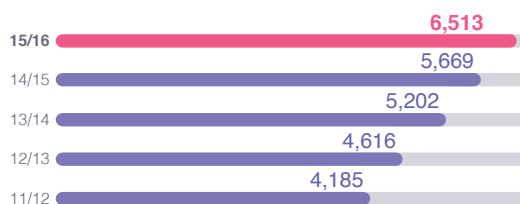
### Revenue (HK\$'M)

**8,740**  13.2%



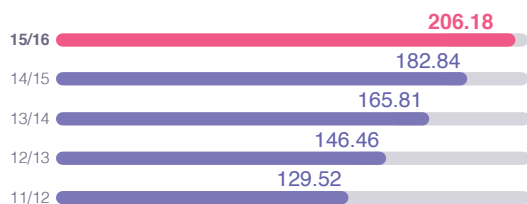
### Net property income (HK\$'M)

**6,513**  14.9%



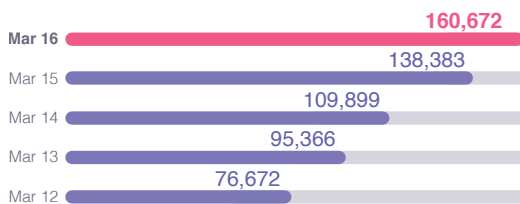
### Distribution per unit (HK cents)

**206.18**  12.8%



### Valuation (HK\$'M)

**160,672**  16.1%





## Recent acquisitions



Artist rendering

Commercial complex at  
700 Nathan Road, Mong Kok, Hong Kong



Artist rendering

Commercial development on Hoi Bun Road,  
Kowloon East, Hong Kong



Corporate Avenue 1 & 2 at Xintiandi,  
Shanghai



EC Mall at Zhongguancun, Beijing

# +5.2%

## TENANT GROSS SALES

### Year-on-year growth

Sales performance of our tenants supported by an active leasing strategy and marketing programmes

# 44

## ENHANCEMENT PROJECTS

### Projects completed to date

Repositioning and revitalising assets to unlock their full potential

# 26.3%

## ENVIRONMENTAL IMPACT

### Reduction in energy consumption since 2010

Moving towards the target of reducing energy consumption by 30% of 2010 level before 2020

# 84/100

## MYSTERY SHOPPER

### Score

Independent assessment to benchmark Link's facilities, service quality and barrier free accessibility

# HK\$27.9 million

## COMMUNITY

### Amount donated to date

We invest in community development through Link Together Initiatives since 2013

# 460

## EMPLOYEE UNIT PURCHASE PLAN

### Number of participants

Number of staff active and enrolled in the plan as at 31 March 2016





**We are a business that is forward looking and embraces innovation. We are an integral part of the community and are committed to creating value.**



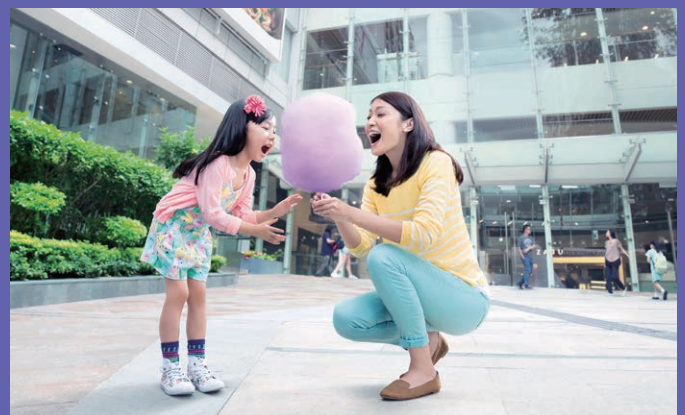
# Enrich and Brighten Make a Difference



Temple Mall-North, Hong Kong



Siu Sai Wan Market, Hong Kong



# Steering Our Business

Link Real Estate Investment Trust is the first REIT listed on the Stock Exchange and is a constituent of the Hang Seng Index. Our “Vision, Mission and Values” plays a crucial role in steering our business, leading us to be Asia’s largest REIT and one of the world’s largest retail-focused REITs in terms of market capitalisation.

## Vision

To be a world class real estate investor and manager serving and improving the lives of those around us

## Mission

Building relationships with our stakeholders through:

- Providing value and quality service
- Partnering with local communities
- Delivering sustainable growth

## Values

Managing and operating our business with:

- Respect
- Excellence
- Integrity
- Teamwork

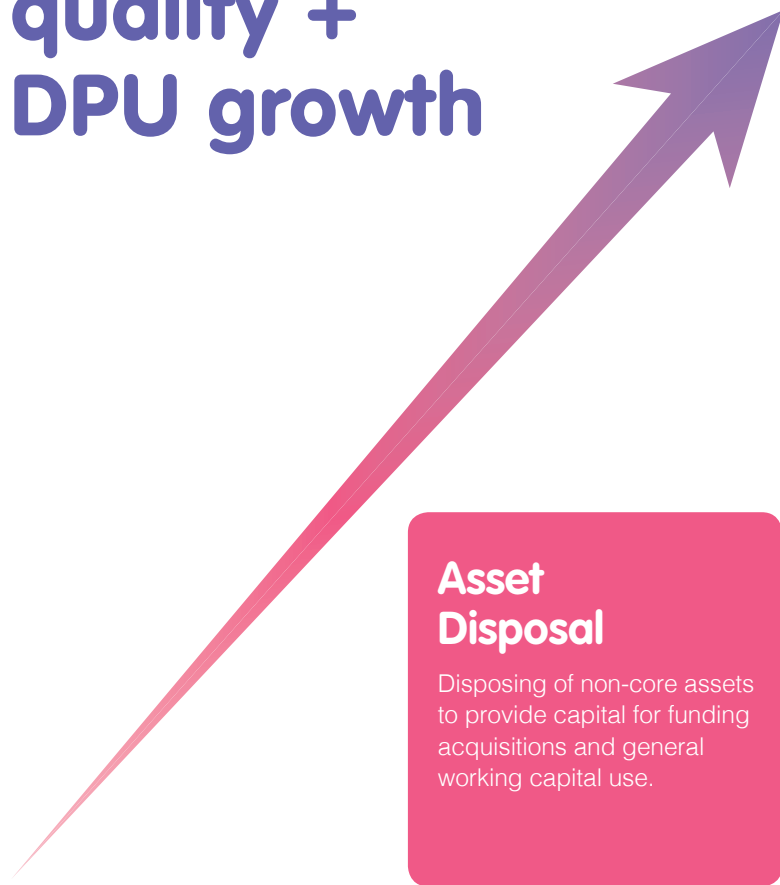




Our 2015/2016 performance – and our success over the past ten years – is attributed to our focus on and execution of our business growth drivers.



# Improve asset quality + DPU growth



**Asset Management**  
Comprising leasing, property management and cost control.

**Asset Enhancement**  
Refurbishing and repositioning existing properties to extract further income growth potential.

**Asset Acquisition**  
Growing our portfolio with quality assets that have income and capital growth potential.

**Asset Disposal**  
Disposing of non-core assets to provide capital for funding acquisitions and general working capital use.

**Property Development**  
Being involved at the earliest stage of the property life cycle to design, build, and hold properties for the long-term.

**Property Re-development**  
Applies to existing properties that have limited asset enhancement options and to generate long-term sustainable growth.



**FUTURE**

**NEW**

**CORE**

# Chairman's Statement

**Nicholas Charles  
ALLEN**  
Chairman



## HIGHLIGHTS

Our trend of delivering growing distribution to our Unitholders is complemented by our strong environmental performance and expansion in community engagement activities.

Link has built an entrepreneurial and financially disciplined Board possessing a strong balance of skills, experience, vision and attention to governance principles.

Strategic acquisitions strengthen and diversify our investment portfolio while mitigating our risks of operating in a single market and asset class.

This is my **first report** to you as Chairman of Link. I am delighted to be taking the reins of a **21st Century organisation** that understands the social and environmental context in which it works, utilises innovation across its operations and, importantly, excels in delivering value for stakeholders, in particular for Unitholders. In the following pages I share with you our progress for the year as well as my perspective and view of the business.

It is a privilege to be Chairman of Link and to work with a team that is committed to sustainable growth and creating value for the community.



In the short period since taking over from Mr Nicholas Robert SALLNOW-SMITH, I have spent my time visiting and meeting staff, tenants and the communities across our properties in Hong Kong and Mainland China. I am deeply impressed that this is a business with a clear vision and well-executed strategy. I am particularly impressed by the efforts of Link's skilled team, which is solidly focused on creating value through innovative technologies and management practices. This working ethos is complemented by the commitment to sustainable and responsible business practices, which are the foundation of our ability to transform retail properties into the preferred choice for shoppers and tenants. In response to these, my role as Chairman is all the more challenging yet exciting in leading Link through its next phase of growth.

To me, a Chairman has three main functions:

1. To ensure that the organisation has a **talented and focused management team** and to challenge as well as support that team;
2. To build a **strong and diverse Board** that brings the right skills and expertise to the business and ensure it operates at the highest levels of corporate governance; and
3. Together with the Board, facilitate the development and execution of a **well thought-out strategy** for the business.

### Talented and Focused Management Team

The talent and focus of our management team underpinned the delivery of yet another year of strong performance highlighted by robust financial results

despite the prevailing and continued marketplace volatilities.

I am pleased to report that we continue our trend of delivering growing distribution to our Unitholders, with DPU amounting to HK206.18 cents, representing a year-on-year increase of 12.8%. This achievement is complemented by our strong environmental performance in which we further reduced our carbon emissions and improved waste management practices at our properties. We have also expanded our community engagement activities with the introduction of Link First Generation University Student Scholarship for 100 students, who are the first from three generations of their families to attend local universities. We have also initiated the Neighbourhood Project Fund, which brings small, albeit meaningful, programmes to the individual communities close to our properties.

### Strong and Diverse Board

Governance is a core strength and gains further relevance as we grow in our business capabilities. A strong and diverse Board ensures the transparency and strategic oversight needed to manage our challenging operating environments. In this regard, Link has built an entrepreneurial and financially disciplined Board possessing a strong balance of skills, experience, vision and attention to governance principles.

I am delighted to welcome the additions of Mr Ed CHAN Yiu Cheong, Mr Blair Chilton PICKERELL and Ms Poh Lee TAN as Independent Non-Executive Directors of the Manager. Together Ed, Blair and Poh Lee bring a wealth of competencies and experience to the Board.

## Chairman's Statement continued

### Well Thought-out Strategy

The past year has seen a dynamic portfolio taking shape at Link. During 2015/2016 we acquired two properties, EC Mall in Beijing and Corporate Avenue 1 & 2 in Shanghai. These were followed by the successful tender for 700 Nathan Road, a commercial complex in Hong Kong. Acquiring these assets aligns with our established strategy that emphasises the community focus when growing our portfolio. This ensures that our properties are well-positioned and managed as the preferred destinations of the communities living and working nearby. Importantly, these strategic acquisitions strengthen and diversify our investment portfolio while mitigating our risks of operating in a single market and asset class.

### The Road Ahead

While taking advantage of our business capabilities and the opportunities that drive our recent pace in growth, we remain conservative in our approach. We are a REIT by mandate. As its manager, this commits us to a low risk, low volatility portfolio strategy. We are selective by taking the long-term view to hold assets and optimise a property's value through our expertise in management services, property enhancement and relationship building. This is what we do best and has served us well over the past decade.

Link's performance is gauged not only against financial measures. As a community-focused business, our success is contingent on those around us – our tenants, shoppers, communities and staff – also doing well. A business strategy that evolves to measure, monitor and improve

the health of its environment and the livelihood of its stakeholders is ultimately what will ensure the long-term resilience of Link and our ability to deliver sustainable growth. The test for this is quantifying the productivity of our tenants, the impact of our community engagement, the strength of our relationships with partners and the alignment of our staff with the corporate vision, mission and values. I am pleased to report we have made initial progress in assessing these areas and will continue to develop relevant indicators.

### People

On behalf of the Board, I congratulate Mr Nicholas Robert SALLNOW-SMITH on his remarkable achievements over the last nine years. He has established a strong legacy and I will do my best to continue and build on his good work. I wish him a happy and fulfilling life after Link.

In closing, I extend my sincerest thanks to our staff for their professionalism, hard work and contribution. Without their skills and on-the-ground customer service, we would not have the support and loyalty of our tenants and the communities we serve.

### Nicholas Charles ALLEN

Chairman

Link Asset Management Limited  
As Manager of Link Real Estate  
Investment Trust  
8 June 2016

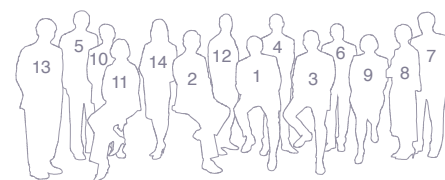


## Board of Directors

effective from 1 April 2016



Read biographies online at:  
<http://www.linkreit.com/EN/aboutus/Pages/Board-of-Directors.aspx>



### Chairman

1. Mr Nicholas Charles ALLEN  
(also Independent  
Non-Executive Director)

### Executive Directors

2. Mr George Kwok Lung HONGCHOY  
Chief Executive Officer
3. Mr Andy CHEUNG Lee Ming  
Chief Financial Officer

### Non-Executive Director

4. Mr Ian Keith GRIFFITHS

### Independent Non-Executive Directors

5. Mr William CHAN Chak Cheung
6. Mr Ed CHAN Yiu Cheong
7. Mr Blair Chilton PICKERELL
8. Ms Poh Lee TAN
9. Ms May Siew Boi TAN
10. Mr Peter TSE Pak Wing
11. Ms Nancy TSE Sau Ling
12. Mr David Charles WATT
13. Professor Richard  
WONG Yue Chim, SBS, JP
14. Ms Elaine Carole YOUNG

# Chief Executive Officer's Report

**George Kwok Lung  
HONGCHOY**  
Chief Executive Officer



## HIGHLIGHTS

Our business continues to deliver strong financial results as we enter the next decade of growth with good momentum.

Link's ability to capitalise on current and future growth opportunities relies on our strengths in resilience, innovation and community.

Our brand promise to "Link People to A Brighter Future" expresses our commitment to help build thriving communities and consistently improve in everything we do.

In previous years, my CEO Report focused largely on presenting and analysing our financial results. This year, I take a different approach.

Given it is Link's 10th anniversary, I would like to use this report to reflect on Link's growth strategy, the strengths that have brought us to this point, and finally, what we must do to continue creating value. Highlights of our performance for the year and an analysis can be found in our **"Delivering on Our Strategic Priorities"** section.



The past ten years has seen the transformation of Link from being a passive manager of a portfolio of legacy assets to becoming an innovative and world class real estate investor and manager.



At the end of this first decade, Link continues its strong performance that underpins the solid and exciting foundation for its future growth. This financial year was active and productive, seeing us capitalise on a number of unique and high potential investment opportunities. We launched our new brand, the culmination of a two-year effort to articulate who we are and what our business purpose is. This is critical in guiding and steering the organisation in years to come.

I am also proud to state that our business continues to deliver strong financial results as we enter the next decade of growth with good momentum. This is due to the solid foundation in governance and transparency of action, which provide the platform from which our Board and executive management can initiate strategy and the appropriate changes.

### Growing Our Business

A key driver of Link's success has been our willingness to embrace change and innovation. This has allowed us to identify new and sustainable growth opportunities across our retail facilities, fresh markets, car parks, and more recently, office properties. Our sustained growth lies in three main areas.

First and foremost, we have further untapped opportunities to transform our properties into preferred places for tenants to do business with growing catchments of shoppers. Our successful asset enhancement and management approaches enable us to attract and introduce global retail brands to complement our unique mix of local and boutique retailers. Though we have made great strides over the last decade,

completing 44 asset enhancement projects across our retail properties and fresh markets, they represent only a portion of our portfolio. With a healthy pipeline of over 30 asset enhancement projects extending through 2020, there remains a wide margin for further growth.

Secondly, we see significant growth potential in our car park business for which we are in the early stages of developing a well thought-out district-based business strategy. With nearly 75,000 car park spaces in our portfolio, we foresee the opportunity to capitalise on new pockets of demand as a result of increasing car registrations coupled with stagnant growth in the supply of space. We have recently introduced Park & Dine mobile app which directs users to Link car parks and provides real-time parking space availability and dining and shopping information.

Thirdly, we are creating growth opportunities for our asset portfolio by prudently expanding into office properties located in CBD. This is a natural extension of Link's brand and asset management expertise and reflects our long-term view to hold and manage properties to create more value for ourselves and our tenants. Through our retail expertise, for example, we understand the benefit of investing in the latest technologies and equipment. In transitioning this approach to commercial properties, we will focus on enhancing our buildings to provide efficient, modern and healthy indoor office spaces and amenities for the benefit of users. Our acquisitions of Corporate Avenue 1 & 2 in Shanghai and 700 Nathan Road in Hong Kong will both undergo enhancement works targeting to achieve a minimum of LEED Gold certification. This will effectively extend the

## Chief Executive Officer's Report continued

life of these properties, making them competitive with newer buildings in their respective districts.

Our commercial development project on Hoi Bun Road in Kowloon East, Hong Kong is targeting LEED Platinum and is registered as a WELL Building Standard project, which focuses on the health and wellness of building occupants. The project is on schedule and pre-leasing has been well received.

### Our Strengths

Link's ability to capitalise on current and future growth opportunities relies on our strengths in three pivotal areas: **resilience**, **innovation** and **community**. These are where Link has established significant expertise and a competitive advantage that are difficult to reproduce.

With **resilience**, our business was founded upon a portfolio comprising mass-market retail properties which ensures that our business is not significantly exposed to economic fluctuations. However, managing a portfolio of a single asset class incurs its own risks. This past year we diversified our portfolio by acquiring EC Mall in Beijing in addition to the aforementioned commercial properties in Shanghai and Hong Kong.

Link's ability to **innovate** across different aspects of our business allows us to build upon our portfolio's resilience and unlock new opportunities and relationships. On the retail side, the past year has established synergies between closely-situated properties to create retail environments that offer shoppers greater convenience, choice and variety. Employing this approach, two new flagship properties, H.A.N.D.S in Tuen Mun

and Temple Mall in Wong Tai Sin were opened subsequently.

We embrace technology to deliver on our brand promise. We have recently begun to harness digital solutions to connect customers to our properties via our award-winning Link Park & Dine mobile app. This interactive tool opens up our shopping centres to a whole new class of shoppers that may not otherwise visit Link facilities. The app offers restaurant e-queuing and interactive dining and shopping directories that enhance the individual experience and stimulate new revenue opportunities.

We are a learning organisation. Expertise acquired over the past decade in retail asset enhancement and customer service is translating into the ability to fast track the upgrades of our commercial properties while remaining uncompromising in quality and best sustainable building practices.

These strengths in resilience and innovation are anchored by our inherent belief that when the **community** does well, our business does well. We have established direct and open relationships with the communities where we operate by working with local government officials, engaging welfare organisations and having a dedicated team of on-the-ground community relationship managers.

This enables us to stay focused on providing appropriate solutions to meet the frequently-changing needs and demands of each community. A key part of this approach is ensuring an excellent customer experience which we measure through the independently assessed Mystery Shopper Programme. Our properties consistently rank among the highest performers in Hong Kong.

Our acquisitions expand the geographic reach and asset types that we own and manage.





Investing in our people is a fundamental component for long-term viability.

## How We Do Business

Our long-term success and sustainable organisational development is contingent on how we run our business being just as important as what our business does. This is at the heart of our brand promise to “**Link People to A Brighter Future**”, which expresses our commitment to help build thriving communities and consistently improve in everything we do.

At Link, we have a strong history of developing and training staff and creating a culture and environment where they can achieve their career goals.

With our operations closely linked to local community lifestyles, we need to consider how we engage and co-operate with these communities. We seek short-term achievements but are cognizant of our longer-term impacts. Link Together Initiatives, launched in 2013, is our primary channel to support projects that benefit these communities, particularly in helping to inspire and develop young people and ensure the well-being of the elderly.

## Our Performance

The success of our strategy so far is reflected in the strong performance of the business over the past ten years. This year, we continued that trend, with total revenue growing by 13.2% to HK\$8,740 million and net property income increasing by 14.9% to HK\$6,513 million.

Our properties remain locations of choice to do business, as reflected by our 96.0% occupancy rate in Hong Kong, and 100% occupancy rate in our Beijing retail and Shanghai office assets as at 31 March 2015.

Of course, the many achievements highlighted would not be possible without the dedication and hard work of our team. I would like to thank all Link staff for their contribution to our continued success and excellent performance.

## Moving Forward

Our efforts in past years have solidified our foundation which enable us to address near term challenges while being agile to capture longer term growth opportunities. In the coming year, business prospects remain opportune. Based on our growth plans coupled with prudent capital management, we see further untapped opportunities to improve asset productivity. Supported by our unique strengths in resilience, innovation and community understanding, we are able to fast track new projects without compromise to our commitment to quality, green and sustainable infrastructures.

We are confident that through continual engagement with stakeholders, the value we are creating will be more widely acknowledged. By quantifying the issues material to their expectations, we can build and operate properties that are attractive, relevant and integral to local community livelihood and development.

Our optimism is nonetheless realistic. We expect the prevailing economic, social and environmental challenges to disrupt business as usual. However, with our Board's wealth of expertise and strong governance foundation, coupled with dedicated team, we are confident in improving our performance and again delivering enhanced value to you, our Unitholders.

## George Kwok Lung HONGCHOY

Chief Executive Officer

Link Asset Management Limited  
As Manager of Link Real Estate  
Investment Trust  
8 June 2016





**We LINK people to a brighter future by creating smarter, sustainable built environments that connect communities and enable them to thrive.**

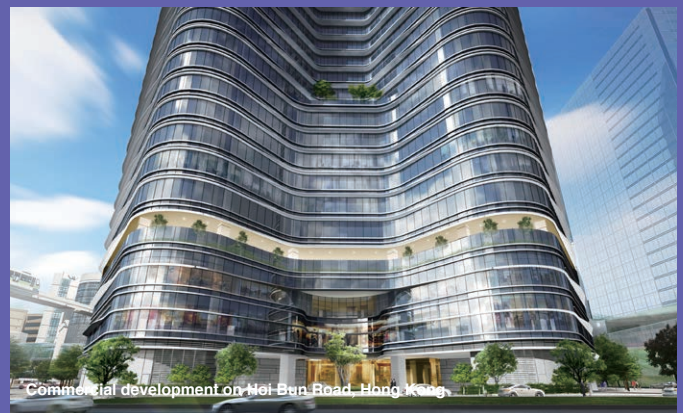


# Sustainable Infrastructure

Our two newly-acquired buildings – Corporate Avenue 1 & 2 in Shanghai and 700 Nathan Road in Hong Kong – will undergo renovation and target LEED Existing Building and HK-BEAM Existing Building Gold certifications respectively, bringing their operational performance on par with new office buildings.

In addition to targeting LEED and HK-BEAM Platinum certification, our commercial development on Hoi Bun Road in Kowloon East, Hong Kong is one of the city's first WELL Building Standard registered projects which focuses on providing a healthy indoor environment for building occupiers.

Our Destination Shopping Centres, such as Temple Mall and Lok Fu Plaza, have undergone Australia's NABERS assessments to benchmark building energy performance with global best practices.



# Stakeholder Engagement

Link’s strategy to create value in the short, medium and long-term is focused on establishing strong, lasting relationships with a variety of stakeholders across our value chain. Our stakeholders represent a range of interests and perceptions on a wide variety of issues including corporate priorities, performance and how we will manage emerging trends. We utilise a range of mechanisms – formal and informal – to establish clear and open dialogues in order to better understand each other’s concerns and expectations. We believe these interactions are valuable and provide opportunities to identify and pursue common goals together.



GROUP	Employees	Financial Analysts and Investors	Communities and Shoppers	Suppliers and Vendors
	Nearly 900 direct employment and 4,000 indirect staff	Institutional and retail investors of Link	People that live in the communities we serve	Service providers that enable us to deliver quality service

Link to Sustainability Framework				
<b>WHY WE ENGAGE</b>	Our people are what enable Link to deliver on our brand promise.	As the providers of capital necessary to support our growth, we engage with Unitholders and investors to keep them up to date on the financial performance and overall sustainability of Link.	Our properties are an extension of the living rooms of those people living in the communities around us.	Suppliers and contractors impact on our ability to provide products and deliver services. They are required to comply with our health and safety and ethical procurement standards. Engaging with them contributes to business continuity, viability and operational efficiency.
<b>WHAT MATTERS TO THEM</b>	<ul style="list-style-type: none"> <li>• Job satisfaction</li> <li>• Career development</li> <li>• Improved knowledge sharing</li> <li>• Engagement</li> <li>• Building skills in line with future business growth</li> <li>• Being competitively remunerated</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution growth</li> <li>• Future business prospects</li> <li>• Strategy execution</li> <li>• Portfolio value</li> <li>• Timely information</li> <li>• Sound corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Clean shopping centre environments</li> <li>• Retail and entertainment offerings</li> <li>• Choice and variety</li> <li>• Reasonably priced products and services</li> </ul>	<ul style="list-style-type: none"> <li>• Timely payment</li> <li>• Fair business practices</li> <li>• Lack of skills that may affect their ability to deliver services</li> </ul>
<b>HOW WE ENGAGE</b>	<ul style="list-style-type: none"> <li>• Annual “Vision, Mission, Values” survey</li> <li>• Work-life balance activities</li> <li>• YourVoice.com Portal</li> <li>• Employee Unit Purchase Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Investor presentations</li> <li>• Roadshows, one-on-one meetings and visits</li> <li>• Responding to sustainability surveys</li> <li>• Annual reports</li> <li>• Annual general meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing programmes</li> <li>• Customer service ambassadors</li> <li>• Surveys and focus group meetings</li> <li>• Corporate hotline and information channels</li> <li>• Corporate, customer, and shopping centre websites</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Service Providers Conference</li> <li>• Surveys</li> <li>• Training</li> </ul>



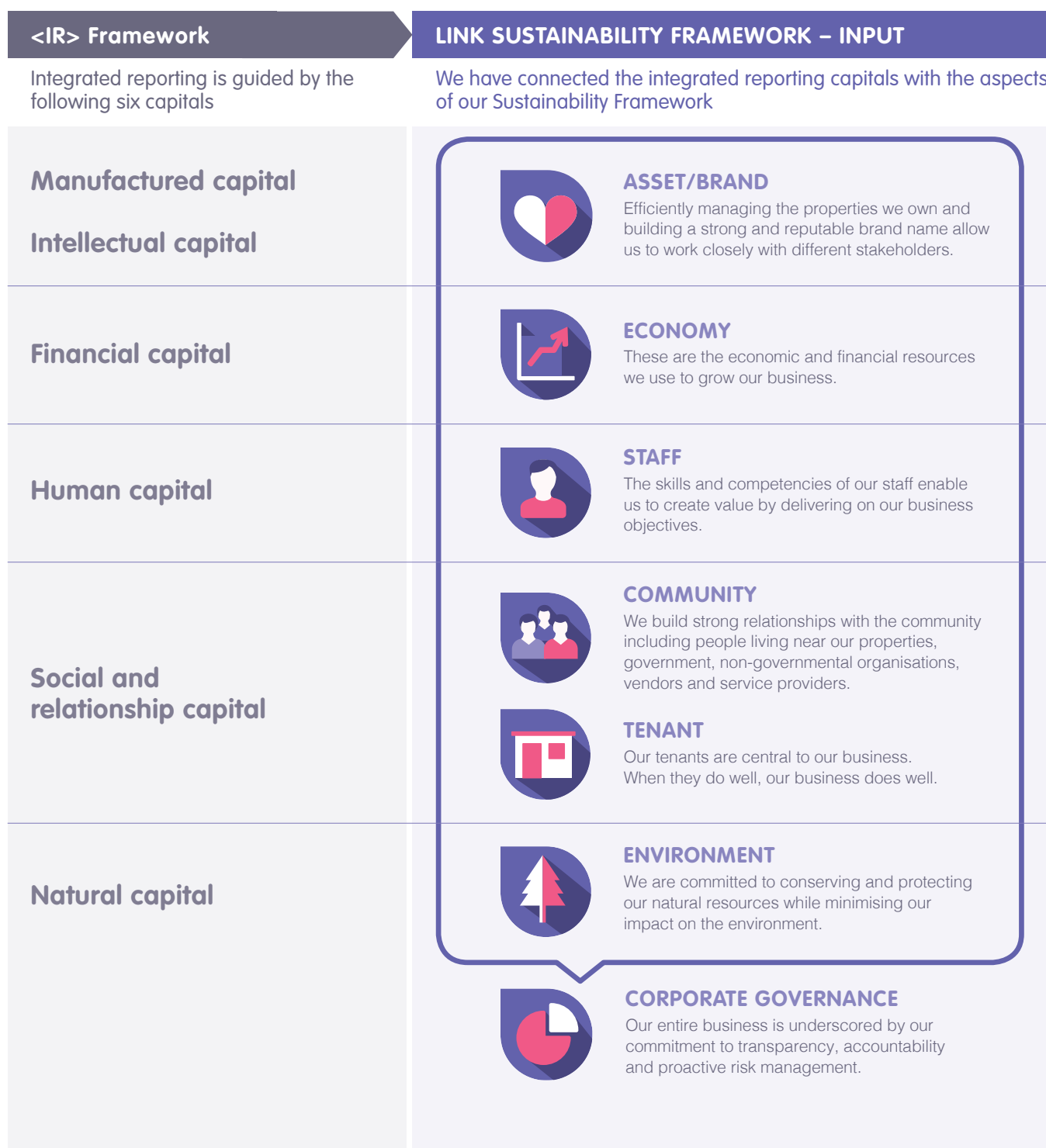
Link's Sustainability Advisory Committee (SAC) brings diverse perspectives to our sustainability challenges. The SAC includes experts from academia, non-governmental organisations and the business community and is chaired by our CEO, Mr George Hongchoy. Members do not represent a specific organisation or cause but instead bring a wide range of knowledge and experience to the table.

Since its establishment in 2014, the SAC has strongly influenced Link's approach to environmental, social and governance issues and has played a key role in shaping corporate decision-making in relation to the Sustainability Framework.

NGOs	Tenants	Media	Government
<p>International organisations, local industry associations, environmental groups and community-based service groups</p>	<p>Strategic business partners involving over 11,000 tenancies and licences</p>	<p>Media partners that publicise Link in different aspects</p>	<p>Government officials and members of the Hong Kong Legislative Council and District Councils</p>
			
<p>NGOs represent the views of many public stakeholder groups and can serve as another channel to engage with different parties.</p>	<p>Our tenants are our strategic partners in delivering a desirable shopping environment to our shoppers.</p>	<p>The media keeps Link's stakeholders informed of business developments, new products and services and the impact of our business operations.</p>	<p>Our relationships with government and regulators impact on our ability to contribute towards broader economic, social and environmental objectives.</p>
<ul style="list-style-type: none"> <li>• Environmental impact</li> <li>• Corporate sustainability</li> <li>• Responsible business practices</li> </ul>	<ul style="list-style-type: none"> <li>• Shopper footfall</li> <li>• Tenant mix improvement</li> <li>• Initiatives to enhance the shopping experience and attract shoppers</li> <li>• Changes in consumer spending</li> <li>• Increased competition</li> <li>• Rental escalation</li> </ul>	<ul style="list-style-type: none"> <li>• Tenant and community issues</li> <li>• Being informed of key activities and offerings</li> <li>• Transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitation of socioeconomic growth</li> <li>• Regulatory compliance</li> <li>• Environmental impact</li> <li>• Corporate governance</li> </ul>
<ul style="list-style-type: none"> <li>• Participation in committees</li> <li>• Attendance at sustainability related conferences and events</li> <li>• Collaboration on community projects</li> <li>• Staff volunteers</li> <li>• Link Together Initiatives</li> <li>• Provision of space for welfare organisations</li> </ul>	<ul style="list-style-type: none"> <li>• Tenant association meetings</li> <li>• Link Tenant Academy</li> <li>• Dedicated property management teams to respond to tenant concerns and listen to ideas</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews with senior management</li> <li>• Media releases</li> <li>• Informal briefings through lunch and tea gatherings</li> </ul>	<ul style="list-style-type: none"> <li>• Response to public consultations</li> <li>• Representation on advisory committees</li> <li>• Communication of sustainability programmes and initiatives</li> <li>• Regular meetings with government officials</li> </ul>

# How We Create Value

Our business operates through the lens of our Sustainability Framework in which decisions are made and initiatives are developed and monitored. This ensures that sustainability is integral to our strategic priorities and is embedded into everyday operations.



Link's Sustainability Framework is underscored by our commitment to the ten universally-recognised principles of the United Nations Global Compact. Our sustainability reporting aligns with the G4 Guidelines of the Global Reporting Initiative.

Link once again qualified for inclusion in major sustainability indices including Dow Jones Sustainability Asia-Pacific Index, FTSE4Good Index Series, Hang Seng Corporate Sustainability Index and CDP, which assess companies on their environmental, social and governance performance.

## WHAT WE DELIVER – OUTPUT

We continue to add value to the communities we operate in and improve the lives of those around us

### Better Properties

This includes properties which have undergone enhancement as well as improvements in service quality to enhance asset value.

### Better Business

Create environments that allow our tenants to grow their businesses and in turn provide sustainable return for our Unitholders.

### Knowledge Transfer

Passing our expertise to tenants and raising awareness of sustainability.

### Stronger Relationships

Achieved through understanding the concerns and views of our stakeholders.


## STRATEGIC PRIORITIES

We aim to create sustainable growth and long-term value to our stakeholders

### 01. Building a More Productive and Higher Quality Portfolio




By utilising our newly expanded growth drivers to streamline, reposition, re-mix and unlock further value from our portfolio.

 please see page 34-41

### 02. Maintaining a Prudent and Flexible Capital Structure




To ensure we are ready and able to capitalise on new investment opportunities when they emerge.

 please see page 42-43

### 03. Developing a Strong Management Team




To have in place an aligned and high-performing team that is the driving force behind our sustained success and ability to create value for the communities and Unitholders.

 please see page 44-45

### 04. Helping our Tenants and Communities Grow while Delighting Shoppers



By building strong relationships, providing the right properties and offering the right services to meet the needs of our communities.

 please see page 46-49

# Strategic Priorities at a Glance

The strategic priorities below showcase our capabilities in linking people to a brighter future through constantly creating value for our various stakeholders.

## STRATEGIC PRIORITIES

### 01. Building a More Productive and Higher Quality Portfolio

### 02. Maintaining a Prudent and Flexible Capital Structure

#### 2015/2016 ACHIEVEMENTS

- Launched new brand identity
- Increased revenue by 13.2%
- Completed portfolio segmentation and rolled out Asset Management Model
- Completed five asset enhancement projects for HK\$775 million and undertaking 11 current projects
- Streamlined Hong Kong retail portfolio by disposing of five properties at an average premium of 30% to valuation as at 30 September 2015
- Announced the disposal of nine properties
- Acquired EC Mall in Beijing and Corporate Avenue 1 & 2 in Shanghai
- Announced the acquisition of 700 Nathan Road

- Maintained A and A2 corporate credit ratings by Standard & Poor's and Moody's
- Reduced effective interest rate to 2.57%
- Completed buyback of approximately 50.2 million units using proceeds from asset disposals
- Maintained fixed rate debt to gross debt ratio at 63%

#### FUTURE PRIORITIES

- Continue to enhance our portfolio mix
- Improve financial return to Unitholders
- Tailor portfolio standard and service quality
- Refine trade mix
- Enhance property condition
- Focus on execution and delivering on our enhanced portfolio
- Assess our portfolio's climate resilience and outline a strategy to meet COP 21 target

- Maintain capital efficiency through prudent capital recycling
- Maintain corporate credit ratings and improve ratings outlook
- Maintain low cost of funding
- Mitigate impact of potential rise in interest rate
- Explore new financing options such as green bonds

#### KEY ISSUES

- Slowdown of Hong Kong and Mainland China economies
- Ensure we provide the best environment for tenants to do business and shoppers to spend more time
- Reduce risk by diversifying our portfolio
- Position properties to ensure sustainable income generation

- Need to balance long-term strategy against weighted average cost of capital, regulatory compliance and risk of market volatility
- Manage cost of financing and refinancing to support business growth

#### KPIs

- Reversion rate
- Occupancy rate
- Net property income margin
- Mystery Shopper Programme score
- Tenant gross sales

- Corporate credit ratings
- Cost of borrowing
- Sources of capital

## STRATEGIC PRIORITIES

### 03.

## Developing a Strong Management Team

## 2015/2016 ACHIEVEMENTS

- Maintained overall staff attrition rate at 21.1% and kept attrition rates for high-performing staff to close to zero
- Hosted a series of brand launch events to align all staff on our updated brand message
- Organised sharing and training sessions on current topics such as Competition Ordinance
- Established Link Volunteer Committee
- Built Asset Management team

## FUTURE PRIORITIES

- Develop Asset Managers to oversee and be accountable for all aspects of selected properties to achieve optimal performance and sustainable growth
- Develop Link Volunteer Committee to serve the communities in which we operate
- Enhance skill set of management-level staff through new training programmes
- Develop and enhance team diversity
- Review benefit provisions to provide more flexibility and varieties for staff
- Roll out work-life balance programmes
- Enhance risk management governance

## KEY ISSUES

- Ensure Asset Managers extract full potential of the properties
- Recruit and retain talents with the right capabilities to ensure we meet targets and maintain high performance

## KPIs

- Diversity
- Staff attrition
- Training hours

### 04.

## Helping our Tenants and Communities Grow while Delighting Shoppers

- Delivered 15 Link Tenant Academy sessions, attended by over 2,000 participants
- Scored 84/100 in our Mystery Shopper Programme
- Organised 51 marketing events and promotions at shopping centres
- Launched Neighbourhood Project Fund to support charitable organisations and neighbourhoods
- Launched Link First Generation University Student Scholarship that provides scholarships to 100 students who are the first from three generations of their families to attend local universities
- Launched Park & Dine mobile app

- Enhance Park & Dine mobile app with more features and loyalty programme
- Strengthen impact and effectiveness of Link Together Initiatives
- Improve our Tenants Intelligence and Expansion Scheme
- Revamp Link Tenant Academy programme

- Ensure properties are an integral part of community life
- Develop tenant resilience to weather volatile business environment
- Build and maintain trust with tenants, shoppers and communities

- Impact of Link Tenant Academy sessions
- Number of active users of Park & Dine mobile app
- Reach and impact of Link Together Initiatives



# Operating Landscape

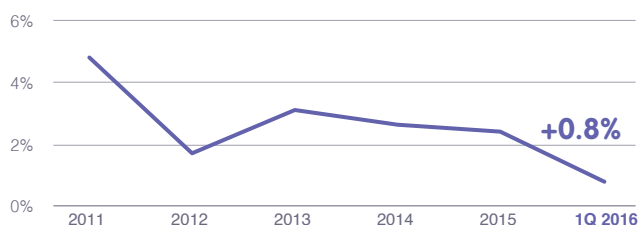
There are several key trends impacting the property markets where Link operates. **We are positioning our assets to weather any market turmoil and adapting our business to ensure we can earn sustainable long-term benefits.**

## MAJOR MARKET TRENDS IN HONG KONG

### GENERAL ECONOMY

Gross domestic product growth in Hong Kong for 1Q 2016 was 0.8% (compared to 2.4% in 2015) and is expected to grow at similarly slow pace in 2016. The declining growth trend is mainly affected by external factors, namely the economic slowdown in Mainland China and the depreciation of the RMB which will make Hong Kong less competitive.

### Gross domestic product growth (YoY)

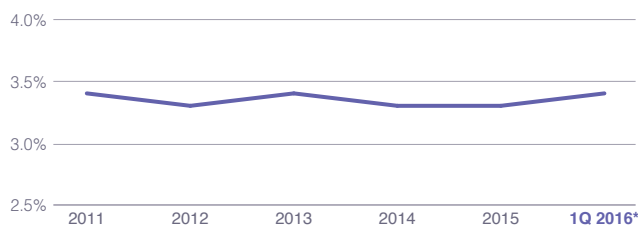


Source: Hong Kong Census and Statistics Department

### UNEMPLOYMENT

Under slowing economic fundamentals, the labour market remained largely intact. Although certain labour submarkets such as retail and hotel have begun to show signs of weakening, overall unemployment has remained steady at 3.4%.

### Unemployment rate



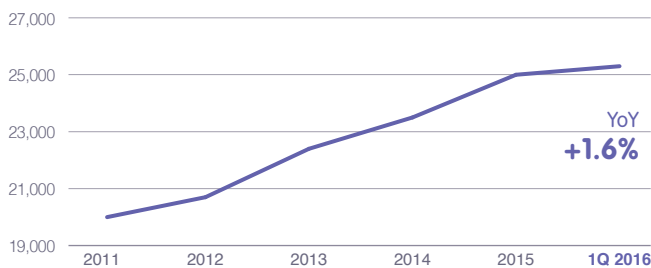
\* Seasonally adjusted figure

Source: Hong Kong Census and Statistics Department

### HOUSEHOLD INCOME & CONSUMPTION

The stable labour market and rising household income, especially among the public rental housing population due to increasing minimum wages, have led to continual growth in private consumption expenditure. However, uncertainties over the economy and the volatile financial markets may affect consumer confidence.

### Median monthly household income\* (HK\$)



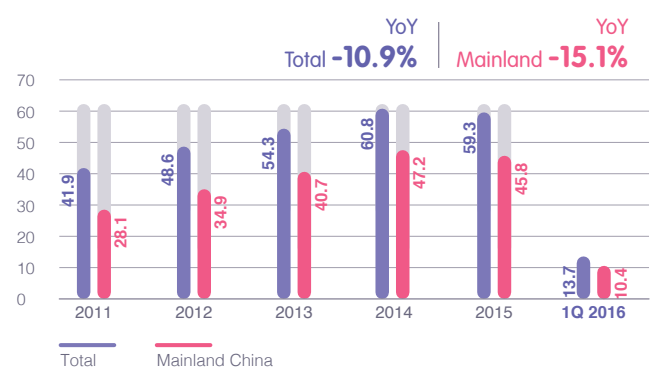
\* Including bonus

Source: Hong Kong Census and Statistics Department

## TOURIST ARRIVALS

The growth rate of tourist arrivals in 1Q 2016 was negative at -10.9%. The fall was largely due to declining visitors from Mainland China as a result of the weakening economy, change in spending pattern, unfavourable exchange rates and adverse publicity of Hong Kong.

## Tourist arrivals (million)

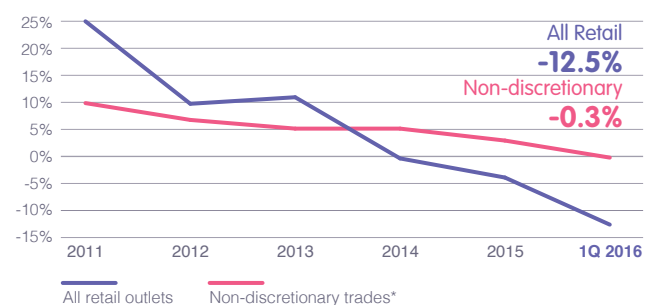


Source: Hong Kong Tourism Board

## RETAIL SALES

Overall retail market had a dismal performance in 1Q 2016, as retail sales value recorded negative growth for the second year in a row at -12.5%. Discretionary trades suffered the most as a result of falling tourist arrivals and spending. For non-discretionary trades, sales growth outperformed the general market but showed signs of softening.

## Retail sales value trend (YoY)



\* Non-discretionary trades include supermarkets and foodstuff

Source: Hong Kong Census and Statistics Department

## WHAT DO THEY MEAN TO LINK

- ✓ Labour market should remain largely stable
- ✓ Household income of public housing residents will support domestic demand for non-discretionary consumption
- ✗ Slower growth and gloomy economic outlook may affect consumer sentiment
- ✗ Falling tourist arrivals and unfavourable exchange rates will further drag retail sector

## WHAT LINK IS DOING

1. Continue Link's focus on the resilient mass market segment
2. Seek growth opportunities by fine-tuning product and service offerings, such as expanding the variety of cuisine and restaurant choices
3. Identify and invest in districts with growth potential due to increasing population and shopper catchment, rising household income and enhanced transportation networks

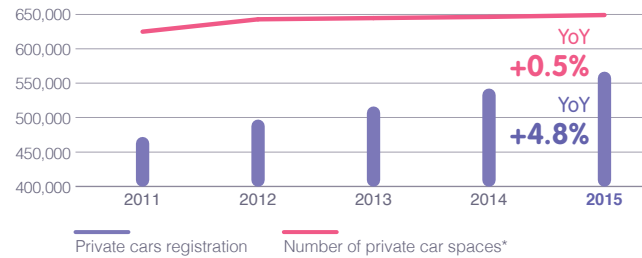
## Operating Landscape continued

## MAJOR MARKET TRENDS IN HONG KONG

## CAR PARK

Private car registrations continued to increase in 2015 at a similar growth rate as recorded in 2014. However, parking space supply remained stagnant as the government continued with its tightened parking provision in new private housing.

## Car registration and car park stock\*



\* Data as at Feb 16

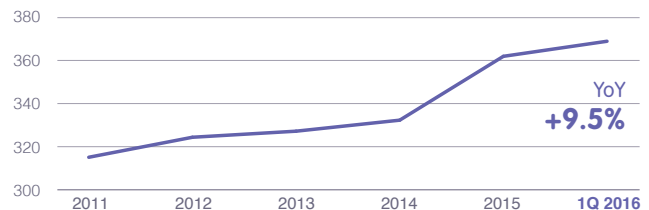
Source: Hong Kong Transport Department

## GRADE-A OFFICE

Grade-A office market has been very resilient despite the softening of the general economy. Vacancy rates remained low in 1Q 2016. Despite upcoming supply of grade-A office buildings in several districts such as Tsim Sha Tsui and Kowloon East, the low vacancy rates across all submarkets and healthy demand should support absorption of the new supply and rental levels.

## Overall office rental index

Index base: 1Q 2003 = 100



Source: Savills

## WHAT DO THEY MEAN TO LINK

- ✓ Mismatch in supply and demand of parking spaces will help support a robust car park market
- ✓ Sustained demand for prime office space supports market
- ✗ New office supply in decentralised locations may put pressure on rent growth

## WHAT LINK IS DOING

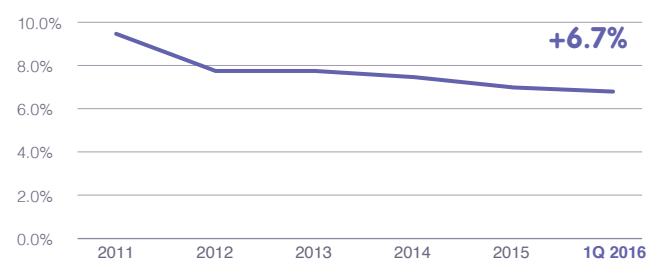
1. Monitor the car park market and identify opportunities to narrow the pricing gap between Link and neighbouring car parks
2. Develop best in class office complex with top of the line hardware provisions to attract leasing demand

## MAJOR MARKET TRENDS IN MAINLAND CHINA

### OVERALL ECONOMY

Gross domestic product growth in China in 1Q 2016 was 6.7%, while similar growth patterns were seen in the tier-one cities as well. Despite the downward pressure on the economy from mounting domestic and external headwinds, the situation may improve with the gradual rebalancing of the economy to a more sustainable growth path supported by domestic consumption.

### Gross domestic product growth (YoY)

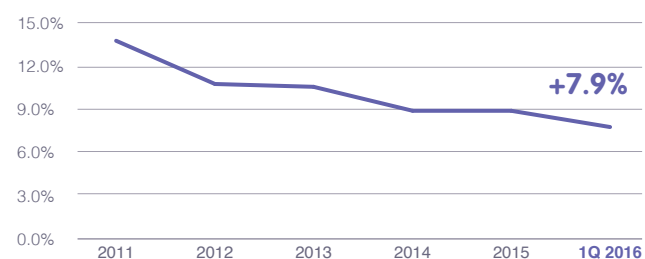


Source: National Bureau of Statistics

### BEIJING URBAN HOUSEHOLDS DISPOSABLE INCOME

In Beijing, the rising middle-class population and the continued increase of disposable income of urban households should support further growth in consumer sales.

### Per capita disposable income of urban households (YoY)



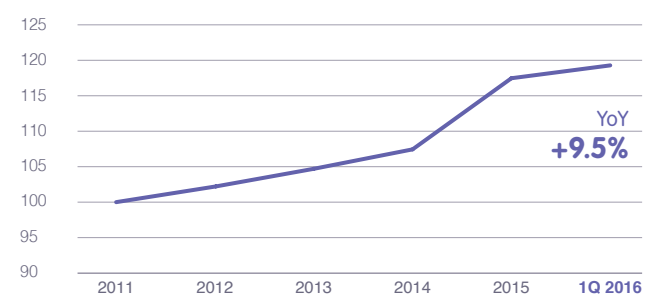
Source: Beijing Statistical Information Net

### SHANGHAI GRADE A OFFICE MARKET

Shanghai government continues to support growth in finance and service sectors which have supported the growing demand for grade-A office space. Both multinational and large domestic corporates stand out as major sources of office demand in the core CBD and rental level is expected to remain largely stable.

### CBD office rental index

Index base: 4Q 2011 = 100



Source: JLL

### WHAT DO THEY MEAN TO LINK

- ✓ China will shift into a more normalised steady growth phase
- ✓ Continued urbanisation means tier-one cities are still favoured and will remain resilient
- ✗ Bigger risks in lower tier cities with over supply of commercial real estate

### WHAT LINK IS DOING

1. Endeavour to deliver successful execution of the acquired assets in accordance with investment plan
2. Continue to focus on tier-one cities, mass market retail and grade-A offices



We pride ourselves in being innovative in our business operations and this mindset extends to our sustainability performance. In 2015/2016, Link collaborated with Trucost, a leading environmental economics organisation, to develop a robust framework to quantify and measure our natural, social and human capitals.

Quantifying and measuring these capitals – and understanding how they change over time – impacts the overall effectiveness and resilience of our business. These metrics improve internal decision-making, helping Link to create significant value beyond financial return.

The initial assessment using this framework will set a baseline for us to monitor our improvements in each of the capitals and will be reported through our corporate sustainability website.





# Natural, Social and Human Capitals

Performance on select  
Natural, Social and Human  
Capital Indicators

## 26.3%

Reduction in energy consumption since 2010

## HK\$27.9 million

Invested in the community through  
Link Together Initiatives since 2013

## 92%

of staff we engaged through our  
“Vision, Mission, Values” survey



# Delivering on Our Strategic Priorities

Our strategic priorities bring focus to our growth drivers, our capital management, how we grow our organisation and how we link people to a brighter future. While these priorities underscore our management decision-making, the programmes and initiatives to deliver them are resilient to the markets and environments in which we operate.

## 01. Building a More Productive and Higher Quality Portfolio



**KPI**  
**96.0%**  
**Occupancy**  
**in Hong Kong**

This financial year marked an important year on improving the quality of our portfolio, positioning ourselves for increased productivity and sustainable future growth. With the goal of creating a better return for our Unitholders, we continue to create value through a careful blend of asset management, asset enhancement, asset acquisition, asset disposal and property development. On top of continuing on our core strengths in refining tenant mix and enhancing our existing properties in Hong Kong, we have disposed of some of our non-core properties and added two properties with higher growth potential in Mainland China during the year.

### Asset Management

Managing our properties well is our core growth driver which is inevitably the most important in driving profit and extracting value from the portfolio. The management of our retail and car park facilities has evolved to be our strength and expertise. Through scalable innovation, we continue to leverage on this competitive advantage.

Our leasing strategy covers a range of activities including:

- Implementing the right tenant mix for each property;
- Performing routine rental reviews against tenant performance;
- Identifying and working with strong and reputable tenants; and
- Building a trusted brand reputation to attract new retailers.

This strategy is supported by close monitoring and analysis of changes in district demographics and shopper preferences. Augmenting this is our proactive marketing approach which drives footfall, raises brand awareness and encourages shopper loyalty.

With property management, our priorities remain focused on four priority areas:

- Delivering high-quality and efficient service;
- Ensuring our properties are barrier-free accessible;
- Improving our relationships with tenants and service providers; and
- Enhancing property operational efficiency with respect to electricity, water and waste.

### PERFORMANCE

#### Hong Kong Portfolio

##### Retail

Despite a challenging economic environment affecting Hong Kong, our retail portfolio has demonstrated its resilience. We achieved growth in nearly all areas of our retail operations due largely to our active leasing strategy to attract more productive tenants, especially in the “Food and Beverage” sector, and cut down large shops into smaller shops to enhance tenant sales productivity. Occupancy rate for the portfolio as at 31 March 2016 reached 96.0%. We achieved a reversion rate of 25.9% and recorded a 6.7% year-on-year retail rental growth.

### Operational statistics of the retail portfolio

	Occupancy rate		Reversion rate		% of total area <sup>(1)</sup>
	As at 31 March 2016 %	As at 31 March 2015 %	Year ended 31 March 2016 %	Year ended 31 March 2015 %	As at 31 March 2016 %
Shops	97.1	96.5	29.0	23.3	82.9
Markets/Cooked Food Stalls	89.1	86.4	10.4	12.0	8.8
Education/Welfare and Ancillary	92.4	87.2	14.3	20.0	8.3
<b>Total/Overall</b>	<b>96.0</b>	<b>94.8</b>	<b>25.9</b>	<b>22.0</b>	<b>100.0</b>

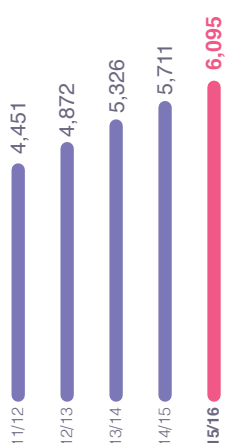
Note:

(1) Total excluding self use office.

After careful study of our portfolio with a bottom-up approach to ensure we drive operational performance effectively in the long run, we have segmented our Hong Kong portfolio into three groups, namely Destination, Community and Neighbourhood. By segmenting the portfolio into different groups, management and marketing can be tailored to different types of tenants and shoppers.

Performance of our properties validates our strategy. Our Destination Shopping Centres contributed to 17.1% of the portfolio's retail rentals, while the remaining properties also continued to demonstrate year-on-year improvement in average monthly unit rent.

### Retail rentals in Hong Kong (HK\$'M)



### Retail portfolio breakdown

	No. of properties	Retail properties valuation	Retail rentals	Average monthly unit rent		Occupancy rate	
		As at 31 March 2016 HK\$'M	Year ended 31 March 2016 HK\$'M	As at 31 March 2016 HK\$ psf	As at 31 March 2015 HK\$ psf	As at 31 March 2016 %	As at 31 March 2015 %
Properties							
Destination	6	21,463	1,044	70.8	62.3	97.3	96.7
Community	38	58,590	3,013	60.8	55.8	97.0	96.2
Neighbourhood	95	34,439	1,998	34.9	32.8	94.8	93.3
5 Properties Disposed	–	–	40	–	25.1	–	91.9
<b>Total/Overall</b>	<b>139</b>	<b>114,492</b>	<b>6,095</b>	<b>50.0</b>	<b>45.4</b>	<b>96.0</b>	<b>94.8</b>

With over 30% of leases (by monthly rent) expiring in the coming year, we are working closely with our existing tenants to ensure their success and loyalty and also

engaging with potential new tenants which may enhance the product mix and service offering.

## Delivering on Our Strategic Priorities continued

**Portfolio lease expiry profile**

(as at 31 March 2016)

	% of total area %	% of monthly rent %
2016/2017	26.8	30.6
2017/2018	23.4	27.5
2018/2019 and Beyond	39.3	37.2
Short-term Lease and Vacancy	10.5	4.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

*Car Parks*

As one of the largest car park owners in Hong Kong, we continue to see strong demand in car park spaces due to the growth in registered private cars that is complemented by stagnant growth in car park spaces. The increased demand, coupled with increased visitation to our enhanced shopping centres, have underpinned the strong performance of our car park business throughout the year. Individual car park income per space per month increased by 14.4% to HK\$2,022 for the year ended 31 March 2016.

To improve performance and operations, we incurred capital expenditures to upgrade our car park facilities such as tailgating system, patrol management and directional signage at various properties. The 10-year car park refurbishment programme started since 2013 with a total investment of approximately HK\$300 million has been progressing well.

**Key car park performance indicators**

	<b>Year ended 31 March 2016</b>	Year ended 31 March 2015
Car park income per space per month (HK\$)	<b>2,022</b>	1,767
Net property income margin (%)	<b>71.8</b>	70.3
	<b>As at 31 March 2016</b>	As at 31 March 2015
Total Valuation (HK\$'M)	<b>28,888</b>	25,177
Average valuation per space (HK\$'000)	<b>384</b>	330

*Moving Forward*

On 1 April 2016, we rolled out a new Asset Management Model for 20 properties that form five unique clusters comprising Destination and Community Shopping Centres.

Under this Model, a dedicated Asset Manager will oversee the operational and financial planning of all assets within a

cluster in order to enhance net property income and asset value. The Asset Managers have to formulate "asset focus" plans to manage the leasing, cost control and long-term positioning of the assets to meet evolving community needs. The holistic approach will increase operational efficiency, enhance resource allocation, improve customer experience and create better value.





**KPI**  
**100%**  
**Retail occupancy**  
**in EC Mall**

### Mainland China Portfolio

We completed the acquisitions of EC Mall in Beijing in April 2015 and Corporate Avenue 1 & 2 in Shanghai in August 2015.

Located in the middle of Zhongguancun, the “Silicon Valley of China”, EC Mall is a

regional destination mall offering mass market retail products. With strong demand, EC Mall recorded exceptional performance with occupancy rate reaching 100% as at 31 March 2016 and retail reversion rate of 38.7% during the financial year.

### EC Mall retail lease expiry profile

(as at 31 March 2016)

	% of total area %	% of monthly rent %
2016/2017	24.2	28.7
2017/2018	22.1	30.0
2018/2019 and Beyond	53.7	41.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>



**KPI**  
**100%**  
**Office occupancy**  
**in Corporate**  
**Avenue 1 & 2**

Corporate Avenue 1 & 2 is situated in Xintiandi, one of the most renowned and affluent core business districts in Shanghai. With excellent hardware and grade-A specifications, Corporate Avenue 1 & 2 continued to be the preferred choice for

both local and multi-national corporations to house their Shanghai offices. Office reversion rate for the year was 12.8% while occupancy rate was 100% as at 31 March 2016.

### Corporate Avenue 1 & 2 office lease expiry profile

(as at 31 March 2016)

	% of total area %	% of monthly rent %
2016/2017	38.0	37.7
2017/2018	15.2	17.6
2018/2019 and Beyond	46.8	44.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Given its high quality and prime location, Corporate Avenue 1 & 2 is pre-leasing well to mitigate any risks of increase in office supply in 2017/2018.

About half (by area) of the leases expiring in 2016/2017 have already been committed as at 31 March 2016.

## Delivering on Our Strategic Priorities continued



**KPI**  
**15.5% to**  
**23.5%**  
**Return on**  
**investment for**  
**enhancement**  
**asset projects**  
**completed during**  
**the year**

### Asset Enhancement

Expertise in asset enhancement has contributed to our success throughout the years. Our original portfolio in Hong Kong has an average age of 25 years, implying many of the properties require revitalisation to create better value. With careful planning and execution of asset enhancement, we do not only provide an enhanced retail environment for tenants and shoppers, but also bring in a better shopping experience and more offerings for the community. Our asset enhancement programme continues to focus on:

- Enhancing shopping centre performance;
- Capitalising on changing district demographics such as population growth and age distribution;
- Creating and delivering a consistent brand image; and
- Improving utilisation of retail space.

Our ongoing asset enhancement works improve the layout, efficiency and facilities of the properties. Our investment in enhancing the smaller properties – those ranking beyond the top 50 by valuation – also demonstrates our commitment and focus across our entire portfolio.

### PERFORMANCE

We completed five asset enhancement projects during the year, including Tsing Yi Commercial Complex, Temple Mall North, Long Ping Commercial Centre, Wo Che Plaza and Tin Shing Shopping Centre. Different upgrades for these properties, ranging from simple refurbishment to major enhancement works, all have generated satisfactory returns on investment.

Temple Mall North (previously Lung Cheung Plaza) in Wong Tai Sin was rebranded and serves as a new Destination Shopping Centre in Central Kowloon next to Wong Tai Sin Temple, one of the top tourist attractions in Hong Kong.

### Return on investment of asset enhancement projects completed in the year ended 31 March 2016

	Total area as at 31 March 2016 '000 sq ft	Total project capex HK\$'M	Estimated return on investment %
Tsing Yi Commercial Complex <sup>(2)</sup>	55	105	15.6
Temple Mall North <sup>(1)</sup>	140	306	15.5
Long Ping Commercial Centre <sup>(2)</sup>	89	133	17.1
Wo Che Plaza <sup>(1)</sup>	181	36	23.5
Tin Shing Shopping Centre <sup>(1)(3)</sup>	76	195	15.6
<b>Total</b>		<b>775</b>	

Notes:

- (1) Property ranked amongst top 50 by valuation.  
 (2) Property ranked beyond top 50 by valuation.  
 (3) Property included a fresh market upgrade.

The upgrade included a refurbished interior featuring higher ceilings, a more spacious shopping environment and an increased number of shops. The atrium was revamped to enhance the decor and to cater for organising different types of marketing activities. We have also rebranded Wong Tai Sin Plaza as Temple Mall South, which is connected to Temple Mall North by a footbridge. These two connected shopping centres are currently operated as one mall to drive synergies, reduce duplication in trades and tenants and to offer a wider variety of choices for shoppers. With the new façade and the lantern-inspired design elements, Temple Mall is now more appealing to visitors to the adjacent Wong Tai Sin Temple and vehicles passing along Lung Cheung Road.

Given the changes in demographics resulting from newly completed residential projects nearby, asset enhancement works for Tsing Yi Commercial Complex and Long Ping Commercial Centre were completed to enhance the business environment for tenants and widen the range of offerings to shoppers to appeal to their diverse needs. Tin Shing Shopping Centre has been reconfigured and its fresh market has been repositioned as a regional fresh market serving the Tin Shui Wai district.

Continuing our proven asset enhancement strategy, we have 11 enhancement projects underway with another 8 projects to commence and over 16 other projects currently undergoing review, taking our asset enhancement pipeline well into 2020.



Temple Mall North,  
Hong Kong

## Delivering on Our Strategic Priorities continued

**Asset enhancement pipeline**

	Number of projects	Estimated costs HK\$'M
Underway	11	1,386
Pending statutory approval	8	808
Others under planning	> 16	> 1,300
<b>Total</b>	<b>&gt; 35</b>	<b>&gt; 3,494</b>

**Approved asset enhancement projects underway**

	Estimated costs HK\$'M	Target completion date
Tin Chak Shopping Centre <sup>(1)</sup>	26	Mid 2016
Lei Tung Commercial Centre <sup>(2)</sup>	83	Mid 2016
Butterfly Plaza <sup>(1)(3)</sup>	329	Mid 2016
Hau Tak Shopping Centre <sup>(1)</sup>	174	Late 2016
Tai Hing Commercial Centre <sup>(2)</sup>	75	Late 2016
Sau Mau Ping Shopping Centre <sup>(1)</sup>	72	Late 2016
Wah Ming Shopping Centre <sup>(2)</sup>	72	Early 2017
Tin Yiu Plaza <sup>(1)</sup>	164	Early 2017
Fu Tung Plaza <sup>(1)</sup>	30	Early 2017
Lung Hang Commercial Centre <sup>(2)</sup>	81	Mid 2017
Chung Fu Plaza <sup>(1)</sup>	280	Mid 2017
<b>Total</b>	<b>1,386</b>	

Notes:

(1) Properties ranked amongst top 50 by valuation.

(2) Properties ranked beyond top 50 by valuation.

(3) Project includes a fresh market upgrade.

**Asset Acquisition**

Adding quality assets with better growth potential helps in improving our portfolio quality and ensuring sustainable DPU growth. Building on the resilience of our portfolio, our focus is to seek investment opportunities with high future growth potential in mass market retail and premium grade-A offices in core CBD in both Hong Kong and tier-one cities in Mainland China. This involves cautious and prudent due diligence and disciplined deal structuring to deliver better long-term returns.

**PERFORMANCE**

During the year, we completed the acquisitions of EC Mall in Beijing in April 2015 and Corporate Avenue 1 & 2 in

Shanghai in August 2015. These two new properties in Mainland China are in line with our strategy of expanding geographically by adding assets with better growth potential.

In February 2016, we announced the acquisition of 700 Nathan Road in Mong Kok, Hong Kong through a government tender. Completion of the acquisition took place subsequent to the financial year end on 15 April 2016. The property is situated in a prime location at the heart of Kowloon Peninsula with excellent connectivity including the railway, buses and minibuses. Given the location and catchment, we believe it is ideal for mass market retail, food and beverages, and service trades. The property will





**KPI**  
**26.3%**  
**Reduction**  
**in energy**  
**consumption**  
**since 2010**

require a renovation to convert it into a modern retail podium and tower. This is an attractive opportunity to leverage on Link's expertise in asset enhancement and mass market retail leasing. As we continue to remain focused on Hong Kong retail, it will be consistent with our objective to increase Link's share of the shoppers' wallet in the same mass market catchment that Link has been serving in the last ten years.

### Asset Disposal

Enhancing the quality of our portfolio also means exiting our non-core assets, which supports several value creation opportunities such as:

- Repayment of debts;
- Funding unit buy backs;
- Funding investments in assets with better growth prospects; and
- Enhancing Unitholder's return.

### PERFORMANCE

We have continued to review and streamline our property portfolio and completed the disposal of five properties in December 2015 at a premium of 30% to the aggregate appraised values as at 30 September 2015. Announcements on further disposals of nine properties were also made on 31 March 2016 and 11 April 2016, respectively. Two of the properties were disposed of at a total consideration of HK\$1,690 million, representing a premium of 15% to the aggregate appraised values as at 31 March 2016, while the remaining seven properties were disposed of at a 23% premium to the aggregate appraised values as at 31 March 2016 at a total consideration of HK\$1,962 million. These disposals were completed subsequent to the financial year end on 31 May 2016. Our operational efficiency has also been enhanced through the headcount review process.

### Property Development

Working with our partner Nan Fung Development Limited, Link currently has one commercial development project

underway on Hoi Bun Road in Kowloon East, Hong Kong. This top of the class grade-A commercial property is on schedule to be completed in 2019.

### PERFORMANCE

We started the foundation works for the project and the construction works are on schedule. In addition to targeting HK-BEAM Platinum and LEED Platinum certifications, the property is also one of the first commercial projects in Hong Kong to be registered as a WELL Building Standard project which focuses on ensuring human health and wellness in the built environment.

### Environmental Excellence

We recorded a year-on-year 2.2% reduction in energy consumption, marking the sixth consecutive year of reduction and moving us closer to our 2020 target of a 30% reduction against our 2010 baseline. Overall, carbon emissions have effectively been reduced by 26.3% since 2010.

Our energy-saving programme is boosted by the use of digital technology solutions to improve environmental performance. We use Radio Frequency Identification (RFID) to track and measure not just electricity use, but also monitor waste, temperature and footfall across our properties in Hong Kong. The data analysis and subsequent initiatives provide a spectrum of environmental benefits including individual facility energy use reduction and more efficient waste management.

During the year, a comprehensive waste management strategy was established after a successful yearlong pilot programme to install waste management facilities at 46 properties. The strategy introduced a set of policies and procedures to facilitate waste separation and minimise waste to landfills. We work closely with tenants, service providers, government and NGOs to educate and find optimal solutions. Some 40 tonnes of waste have been either recycled or reprocessed since commencement of the programmes to the end of the financial year.

Delivering on Our Strategic Priorities continued

## 02. Maintaining a Prudent and Flexible Capital Structure



**KPI**  
**2.57%**  
**Effective interest rate**

Prudent and effective capital management is essential for Link to meet strategic objectives and maximise value for Unitholders. It provides us with a solid foundation for sustainable long-term growth. We aim to utilise an optimal mix of capital tools including bank borrowing, capital markets debt issuances and asset disposals.

Our capital management framework has evolved and strengthened over the years but remains focused on:

- Optimising long-term capital structure;
- Maintaining strong corporate credit ratings to secure low funding cost;
- Mitigating refinancing risks by extending debt maturity profile; and
- Limiting exposure to interest rate volatility.

We continue to distribute 100% of our distributable income, which demonstrates our commitment to sustainable returns for our Unitholders.

### PERFORMANCE

2015 was another year of volatile financial markets. Market interest rate expectation increased sharply in November 2015 and the US Federal Reserve increased the Federal Fund Target Rate for the first time in nine years by 0.25% in December 2015. The US economy was generally on track for recovery with the unemployment rate falling to 4.9% in January 2016. However, moving into the first quarter of 2016, the decline in oil price, the increased risk of global economic slowdown and the deeper negative interest rates imposed by the European Central Bank and the Bank of Japan held back further action by the US Federal Reserve. Hong Kong dollar interest rates remained benign across the yield curve. In the Hong Kong banking market, ample market liquidity coupled with contraction in the overall loan demand resulted in loan margin compression.

During the year under review, we continued to be disciplined in capital management. We took advantage of the favourable banking market and arranged a total of HK\$17.5 billion new bank facilities, including HK\$6.4 billion of term loan and HK\$11.1 billion of revolving loan, from a total of 16 banks. Loan tenors spanned from three to five and a half years at the all-in costs of HIBOR + 0.75% to 1.25% per annum. In addition, four tranches of Hong Kong Dollar notes were issued under the MTN Programme for a total of HK\$2.1 billion, with tenors of seven to ten years and at coupon rates of 2.67% to 3.15% per annum. As at 31 March 2016, all of the Group's borrowings were unsecured.

The Group's total debt increased to HK\$27.0 billion as at 31 March 2016 (31 March 2015: HK\$17.1 billion) with the gearing ratio at 16.5% (31 March 2015: 11.9%). The average life of our committed debt facilities remained steady at 5.0 years (31 March 2015: 5.2 years). As at 31 March 2016, the Group had available liquidity of HK\$8.1 billion (31 March 2015: HK\$6.4 billion), comprising HK\$0.5 billion (31 March 2015: HK\$3.4 billion) in cash and deposits and HK\$7.6 billion (31 March 2015: HK\$3.0 billion) in committed but undrawn facilities.

On interest rate management, we increased the portion of fixed rate debt to gross debt to 63% (31 March 2015: 59%) and maintained the average life of fixed rate debt, representing the average period of interest rate protection provided by fixed rate debt, steady at 6.9 years (31 March 2015: 7.2 years). Our effective interest cost of the Group's debt portfolio as at 31 March 2016 decreased to 2.57% (31 March 2015: 2.66%).

As part of Link's capital recycling strategy, we used part of the proceeds from property disposals to buy back 50.2 million units during the year at an average price of HK\$43.74 per unit, which is equivalent to 23% discount to net asset value per unit as at 31 March 2016 of HK\$56.79.

Link's corporate credit ratings were affirmed by Standard & Poor's and Moody's at "A" and "A2" respectively on 23 February 2016 and 14 March 2016 respectively.

### Committed debt facilities<sup>(1)</sup>

(as at 31 March 2016)

(HK\$ billion)	Fixed rate debt <sup>(2)</sup>	Floating rate debt <sup>(2)</sup>	Utilised facilities	Undrawn facilities	Total committed facilities
Unsecured loan	7.4	5.9	13.3	7.6	20.9
MTN	9.7	4.0	13.7	–	13.7
<b>Total</b>	<b>17.1</b>	<b>9.9</b>	<b>27.0</b>	<b>7.6</b>	<b>34.6</b>
Percentage	63%	37%	78%	22%	100%

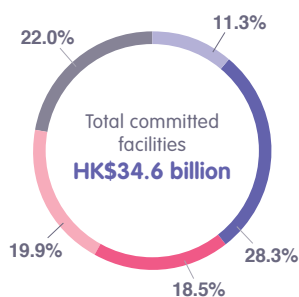
Notes:

(1) All amounts are at face value.

(2) After interest rate swaps.

### Funding base

(as at 31 March 2016)



MTN - Listed

MTN - Unlisted

Bank loans - Term

Bank loans - Revolving

Undrawn facilities

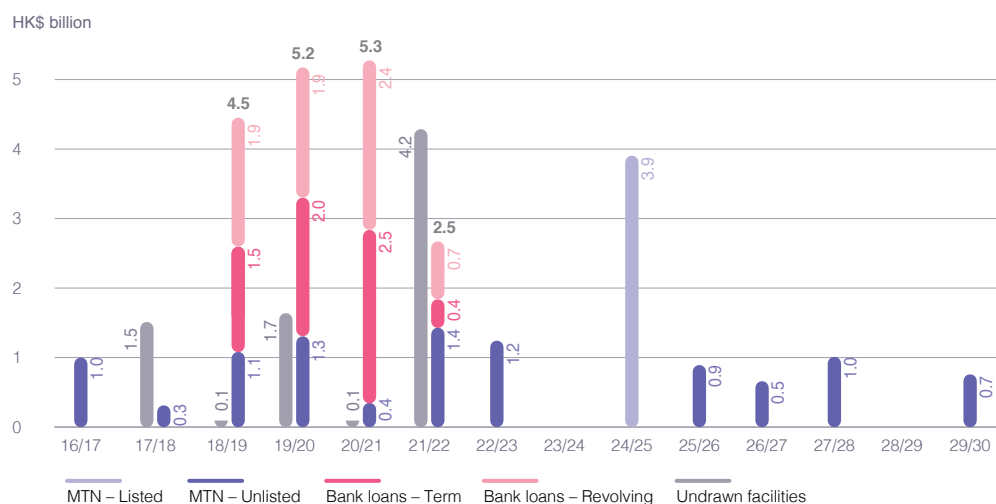
### Facility maturity profile<sup>(1)</sup>

(as at 31 March 2016)

Due in	Unsecured bank loans HK\$ billion	MTN HK\$ billion	Undrawn facilities HK\$ billion	Total HK\$ billion
2016/2017	–	1.0	–	1.0
2017/2018	–	0.3	1.5	1.8
2018/2019	3.4	1.1	0.1	4.6
2019/2020	3.9	1.3	1.7	6.9
2020/2021 and Beyond	6.0	10.0	4.3	20.3
<b>Total</b>	<b>13.3</b>	<b>13.7</b>	<b>7.6</b>	<b>34.6</b>

### Facility maturity profile<sup>(1)</sup>

(as at 31 March 2016)



Note:

(1) All amounts are at face value.

Delivering on Our Strategic Priorities continued

### 03. Developing a Strong Management Team



**KPI**  
**21.1%**  
**Staff attrition rate**

Link achieved a near-zero attrition rate for staff with high-performance rating, reflecting the successful retention strategy.



Link seeks to be an employer of choice by creating a working environment with strong respect for people. Our human resources strategy reflects this through its value proposition to attract, retain, motivate and reward a diverse team of industry professionals. In this, we have gained substantial headway, building an agile and innovative team that effectively manages our business while using foresight and professional judgment to identify emerging risks and opportunities.

#### Capacity Building

We engage our employees through a variety of channels to gauge their career aspirations and what is important to them in their jobs. It guides us to develop new and innovative programmes to help staff develop and grow. We have a designated staff newsletter and intranet portal that allows employees to speak up and communicate on a regular basis. Feedback is solicited each year through our annual Vision, Mission, Values survey. This year, approximately 92% of our employees responded. In response to the survey findings and to encourage better work-life balance, a staff volunteer committee and a set of guidelines were formalised to encourage more staff to volunteer at different community events and activities, particularly under Link Together Initiatives. This year, our staff volunteered for events such as elderly home visits, setting up mobile playgrounds and introducing classical music to underprivileged children, as well as community events funded through Link Together Initiatives.

In launching our new brand campaign during the year, we allocated considerable time and effort to ensure our entire team, including all levels of direct and indirect staff, understood the thinking behind our new brand and the brand promise to Link People to a Brighter Future. We established a 108-person strong team of Brand Ambassadors to deliver our message to our staff members, business partners and the community.

#### Learning and Development

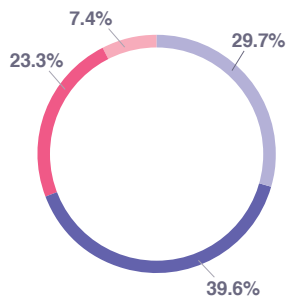
Link believes in providing career paths for promising candidates. We promote from within as much as possible to enhance career development opportunities and retain our top performers. With our expanded growth drivers and new Asset Management Model, we offer diverse opportunities that better align with personal career aspirations. Link provides a wide variety of training and personal development programmes on management, technical and personal skills to better prepare our management to undertake the role and responsibilities for a chosen job. The Performance Management System forms the key component of the staff appraisal system in which individuals are assessed against a set of KPIs and the implementation of our core values (Respect, Excellence, Integrity and Teamwork). Each employee has the right to appeal the appraisal rating through an established and protected process should the occasion arise. The Performance Improvement Plan formalises the process to communicate management feedback and improve performance of our people.

To cultivate our future leaders, we launched a leadership development programme to approximately 60 of our management staff. The programme, based on Stephen R Covey, *The 7 Habits of Highly Effective People*, builds leadership skills and a high performance culture across our entire organisation.

To execute our Asset Management Model, we have established a team of five Asset Managers with a mix of in-house and external talents. The Asset Managers will have overall control of how their property portfolios are managed, and our existing property management and leasing teams will support their operations. As such, a set of shared Asset Manager and department KPIs are being established to facilitate the success of the Asset Management Model while ensuring the ongoing performance of the remaining property portfolio is not affected.



### Employees' years of service



Under 2 years  
2-5 years  
6-9 years  
10 years or above

### Gender balance

(as at 31 March 2016)

#### EMPLOYEES

**51%**  
male  
**49%**  
female

#### SENIOR MANAGEMENT

**70%**  
male  
**30%**  
female

#### BOARD OF DIRECTORS <sup>(1)</sup>

**71%**  
male  
**29%**  
female

Note:

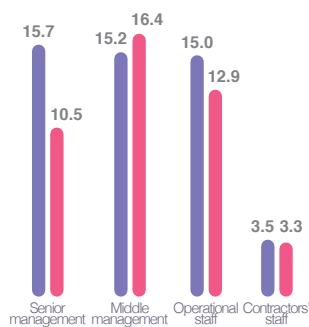
(1) Figures are as at the date of this report.

### Health and Well-being

Health and well-being of staff enhances productivity. We launched several personal awareness workshops and numerous after-work activities for our people to enhance work-life balance. In addition, an Employee Assistance Programme is available via a 24-hour hotline and consultation services to staff and their families for any difficulties in relation to work, personal life or family matters.

the first REIT in Asia to endorse the Women's Empowerment Principles, a collaboration between United Nations Women and the United Nations Global Compact, and are committed to implementing the principles at all levels of our business. Our employees are spread relatively evenly across age groups, reflecting the general employment trends in Hong Kong.

### Average hours of training



2014/2015  
2015/2016

### Diversity and Inclusion

In line with being a world class real estate investor and manager, we have a strict policy of non-discrimination in employment and we encourage diversity. Currently, close to half of our workforce is female. 3 of our 10-member management team and 4 of our 14 Board members are female. We are

### PERFORMANCE

Our staff attrition rate for the year at 21.1% was roughly in line with the previous few years. More importantly, we achieved a near-zero attrition rate for those staff with a high performance rating, reflecting the success of our human resources strategy. As at 31 March 2016, we have 883 employees.

Delivering on Our Strategic Priorities continued

## 04. Helping Our Tenants and Communities Grow while Delighting Shoppers



**KPI**  
**15**  
Link Tenant Academy sessions

By supporting the development of our tenants, creating lifestyle experiences for our shoppers and contributing towards building thriving communities, we are investing in Link's long-term future. When communities do well, we do well.

### Growing with our Tenants

In Hong Kong, we have over 11,000 carefully selected tenancies and licences that offer a vibrant retail mix to meet the needs of the local community and attract shoppers from nearby districts. Our approach is rooted in developing strong relationships with existing and potential tenants, supplemented by extensive district-level analysis and tenant surveys to identify opportunities for improvement in our facilities and services.

Link supports tenants' business development through Link Tenant Academy and with regular seminars and workshops. The academy imparts valuable business know-how, latest retail and service trends and shares operational improvement tips. Over the financial year, we offered 15 well-attended sessions with over 2,000 participants in aggregate.

Link understands that working with reputable and quality tenants drives footfall to our properties and offers customers the brands and products they seek. This strategy extends benefits to our smaller independent businesses and attracts new retailers into our shopping centres. We as well regularly engage with prospective tenants to understand their businesses and identify how their operations can add value to our existing trade mix. New tenants have the potential to enrich our trade varieties and increase brand offerings, thereby increasing the attractiveness of our shopping centres.

Link also actively involves tenants in its social initiatives to promote local community connection and support. Fresh market stall operators generously donate to meals for the elderly and participate in food waste reduction initiatives. Guide dogs for the blind are welcome into all our shopping centres and tenants regularly participate in special programmes staged at festival times.

### Hong Kong portfolio retail trade mix

(as at 31 March 2016)

	By leased area %	By monthly rent %
Food and Beverage	29.6	26.4
Supermarket and Foodstuff	18.6	21.9
Markets/Cooked Food Stalls	8.1	14.1
Services	9.2	10.7
Personal Care/Medicine	4.0	6.3
Education/Welfare and Ancillary	8.1	1.2
Valuable goods (Jewellery, watches and clocks)	0.3	0.7
Others <sup>(1)</sup>	22.1	18.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Notes:

(1) Others include clothing, department stores, electrical and household products, opticals, books and stationery, newspaper, leisure and entertainment.

## Community Enrichment

Link has established a number of initiatives to help communities thrive and grow. From concessionary rents for welfare organisations at our properties, to installation of barrier-free access facilities and allocation of public spaces attached to our Destination and Community properties, our properties are community hubs where people come together for good causes and family entertainment.

Link collaborates with welfare organisations, trade associations and social groups to stage lively and fun events and performances at our shopping centres for the benefit of local communities. Events bring awareness to a wide spectrum of modern urban lifestyle issues including health, nutrition, family harmony and green living. 51 events were held across our network of malls during the year.

Link Together Initiatives is our flagship charity and community engagement programme through which we support selected non-profit projects that seek to improve livelihoods of local communities. Every year, Link earmarks up to 0.25% of net property income from the previous financial year to fund the projects. During the financial year, HK\$10 million was allocated to various projects.

The programme focuses on two social groups: youth and the elderly. In addition to the established Service Fund, Link introduced three new schemes, the Neighbourhood Project Fund, Link First Generation University Student Scholarship and Link Barrier Free Shopping Centre Orienteering during the year. The Neighbourhood Project Fund enables a wider reach and closer connection to local neighbourhoods through small projects that cater to a specific area's needs. During the year, 37 projects across 16 districts were supported, benefiting some 70,000 people.



**KPI**

**HK\$27.9 million**  
invested in the  
community through  
Link Together  
Initiatives since 2013



Top left  
Street Transformers by Youth Outreach

Top right  
Breeding and Caring of Guide Dog  
Litters and Public Education Programme  
by Hong Kong Guide Dogs Association  
Limited

Bottom  
Mobile Playborhood Project (Phase 3)  
– Playful and Happy Community by  
Playright Children's Play Association

## Delivering on Our Strategic Priorities continued

Link supported 100 first-year undergraduates who are the first among three generations of their families to attend one of Hong Kong's universities.

Link First Generation University Student Scholarship is a unique concept that supports first-year undergraduates who are the first from among three generations of their families to study at one of Hong Kong's universities. Nomination comes directly from secondary schools and the programme is independently supervised by HKCSS WiseGiving Limited of The Hong Kong Council of Social Service. 100 scholarships were given with each awardee receiving a HK\$20,000 grant. These students will also be admitted to the Link Scholarship Alumni, through which Link will provide mentoring, career counselling and corporate visits as well as

priority consideration to Link's internship programme.

Since 2011, we have invested HK\$200 million to ensure our properties are barrier-free accessible with the necessary physical enhancements. We also worked with relevant interest groups to raise awareness to this key community issue by helping to organise Link Barrier Free Shopping Centre Orienteering at Stanley Plaza.

For further details of our extensive community engagement, please visit our website [Linkreit.com/sustainability](http://Linkreit.com/sustainability).

#### Link Together Initiatives

Project	Name of Organisation	Amount HK\$'000
<b>A) Service Fund (7 projects)</b>		
Dr Dog Programme	Animals Asia Foundation Limited	305
Cha Duk Chang in 3 Generations	Cha Duk Chang Children's Cantonese Opera Association Limited	503
"Help the Aged, Teach the Young" – Link Fresh Market Surplus Food Donation Project	Food For Good Limited	1,321
Breeding and Caring of Guide Dog Litters and Public Education Programme	Hong Kong Guide Dogs Association Limited	597
Music Children @ Link	Music Children Foundation Limited	523
Mobile Playborhood Project (Phase 3) – Playful and Happy Community	Playright Children's Play Association	500
Street Transformers	Youth Outreach	400
	<b>Sub-total</b>	<b>4,149</b>
<b>B) Neighbourhood Project Fund (37 projects)</b>		
<b>3,427</b>		
<b>C) Scholarship (100 student awardees)</b>		
Link First Generation University Student Scholarship	HKCSS WiseGiving Limited	2,000
<b>D) Barrier Free Access Project (1 event)</b>		
Link Barrier Free Shopping Centre Orienteering	The Hong Kong Council of Social Service	440
<b>GRAND TOTAL</b>		<b>10,016</b>





## KPI

# 5.2%

**Growth of tenants' average monthly retail gross sales in Hong Kong**

## PERFORMANCE

As a result of our continuous efforts in refining trade mix and improving tenant business environment, during the year under review, our Hong Kong portfolio tenants' average monthly retail gross sales psf continue to improve and rose by 5.2% as compared to the last financial year. "Food and Beverage" and "Supermarket and Foodstuff", the dominant daily necessity trades in the Hong Kong portfolio, posted a year-on-year growth in gross sales psf of 10.6% and 0.8%, respectively, while "General Retail" recorded an increase of 4.8%.

Rent to sales ratio is another metric that we are keeping track of to gauge the affordability of rents for our tenants and manage our business more effectively. Rent to sales ratio of the overall portfolio was 11.7% for the year. Looking into different trade categories, rent to sales ratio for "Food and Beverage", "Supermarket and Foodstuff" and "General Retail" recorded 11.6%, 9.9% and 14.1%, respectively.

During the year, we organised 15 Link Tenant Academy sessions on topics from

"Using Technology to Improve Operational Efficiency" to "Handling Complaints and Difficult Situations Effectively". Over 2,000 participants joined the sessions. The Link Tenant Academy programme will be revamped to accommodate increased participation.

In addition to supporting our tenants, we also invest in advancing sustainable development in the communities we serve. During the year, Link donated HK\$2 million to Link First Generation University Student Scholarship. A total of 100 students received scholarship grants via the project consultant HKCSS WiseGiving Limited.

A total of HK\$3.4 million was granted to 37 Neighbourhood Project Fund projects that were selected by a panel comprising 21 community leaders including District Council Chairmen and Vice-chairmen, District Council members, representatives from Home Affairs Department and The Hong Kong Council of Social Service.

The Service Fund, in its third year, supported seven community projects for a total of HK\$4.2 million.

# Financial Review

2015/2016 has been an extremely busy and productive year, which has resulted in one of our strongest sets of financial results.

Link has produced steady growth for this financial year.

## Overall Financial Results

During the year, revenue and net property income increased by 13.2% and 14.9% year-on-year to HK\$8,740 million (2015: HK\$7,723 million) and HK\$6,513 million (2015: HK\$5,669 million), respectively. DPU for the year increased by 12.8% to HK206.18 cents (2015: HK182.84 cents), comprising an interim DPU of HK98.99 cents (2015: HK89.56 cents) and a final DPU of HK107.19 cents (2015: HK93.28 cents). The total DPU represents a distribution yield of 4.5% based on the closing market price of the units of HK\$46.00 on 31 March 2016.

Valuation of the investment properties portfolio (including property under development and properties in Mainland China acquired during the year) continued to improve and reached HK\$160,672 million, representing an increase of 16.1% compared to 31 March 2015. Net asset value per unit grew 10.2% year-on-year to HK\$56.79 (31 March 2015: HK\$51.53).

## Hong Kong Portfolio

### REVENUE ANALYSIS

Total revenue rose to HK\$8,319 million (2015: HK\$7,723 million), comprising rental income from retail properties of HK\$6,095 million (2015: HK\$5,711 million), car parks of HK\$1,846 million (2015: HK\$1,656 million) and other property related revenue of HK\$378 million (2015: HK\$356 million).

Retail rentals have continued to increase strongly against last year supplemented by the satisfactory reversion and the opening of Temple Mall North in November 2015. Car park rentals have also improved in view of the parking tariff increase and the increase in the number of monthly tickets sold.

### Revenue breakdown

	Year ended 31 Mar 2016 HK\$'M	Year ended 31 Mar 2015 HK\$'M	Year-on-year change %
<b>Retail rentals:</b>			
Shops <sup>(1)</sup>	4,974	4,638	7.2
Markets/Cooked Food Stalls	805	767	5.0
Education/Welfare and Ancillary	147	145	1.4
Mall Merchandising	169	161	5.0
<b>Car parks rentals:</b>			
Monthly	1,381	1,224	12.8
Hourly	465	432	7.6
<b>Expenses recovery and other miscellaneous revenue:</b>			
Property related revenue <sup>(2)</sup>	378	356	6.2
<b>Total revenue</b>	<b>8,319</b>	<b>7,723</b>	<b>7.7</b>

Notes:

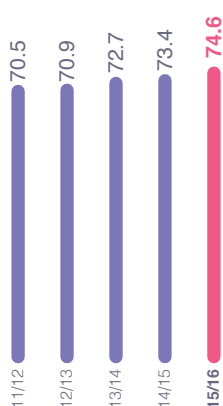
- (1) Rental from shops included base rent of HK\$4,840 million (2015: HK\$4,469 million) and turnover rent of HK\$134 million (2015: HK\$169 million), respectively.
- (2) Property related revenue included other revenue from retail properties of HK\$374 million (2015: HK\$353 million) and car parks of HK\$4 million (2015: HK\$3 million).

## EXPENSE ANALYSIS

We have managed to maintain our total property operating expenses increase for the year at 3.1% through the implementation of a series of cost control measures. Even with an 8.3% increase of statutory minimum wage from HK\$30.0 to HK\$32.5 per hour in May 2015, property managers' fees, security and cleaning expenses grew only at a moderate 4.7% due to better work planning and efficiency improvement. Decrease in staff costs was mainly due to a lower accrual for the

long-term incentive plan as a result of a drop in the closing unit price as at 31 March 2016 against that of 31 March 2015. Energy consumption reduction continued to be our focus and we have successfully reduced our usage during the year. Uplift in government rent and rates was generally in line with revenue growth while promotion and marketing expenses increased mainly due to the launch of our new brand identity during the year. As a result of all these efforts, net property income margin further improved to 74.6% (2015: 73.4%)

### Net property income margin in Hong Kong (%)



### Property operating expenses breakdown

	Year ended 31 March 2016 HK\$'M	Year ended 31 March 2015 HK\$'M	Year-on-year change %
Property managers' fees, security and cleaning	580	554	4.7
Staff costs	365	381	(4.2)
Repair and maintenance	213	201	6.0
Utilities	298	300	(0.7)
Government rent and rates	271	236	14.8
Promotion and marketing expenses	117	108	8.3
Estate common area costs	118	113	4.4
Other property operating expenses	155	161	(3.7)
<b>Total property operating expenses</b>	<b>2,117</b>	<b>2,054</b>	<b>3.1</b>

## Financial Review continued

### Mainland China Portfolio

During the year under review, we completed the acquisitions of EC Mall in Beijing on 1 April 2015 and Corporate Avenue 1 & 2 in Shanghai on 31 August 2015. These newly acquired properties in Mainland China contributed revenue of HK\$421 million and net property income of HK\$311 million to the Group's results.

### Valuation Review

Total value of our investment properties (including property under development and properties in Mainland China acquired during the year) increased 16.1% from HK\$138,383 million as at 31 March 2015 to HK\$160,672 million as at 31 March 2016. Value of the Hong Kong retail properties increased 6.7% to HK\$114,492 million (31 March 2015: HK\$107,326 million) while value of the car parks increased 14.7% to HK\$28,888 million (31 March 2015: HK\$25,177 million). The increase in value of the retail properties and car parks in Hong Kong was mainly driven by the increase in net property income and improved property conditions after asset enhancement.

Value of the Hong Kong property under development in Kowloon East also increased to HK\$6,300 million (31 March 2015: HK\$5,880 million) while newly acquired properties in Mainland China were valued at HK\$10,992 million as at 31 March 2016.

CBRE Limited, the Principal Valuer, valued our completed properties as at 31 March 2016 using a combination of income capitalisation and discounted cash flow approaches as the primary valuation methodologies. For the property under development, the residual method was used. When valuing both completed and under development properties, the Principal Valuer has also made reference to market transactions and comparables.



## Valuation approach

	As at 31 March 2016	As at 31 March 2015
<b>Income Capitalisation Approach – Capitalisation Rate</b>		
<b>Hong Kong</b>		
Retail properties: weighted average	4.54%	4.57%
Car parks: weighted average	4.78%	4.78%
Overall weighted average	4.59%	4.61%
<b>Mainland China <sup>(1)</sup></b>		
Retail properties	4.50% – 5.00%	N/A
Office properties	4.00%	N/A
<b>DCF Approach – Discount Rate</b>		
<b>Hong Kong</b>		
	7.50%	7.50%
<b>Mainland China <sup>(1)</sup></b>		
Retail properties	8.00% – 9.00%	N/A
Office properties	7.50%	N/A

Note:

(1) Acquisitions of EC Mall in Beijing and Corporate Avenue 1 & 2 in Shanghai were completed on 1 April 2015 and 31 August 2015, respectively.



Cooked food stalls at H.A.N.D.S, Hong Kong

# Risk Management

We are committed to having an effective risk management system as a cornerstone in achieving our strategic priorities. During the past two years we have enhanced our ability to anticipate risks and be agile and effective in managing them. We recognise that a robust, integrated risk management approach is a crucial enabler for us to realise opportunities.

## Our Approach to Risk Management

Link's enterprise risk management framework provides the basis for implementing a consistent and effective approach to anticipate, evaluate and respond to key risks. Our integrated enterprise risk management approach combines a top-down strategic view with a complementary bottom-up operational process. The top-down approach involves a review of the external environment in which we operate to assess which risks we are comfortable exposing our business to in pursuit of our objectives. The bottom-up approach identifies, manages and monitors risks in each area of our business to ensure risk management is embedded throughout our daily operations.

Our risk management process is guided by the Three Lines of Defence system, which allows the Board to consider control issues effectively. The Board receives regular

reports through the Audit and Risk Management Committee and from the risk management and the internal audit functions.

## 1st Line of Defence – Internal Control and Operational Management

Control and monitoring procedures over compliance and risk management have been integrated into the daily operations with clear policies and procedures, which are reviewed on a regular basis to ensure their effectiveness. Every major department has its own set of operating policies and procedures to ensure that management is operating within an established control framework. Comprehensive training to staff ensures their understanding of the control and compliance requirements.

We recognise that a robust, integrated risk management approach is crucial for us to realise opportunities.

## Three Lines of Defence



## 2nd Line of Defence – Risk Management and Compliance

The Risk Management and Compliance function monitors the effectiveness of the established enterprise risk management framework. It provides guidelines to business functions to facilitate their risk management processes, support management in assessing known and emerging risks and assist in developing the respective internal controls. Any irregularities identified at the functional level will be reported to the Risk Management and Compliance team for timely rectification.

## 3rd Line of Defence – Internal Audit

The Internal Audit function provides an independent and objective assurance to the Audit and Risk Management Committee on whether the control environments within the business are adequate. The Internal Audit function carries out independent reviews of key business processes and controls in accordance with its annual audit plan approved by the Audit and Risk Management Committee. It periodically reports to the Committee and has regular meetings with the chairman of the Committee. Key findings and recommendations for improvement and implementation are regularly reported to the Board through the Audit and Risk Management Committee. A whistle blowing policy has been in place such that possible improprieties may be detected earlier and brought to the attention of management and the Audit and Risk Management Committee. The external auditor also reports on any control issues identified in the course of its audit work.

## Roles and Responsibilities

The Board has overall accountability for Link's enterprise risk management framework and is responsible for determining the nature and impact of risks on our business and ensuring appropriate mitigating strategies are in place. Both the Audit and Risk Management Committee and management

are tasked with overseeing mitigation of risks in terms of exposure and external impacts and ensuring the processes in which risks are managed are fit for purpose. This ensures the appropriate governance and policy decision-making is rolled down into the organisation and appropriate resources are allocated.

## Emerging Risks and Outlook

As part of our risk management approach, we regularly identify and monitor emerging risks that could result in unexpected negative impact that affect our ability to meet our objectives. During the year, two risks were identified and closely monitored.

*1) Weakening macroeconomic conditions in Hong Kong.* Many indicators point to slower economic growth in Hong Kong. This may have an impact on our ability to deliver on our strategic objectives.







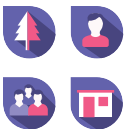

*Mitigation strategy:* Our focus on mass-market, non-discretionary retail shopping centres makes our business resilient to fluctuations in the local economy. We further insure against macroeconomic risks by regularly monitoring changes in community sentiment and spending habits so that we can offer a retail trade mix that aligns with our customer demand.

*2) Heightened media and political scrutiny.* The political environment in Hong Kong will be active in the near term as elections for the Legislative Council will take place in 2016 followed by Chief Executive election in 2017. Being a major landlord in Hong Kong, there has been an increase in political voices and opinions – both supportive and negative – on our business.

*Mitigation strategy:* Link regularly monitors the political environment around Hong Kong. We mitigate this risk and grow our social capital through an extensive stakeholder engagement programme which includes having a team of community relationship managers serving as a primary channel for communities to engage with us directly. This builds trust with the communities and helps ensure accurate information is being disseminated.

## Risk Management continued

During the year under review, a series of risk workshops were conducted to identify our potential risks using our Sustainability Framework as a guiding principle. Nine risk categories were identified from these workshops and the impacts and actions to manage these risk categories are listed below. The Board is satisfied that we continue to operate within an acceptable risk appetite.

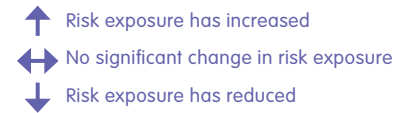
RISK CATEGORIES	RISK AREA	RISK MOMENTUM	EXAMPLES OF MITIGATING MEASURES
<p><b>ECONOMIC AND POLITICAL OUTLOOK</b></p> 	<p>Adverse changes in the economic, political, infrastructure and environmental dynamics of Hong Kong could limit the ability of Link to deliver on its strategies</p>		<ul style="list-style-type: none"> <li>• Continual monitoring of key economic data in Hong Kong and Mainland China from various sources. The trend is regularly reported to senior management through the key risk indicator mechanism. Action is taken where appropriate to adjust our strategies and operations</li> <li>• Corporate strategies are discussed at least twice a year by the Board</li> <li>• Continual monitoring of changes in the political agenda in Hong Kong and Mainland China</li> </ul>
<p><b>LEGAL AND REGULATORY</b></p> 	<p>Link could fail to anticipate the trend of regulatory change, or could be in non-compliance of a local regulation, leading to financial loss and reputational damage</p>		<ul style="list-style-type: none"> <li>• Actively engage with regulatory bodies and external advisors on trending legislations, such as the Competition Ordinance and China tax reform</li> <li>• Ensure our Compliance Manual and policies and procedures are diligently followed by staff, with frequent checks by the risk management department and internal audit department, with quarterly reports to the Audit and Risk Management Committee</li> </ul>
<p><b>INVESTMENT STRATEGY</b></p> 	<p>Decisions to acquire, dispose or develop assets could turn out in hindsight to be incorrect, or could be adversely affected by unexpected external factors, leading to financial loss</p>		<ul style="list-style-type: none"> <li>• Investment decisions are subject to a robust risk and return evaluation by management and oversight by the Finance and Investment Committee</li> <li>• Potential projects are subject to an extensive due diligence review by in-house specialists and external advisors</li> <li>• Ensure experienced managers are in place to manage projects</li> <li>• Completed projects are subject to continual monitoring and internal audit, with periodic reports to the Board on their performances</li> </ul>
<p><b>HEALTH, SAFETY AND ENVIRONMENT</b></p> 	<p>Accidents could happen in spite of precautions or contagious diseases could spread to Hong Kong, leading to financial loss, litigation, reputational damage, or health and safety issues</p>		<ul style="list-style-type: none"> <li>• Ensure health and safety policies and procedures are diligently applied by our staff on a daily basis</li> <li>• Regularly test the emergency response procedures at our properties</li> <li>• Regularly test the corporate and departmental business resumption plans</li> <li>• Ensure comprehensive insurance coverage</li> <li>• Compliance with policies and procedures reported to the Audit and Risk Management Committee at least on a quarterly basis</li> </ul>



**LINK SUSTAINABILITY FRAMEWORK**



**MOMENTUM**



RISK CATEGORIES	RISK AREA	RISK MOMENTUM	EXAMPLES OF MITIGATING MEASURES
<p><b>RENTAL INCOME SUSTAINABILITY</b></p>	<p>Loss of major tenants due to changes in the tenants' own strategy or due to competition among landlords</p>	↔	<ul style="list-style-type: none"> <li>Ongoing direct engagement with major tenants and monitoring of their financial performance and strategies at our properties</li> <li>Maintain a well-balanced tenant mix and trade mix</li> <li>Ongoing initiative to invite targeted tenants to our properties</li> </ul>
<p><b>BRAND AND REPUTATION</b></p>	<p>Failure to meet customer and stakeholder expectations which could result in loss of confidence in Link</p> <p>Not being up-to-date on evolving community and demographics can mis-align Link's value proposition</p>	↑	<ul style="list-style-type: none"> <li>Direct engagement with Unitholders and other stakeholders</li> <li>Apply a long-term strategy to expand growth of our business, including managing our brand to support that strategy</li> <li>Board-level discussions are held at least twice a year on Link's strategies</li> <li>Daily monitoring of media reports, with actions to be taken where necessary</li> </ul>
<p><b>PEOPLE</b></p>	<p>A prolonged loss of key executives or staff in important positions could affect Link's ability to deliver on its strategies</p>	↔	<ul style="list-style-type: none"> <li>Maintain succession plans for key positions</li> <li>Regularly review the competitiveness of our compensation policy</li> <li>Apply our human resources strategy with oversight by the Remuneration Committee</li> </ul>
<p><b>COST AND AVAILABILITY OF FINANCE</b></p>	<p>Tight credit and increased cost of financing, could limit the ability of Link to borrow</p>	↔	<ul style="list-style-type: none"> <li>Closely monitor financial markets and benchmark borrowing rates</li> <li>Apply a prudent capital management strategy</li> <li>Maintain a diversified range of sources of financing and strong relationships with bankers, advisors and credit rating agencies</li> <li>Financing and hedging strategies are reviewed and approved by the Finance and Investment Committee at least on a quarterly basis</li> </ul>
<p><b>INFORMATION TECHNOLOGY</b></p>	<p>Cyber attack or security breach, information technology infrastructure or system failure may cause damage to our reputation and operations</p>	↔	<ul style="list-style-type: none"> <li>Regularly carry out vulnerability assessments and tests, including the use of external information technology consultants</li> <li>Information technology disaster recovery plan and business resumption plan can be quickly applied to ensure business continuity</li> <li>Regularly review the robustness of our information technology systems and infrastructure and the need for update</li> <li>Establish security policy on mobile devices and laptops</li> </ul>

# Corporate Governance

The Board is **committed to strong and continually improving governance** to ensure that we generate long-term value from the assets we manage.

Link continues to maintain a high level of corporate governance which facilitates the sustainability of our business and ensures the consistent creation of long-term value from the assets we manage.

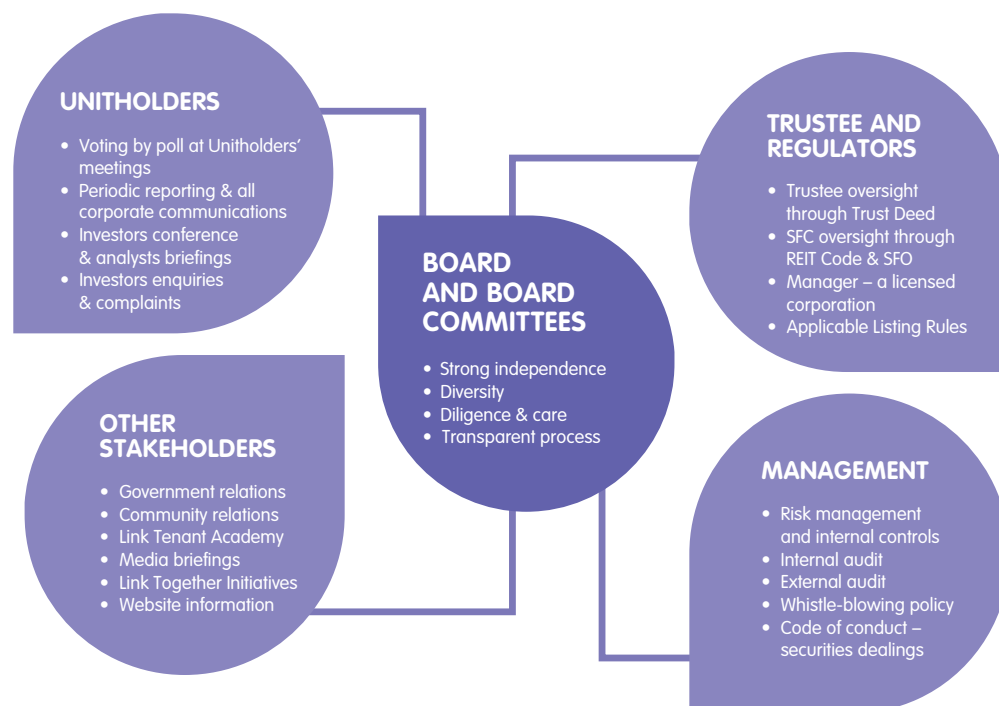
In this section we present an overview of our approach to corporate governance and significant enhancements made during the year. Complete disclosure on our corporate governance can be found in our *Governance, Disclosures and Financial Statements* book.

The Board is responsible for defining, monitoring and periodically amending Link's governance and compliance framework to enable long-term value creation of the business. We are committed to safeguarding Unitholders' interests for the long-term by ensuring financial stability and taking into consideration the material interests of our staff, tenants, shoppers and communities.

## Our Governance Framework

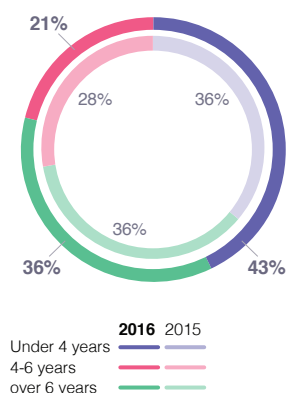
Accountability is assured through our corporate governance framework which clearly defines functions and duties between the Board and management, establishes checks and balances via internal and external audit, and has in place robust risk management controls. To ensure alignment on our corporate strategy, we hold an annual Board strategy meeting which enables the Board to conduct a thorough review of our business including identifying cyclical and emerging changes in the industry as well as up-to-date customer insights. The Board receives regular updates from management on progress against the agreed upon strategy.

### Our governance framework



### Service Term

(approx. years with Link)



### Link Board of Directors

As at the date of this annual report, the Board comprises 14 members who act collectively in meetings. The current composition of our Board is well balanced, represented by a mix of business executives, professionals, and academia. In addition to this, we ensure the long term effectiveness of the Board by maintaining a pool of independent non-executive director candidates. This list is reviewed regularly to time Board appointments ahead of scheduled retirement of existing INEDs. All Board appointments are made on merits and in line with Link's Board Diversity Policy.

The responsibilities of the Chairman and CEO are clearly divided and approved by the Board. The Chairman, as an INED, is responsible for leading the Board and ensuring its effectiveness in facilitating the development and execution of a well thought-out strategy for the business. The CEO, as an Executive Director, is responsible for the day-to-day management of the business and execution of the Board agreed upon strategy.

### Significant Changes Made in 2015/2016

The following material changes were made to Link's corporate governance during the year:

Board Composition	Mr Nicholas Robert SALLNOW-SMITH retired as Chairman of the Board and was succeeded by Mr Nicholas Charles ALLEN.
Board Diversity and Independence	Compared with 2014/2015, while maintaining the same high level of INEDs, there has been progress towards gender diversity and professional expertise with recent appointments.
Board Committee Composition	The Board reviewed the composition of each Board Committee and approved certain membership changes.

# Investor Information

## Listing of the Units

Link's units are listed on the Main Board of the Stock Exchange (stock code: 823) in board lot size of 500 units.

There were 2,243,148,136 units in issue as at 31 March 2016. Further details of units in issue are set out in Note 25 to the consolidated financial statements.

## Financial Calendar

Final results announcement for the financial year ended 31 March 2016	8 June 2016
Ex-final distribution date	22 June 2016
Closure of register of Unitholders (for final cash distribution) <sup>(1)</sup>	24 June to 28 June 2016 (both days inclusive)
Record date for final cash distribution	28 June 2016
Final cash distribution payment date	7 July 2016
Closure of register of Unitholders (for 2016 AGM) <sup>(2)</sup>	25 July to 27 July 2016 (both days inclusive)
2016 AGM	27 July 2016
Interim results announcement for the six months ending 30 September 2016	November 2016

### Notes:

- (1) In order to qualify for the final cash distribution of HK107.19 cents per unit for the year ended 31 March 2016, Unitholders should ensure that all transfer documents accompanied by the relevant unit certificates must be lodged with Link's unit registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 23 June 2016.
- (2) In order for Unitholders to be eligible to attend and vote at the 2016 AGM, all transfer documents accompanied by the relevant unit certificates must be lodged with Link's unit registrar, Computershare Hong Kong Investor Services Limited (at the address above) for registration not later than 4:30 p.m. on 22 July 2016.



Financial reports, announcements, circulars, notices, other corporate communications, press releases and other investor information of Link are available online at Link's corporate website at Linkreit.com. To promote environmental protection, we recommend you to view our publications online at our corporate website instead of using printed copies.

## Investor Relations Contact

Investor Relations Department

Address: 33/F., AXA Tower, Landmark East,  
100 How Ming Street, Kwun Tong,  
Kowloon, Hong Kong  
Telephone: (852) 2175 1800  
Facsimile: (852) 2175 1900  
Email: ir@linkreit.com

## Corporate Communications Contact

Corporate Communications Department

Address: 33/F., AXA Tower, Landmark East,  
100 How Ming Street, Kwun Tong,  
Kowloon, Hong Kong  
Telephone: (852) 2175 1800  
Facsimile: (852) 2175 1938  
Email: mediaenquiries@linkreit.com

## Customer Service Contact

Hotline: (852) 3168 0080 (up to 14 August 2016)  
(852) 2122 9000 (from 15 August 2016)

## Websites

Linkreit.com (corporate website)  
Linkhk.com (customer website)

## Mobile Application



Park & Dine Mobile Application

## Index Inclusion

Link is a component of the following selected indices:

Dow Jones Sustainability Asia Pacific Index

FTSE4Good Index

FTSE Asian Property Index

FTSE All World Index

FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Global Index

FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Asia Pacific Index

FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Developed Index

FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Developed Asia Index

FTSE Hong Kong Index

GPR<sup>(3)</sup> 250 (World) Index

GPR<sup>(3)</sup> 250 Asia Pacific Index

GPR<sup>(3)</sup> 250 Hong Kong Index

GPR<sup>(3)</sup> 250 REIT (World) Index

GPR<sup>(3)</sup> 250 REIT Asia Pacific Index

GPR<sup>(3)</sup> 250 REIT Hong Kong Index

GPR<sup>(3)</sup> General (World) Index

GPR<sup>(3)</sup> General Asia Index

GPR<sup>(3)</sup> General Hong Kong Index

Hang Seng Index

Hang Seng REIT Index

Hang Seng Corporate Sustainability Index

MSCI<sup>(4)</sup> All Country World Index

MSCI<sup>(4)</sup> All Country Asia Pacific ex-Japan Index

MSCI<sup>(4)</sup> World Index

MSCI<sup>(4)</sup> Hong Kong Index

TR<sup>(5)</sup>/GPR<sup>(3)</sup>/APREA<sup>(6)</sup> Composite Index

TR<sup>(5)</sup>/GPR<sup>(3)</sup>/APREA<sup>(6)</sup> Composite Hong Kong Index

TR<sup>(5)</sup>/GPR<sup>(3)</sup>/APREA<sup>(6)</sup> Composite REIT Index

TR<sup>(5)</sup>/GPR<sup>(3)</sup>/APREA<sup>(6)</sup> Composite REIT Hong Kong Index

TR<sup>(5)</sup>/GPR<sup>(3)</sup>/APREA<sup>(6)</sup> Investable 100 Index

TR<sup>(5)</sup>/GPR<sup>(3)</sup>/APREA<sup>(6)</sup> Investable 100 Hong Kong Index

TR<sup>(5)</sup>/GPR<sup>(3)</sup>/APREA<sup>(6)</sup> Investable REIT 100 Index

Notes:

- (1) European Public Real Estate Association
- (2) National Association of Real Estate Investment Trust
- (3) Global Property Research
- (4) Morgan Stanley Capital International
- (5) Thomson Reuters
- (6) Asia Pacific Real Estate Association

## Definitions and Glossary

<b>2015 AGM</b>	the annual general meeting of Unitholders held on 22 July 2015
<b>2016 AGM</b>	the annual general meeting of Unitholders scheduled to be held on 27 July 2016
<b>Articles of Association</b>	articles of association of the Manager
<b>average monthly unit rent</b>	the average base rent plus management fee per month per square foot of leased area
<b>base rent</b>	in respect of a lease, the standard rent payable under the lease, exclusive of any additional turnover rent (if applicable) and other charges and reimbursements
<b>Board</b> or <b>Board of Directors</b>	board of directors of the Manager
<b>Board Chairman</b> or <b>Chairman</b>	Chairman of the Board (unless the context requires otherwise)
<b>Board Committees</b>	committees of the Board to discharge the duties set out in their respective written terms of reference as approved by the Board, which, as at the date of this report, include the Audit and Risk Management Committee, the Nomination Committee, the Remuneration Committee, and the Finance and Investment Committee, and “ <b>Board Committee</b> ” refers to any one of them
<b>CBD</b>	central business district
<b>CCEP</b>	the charity and community engagement programme of Link known as “Link Together Initiatives” which was established to support eligible charitable organisations in launching relevant initiatives that benefit the communities near Link’s properties
<b>CEO</b>	Chief Executive Officer of the Manager
<b>CFO</b>	Chief Financial Officer of the Manager
<b>Compliance Manual</b>	the compliance manual of the Manager which sets out the key processes, systems and measures in respect of Link’s operations
<b>DCF</b>	discounted cash flow
<b>Director(s)</b>	director(s) of the Manager
<b>DPU</b>	distribution per unit in respect of the total distributable amount of Link for a financial year/period
<b>EUPP</b>	employee unit purchase plan, pursuant to which an eligible employee who meets the prescribed criteria is entitled to subsidy from the Manager for purchasing through an independent third party intermediary the units of Link in the open market in accordance with the rules of the plan
<b>GAV Cap</b>	10% of Link’s gross asset value (and as calculated in the manner set out in the Trust Deed)
<b>Group</b>	Link and its subsidiaries (unless the context requires otherwise)
<b>Hong Kong</b>	Hong Kong Special Administrative Region of The People’s Republic of China

<b>IIRC</b>	International Integrated Reporting Council
<b>IPO</b>	initial public offering of Link's units in Hong Kong
<b>lease</b>	a lease or a tenancy agreement (both of which grant a possessory interest) or a licence (which merely constitutes an authority to do something) in respect of premises at the retail properties granted to a tenant
<b>KPI</b>	Key Performance Indicator
<b>Link or Link REIT</b>	Link Real Estate Investment Trust (formerly known as The Link Real Estate Investment Trust)
<b>Link Corporate Governance Policy</b>	the corporate governance policy set out in the Compliance Manual
<b>Link Securities Dealing Code</b>	the code governing dealings in securities of Link by Directors and senior employees of the Manager and their respective associates
<b>Listing Rules</b>	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>Listing Rules Corporate Governance Code</b>	Code on Corporate Governing Practice as set out in Appendix 14 to the Listing Rules
<b>LTI Plan</b>	the long-term incentive plan of Link adopted by Unitholders on 23 July 2007
<b>Manager</b>	Link Asset Management Limited (formerly known as The Link Management Limited), which is the manager of Link
<b>market capitalisation</b>	the market value of the REIT calculated by multiplying the number of units in issue by the prevailing unit price quoted on the Stock Exchange
<b>MTN Programme</b>	the Guaranteed Euro Medium Term Note Programme established by The Link Finance (Cayman) 2009 Limited (a wholly-owned subsidiary of Link) in May 2009, and "MTN" refers to note(s) issued or to be issued from time to time pursuant to the MTN Programme
<b>NPI</b>	net property income, being total revenue less direct property related expenses
<b>occupancy rate</b>	the aggregated leased area as a percentage of total leasable area
<b>PRC</b>	The People's Republic of China and if the context requires, exclude Hong Kong
<b>Principal Valuer</b>	the Principal Valuer (as defined in the REIT Code) of Link, which is currently CBRE Limited
<b>psf or sq ft</b>	per square foot or square feet
<b>REIT(s)</b>	real estate investment trust(s)
<b>REIT Code</b>	Code on Real Estate Investment Trusts issued by the SFC

## Definitions and Glossary continued

<b>retail operations</b>	the operations within the shopping centres, including shop units, market stalls, cooked food stalls, education and welfare, office, ancillary and mall merchandising
<b>retention rate</b>	the percentage of tenants being retained in the same shopping centre upon the expiry of leases
<b>return on investment</b>	projected NPI post asset enhancement minus NPI pre asset enhancement divided by the estimated amount of project capital expenditure and loss of rental
<b>reversion rate</b>	the percentage change in per square foot average unit rent between old and new leases on the same unit
<b>RMB</b>	Renminbi, the lawful currency of the PRC
<b>SFC</b>	Securities and Futures Commission of Hong Kong
<b>SFO</b>	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
<b>SPVs</b>	special purpose vehicles (within the meaning of the REIT Code and the Trust Deed)
<b>sqm</b>	square metre
<b>Stock Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>tenant</b>	a lessee, a tenant or a licensee (as the case may be) under a lease
<b>total distributable amount</b>	total distributable amount for a financial year/period is the total distributable income and any additional amount (including capital) that the Manager has determined to be distributable
<b>total distributable income</b>	the consolidated profit after taxation attributable to Unitholders (equivalent to profit for the financial year/period, before transactions with Unitholders attributable to Unitholders) adjusted to eliminate the effect of certain non-cash adjustments
<b>Trust Deed</b>	the trust deed dated 6 September 2005 between the Trustee and the Manager constituting Link as amended and supplemented by 11 supplemental deeds
<b>Trustee</b>	trustee of Link, which is currently HSBC Institutional Trust Services (Asia) Limited
<b>turnover rent</b>	rent calculated and charged by reference to a pre-determined percentage of a tenant's gross sales turnover in excess of the base rent
<b>unit(s)</b>	unit(s) of Link (unless the context requires otherwise)
<b>Unitholder(s)</b>	holder(s) of unit(s) of Link



# Corporate Information

## Board of Directors of the Manager

### CHAIRMAN

*(also an Independent Non-Executive Director)*  
Nicholas Charles ALLEN

### EXECUTIVE DIRECTORS

George Kwok Lung HONGCHOY  
*(Chief Executive Officer)*  
Andy CHEUNG Lee Ming  
*(Chief Financial Officer)*

### NON-EXECUTIVE DIRECTOR

Ian Keith GRIFFITHS

### INDEPENDENT NON-EXECUTIVE DIRECTORS

William CHAN Chak Cheung  
Ed CHAN Yiu Cheong  
Blair Chilton PICKERELL  
Poh Lee TAN  
May Siew Boi TAN  
Peter TSE Pak Wing  
Nancy TSE Sau Ling  
David Charles WATT  
Richard WONG Yue Chim  
Elaine Carole YOUNG

## Company Secretary of the Manager

Ricky CHAN Ming Tak

## Responsible Officers of the Manager<sup>(1)</sup>

George Kwok Lung HONGCHOY  
Andy CHEUNG Lee Ming  
Hubert CHAK  
Christine CHAN Suk Han  
Eric YAU Siu Kei

## Authorised Representatives<sup>(2)</sup>

Andy CHEUNG Lee Ming  
Ricky CHAN Ming Tak

## Trustee

HSBC Institutional Trust Services (Asia) Limited

## Auditor

PricewaterhouseCoopers

## Principal Valuer

CBRE Limited

## Registered Office of the Manager

33/F., AXA Tower, Landmark East,  
100 How Ming Street,  
Kwun Tong, Kowloon,  
Hong Kong

## Town Office of the Manager

Suite 3004, 30/F.,  
9 Queen's Road Central,  
Hong Kong

## Unit Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17/F.,  
Hopewell Centre,  
183 Queen's Road East, Wanchai, Hong Kong  
Telephone: (852) 2862 8555

(1) Required by the SFO

(2) Required by the Listing Rules

Link Real Estate Investment Trust  
**Linkreit.com**



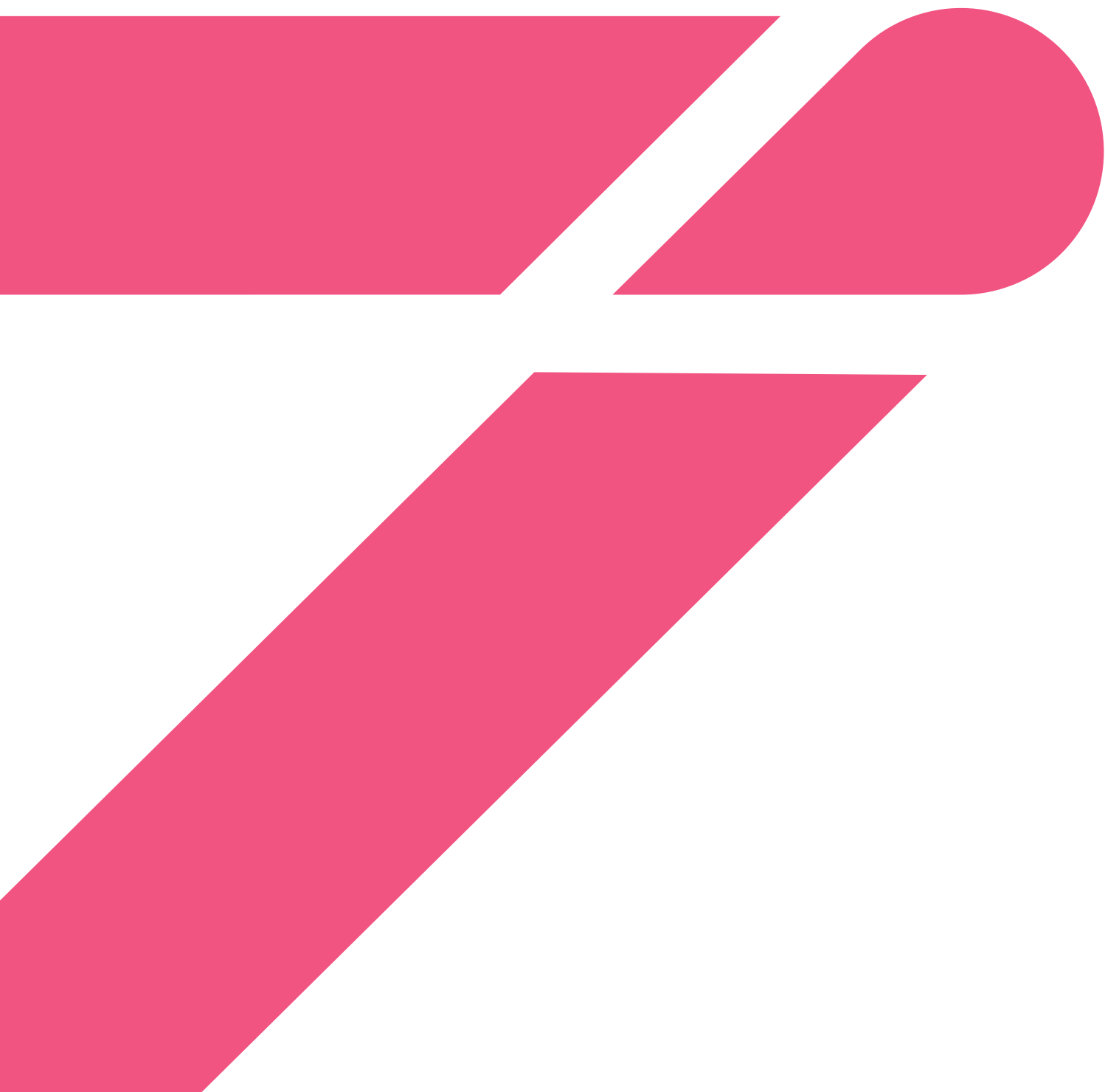
Annual Report  
2015/2016

Governance, Disclosures and  
Financial Statements

We **Link** People  
to a Brighter Future



Link Real Estate Investment Trust  
Stock code: 823



# We **Link** People to a Brighter Future

## About Link

Link Real Estate Investment Trust is the first REIT listed on the Stock Exchange and is a constituent of the Hang Seng Index. We are Asia's largest REIT and also one of the world's largest retail focused REITs in terms of market capitalisation. With a diversified portfolio that consists of retail facilities, fresh markets, car parks and offices across Hong Kong, Beijing and Shanghai, we aim to deliver sustainable growth and create long-term value for our Unitholders.

## About this report

Link's Integrated Annual Report combines our financial and corporate sustainability reporting. We highlight the interactions among the financial, environmental, social and governance factors and underline their influence on our long-term sustainable development. Reporting this way allows us to present a comprehensive, but concise, overview of how we create value for different stakeholders.

We produce this standalone Governance, Disclosures and Financial Statements book in order to improve reporting transparency by making information easily and readily accessible to interested parties. This book complements our Strategic Report which highlights our corporate performance and value creation over the past year.

## Vision

To be a world class real estate investor and manager serving and improving the lives of those around us

## Mission

Building relationships with our stakeholders through:

- Providing value and quality service
- Partnering with local communities
- Delivering sustainable growth

## Values

Managing and operating our business with:

- Respect
- Excellence
- Integrity
- Teamwork



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## Complete 2015/2016 Reports and Presentations

Our complete suite of 2015/2016 reports and presentations can be accessed and downloaded from our corporate website at [Linkreit.com](http://Linkreit.com)

### STRATEGIC REPORT

Our Strategic Report, compiled according to the <IR> Framework, presents a comprehensive, but concise, overview of how we create value for different stakeholders and the progress we have made on our strategic priorities.

### GOVERNANCE, DISCLOSURES AND FINANCIAL STATEMENTS

This report provides our detailed governance, disclosures and financial statements. Governance and disclosures sections are prepared in accordance with the REIT Code, applicable provisions of the Listing Rules, and other relevant laws and regulations while the Consolidated Financial Statements have been prepared in accordance with the Hong Kong Financial Reporting Standards, the requirements of the Trust Deed and the relevant disclosure requirements of the REIT Code, and audited by PricewaterhouseCoopers.

### VALUATION REPORT

This report summarises the market value of the individual properties as valued by CBRE Limited.

### SUSTAINABILITY WEBSITE

Up until 2013/2014, Link issued separate annual sustainability reports. Since then, our latest corporate sustainability performance is reported on our website. This and past reports can be accessed at [Linkreit.com/sustainability](http://Linkreit.com/sustainability)



Access our corporate website for further information

# Corporate Governance Report

## Our Governance Framework

Good corporate governance underpins sustainable success. We look at governance as beyond fulfilling of listing and regulatory requirements to the wider process of engaging our Unitholders and those living and working around our assets on issues that impact our business. This corporate governance framework identifies the critical governance components and explains how they relate to and interact with each other to contribute to good governance of Link.



Regulatory oversight is part of our corporate governance framework.

Link is a collective investment scheme authorised by the SFC under section 104 of the SFO. It is also a Hang Seng Index constituent stock and its units are listed on the Stock Exchange. Link Asset Management Limited is the Manager. HSBC Institutional Trust Services (Asia) Limited is the Trustee.

### The Manager

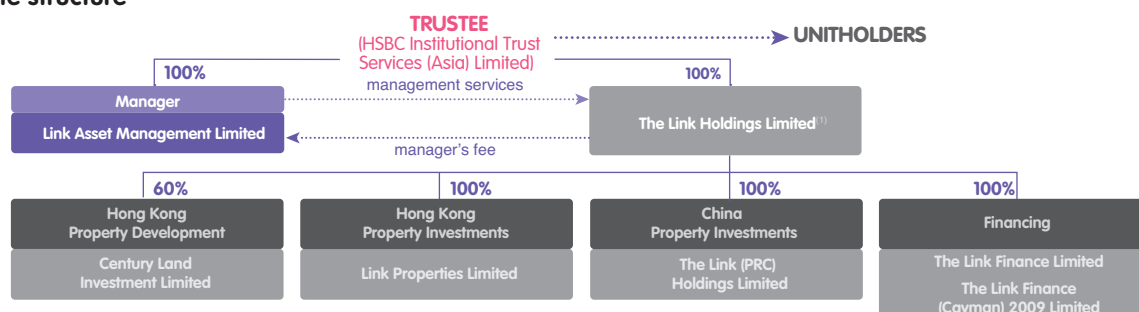
The Manager is licensed by the SFC under section 116 of the SFO to conduct the regulated activity of asset management, and manages Link's assets in the interest of the Unitholders. The Manager is wholly owned by the Trustee and charges management fee on a cost recovery basis. The Manager does not charge any acquisition/divestment fee, or fee based on a percentage of assets under management or other performance-related indicia. This minimises conflict and aligns with the interest of the Unitholders.

### The Trustee

The Trustee is a registered trust company for collective investment schemes under the SFO and the REIT Code, holding all the Link's assets in trust for and in the sole interest of all our Unitholders. The Trustee and the Manager operate independently. Their respective rights and obligations are governed by the Trust Deed. The Trustee carries out periodic reviews on the Manager, in addition to the reviews performed by the internal auditor and external auditor. The Trustee's report is set out on page 52 of this report.

The Manager's and Link's activities are regulated by the SFC pursuant to the REIT Code and the SFO. During the year ended 31 March 2016, the Manager managed Link, in all material aspects, in accordance with the provisions of the Trust Deed and the Compliance Manual (which sets out the key processes and systems of the operations of Link). The names of the 5 responsible officers of the Manager appear in the "Corporate Information" section of this report.

## Corporate structure



Note:

(1) The Link Holdings Limited is the holding company of all SPVs of Link. Link's SPVs and their respective principal activities as at 31 March 2016 are set out in Note 32 to the consolidated financial statements.

## Our Board

A strong, independent and effective Board is the critical part of our governance framework. The Board leads and provides insights to management, sets strategy and risk appetite proposed by management, and monitors business progress against agreed business targets. In its oversight on management, the Board is supported by the checks and balances via risk management and internal controls, internal and external audit, and Trustee's and SFC's oversights.

Currently, there are 14 Board members comprising 2 Executive Directors ("EDs") who are the CEO and the CFO, 1 Non-Executive Director ("NED"), and 11 Independent Non-Executive Directors ("INEDs").

## RESERVED MATTERS OF THE BOARD

While specified functions are delegated to Board Committees and the day-to-day operations to the management team (led by the CEO), the following matters which have a critical bearing on Link are specifically reserved for consideration by the full Board:

- (i) consideration of the corporate governance policy, Vision, Mission and Values, and the strategic direction of Link;
- (ii) recommendation to Unitholders on any change to the Articles of Association or the provisions of the Trust Deed;
- (iii) approval of interim and final distributions, interim and annual reports and financial statements, circulars to Unitholders, any significant changes in accounting policy, appointment and removal of external auditor and auditor's fees;
- (iv) approval of treasury and capital management policies, issue or buy-back of units, acquisition or disposal of assets, and property development and related activities;
- (v) appointment or removal of the CEO and any other Directors as well as the Company Secretary;
- (vi) approval of Directors' remuneration, directors' and officers' liability insurance and personnel policies;
- (vii) compliance monitoring, consideration of internal control process and risk management framework, and approval of any matter which would have a material effect on Link's financial position, liabilities, future strategy or reputation; and
- (viii) delegation of power and authority to Board Committees.

## BOARD COMMITTEES

The Board is assisted by four Board Committees, being the Audit and Risk Management Committee, the Nomination Committee, the Remuneration Committee and the Finance and Investment Committee, on different areas. Each Board Committee has its own terms of reference which set out its specific duties. Such terms of reference are approved and adopted by the Board and are posted on Link's corporate website (Linkreit.com).

In September 2015, the Board has reviewed and refined the terms of reference of the Remuneration Committee which is primarily charged with the responsibilities of reviewing and recommending on Director's remuneration and remuneration policies at a strategic level for Board approval, determining senior management's remuneration, and administering the LTI Plan.

The Board has reviewed the composition of each Board Committee and approved certain membership changes in the year under review. Decisions and recommendations made by Board Committees are reported to the Board on a regular basis.

## Corporate Governance Report continued

The reports of the Audit and Risk Management Committee, the Nomination Committee, the Remuneration Committee and the Finance and Investment Committee for the year are set out on pages 24 to 31 of this report.

### DIVISION OF RESPONSIBILITIES OF BOARD CHAIRMAN, EDS AND NED/INEDS

The roles of the Board Chairman (who is responsible to run the Board) and the CEO (who has the executive responsibility for running Link's business) are separate and being performed by different individuals.

On 1 April 2016, Mr Nicholas Charles ALLEN succeeded Mr Nicholas Robert SALLNOW-SMITH (who retired after serving the Board for nine years) as the Board Chairman.

Key responsibilities of our Directors are as follows:

#### Board Chairman

**Nicholas Charles  
ALLEN**  
(INED)

- Leading the Board and ensuring its effectiveness
- Maintaining corporate reputation and character
- Developing and leading on strategic issues and corporate governance
- Undertaking performance management of the CEO

#### EDs

**George Kwok Lung  
HONGCHOY**  
(CEO)

- Developing, driving and delivering performance against business plans agreed by the Board
- Working together with the Board Chairman to develop the business strategy of Link for recommendation to the Board
- Supervising the management team to ensure that Link is being operated in accordance with stated strategies, policies and regulations
- Driving business growth and developments
- Developing relationships with Government, regulators and investors

**Andy Lee Ming  
CHEUNG**  
(CFO)

- Supporting the CEO in formulating and implementing financial and investment strategies, financial reporting, budgets and business plans
- Overseeing risk management, internal controls and compliance
- Overseeing business operations
- Meeting investors and analysts to explain performance and strategic plans

#### NED/INEDs

**Ian Keith GRIFFITHS**  
(NED)

**William CHAN Chak Cheung**

**Ed CHAN Yiu Cheong**

**Blair Chilton PICKERELL**

**Poh Lee TAN**

**May Siew Boi TAN**

**Peter TSE Pak Wing**

**Nancy TSE Sau Ling**

**David Charles WATT**

**Richard WONG Yue Chim**

**Elaine Carole YOUNG**

(INEDs)

- Overseeing Link's affairs through the Board and Board Committees
- Participating in meetings to bring independent judgement to bear on issues of strategy, policy, performance, and standards
- Taking lead when potential conflict of interest arises
- Scrutinising management's performance in achieving agreed corporate goals and business objectives
- Monitoring compliance and reporting



## BOARD DIVERSITY

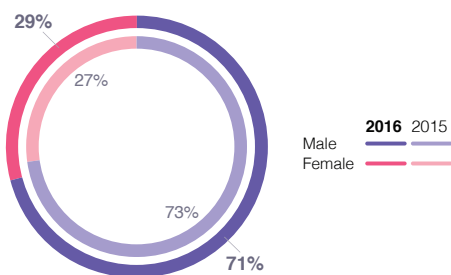
The Board considers diversity as encompassing not only gender, ethnicity or age but also business experience, skill-sets, knowledge and professional expertise that are relevant and critical to the long term success of Link. A balanced and diversified Board brings a broad range of views which helps discussion and critical decision-making, and balances against “group thinking”. The Board Diversity Policy of Link is posted on our corporate website (Linkreit.com).

The Nomination Committee reviews annually the Board Diversity Policy of Link and monitors progress towards diversity. Total number of Board members is 14 as at the date of Annual Report 2015/2016 (11 as at the date of Annual Report 2014/2015). Progress of Board diversity is shown below.

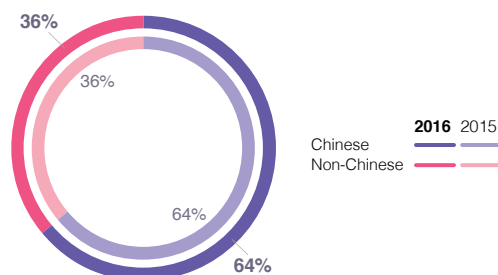
### Members diversity

(8 June 2016 against 10 June 2015)

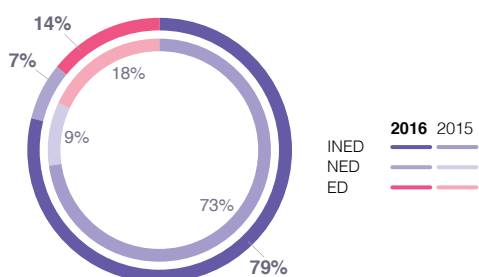
#### Gender



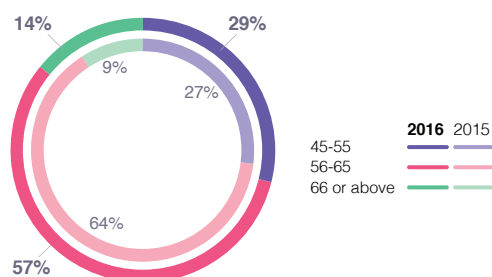
#### Ethnicity



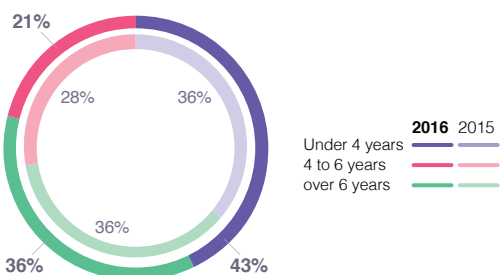
#### Designation



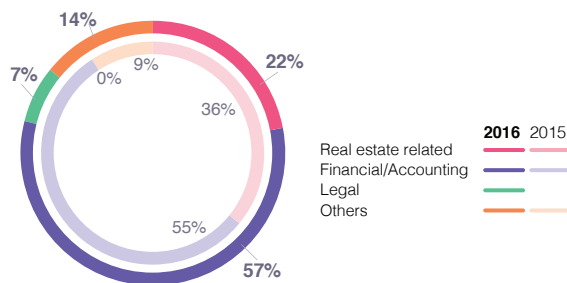
#### Age (Years)



#### Service Term (Approx. Years with Link)



#### Business/Professional Experience



## Corporate Governance Report continued

### HIGH DEGREE OF INDEPENDENCE

INEDs bring constructive analysis and critical judgement on management proposals, scrutinise performance in meeting business goals, and monitor risks and compliance.

11 out of the 14 current Board members are INEDs. Our Board and all Board Committees are chaired by INEDs. INEDs are also in majority in our Finance and Investment Committee and Nomination Committee.

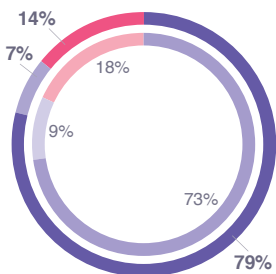
The Link Corporate Governance Policy specifically mandates that:

- INED cannot serve beyond nine years;
- an INED can only re-join the Board three years after he/she last stepped down;
- our Audit and Risk Management Committee and Remuneration Committee are to consist of INEDs only; and
- members of our Finance and Investment Committee (recommending investment/financing proposals) cannot sit on our Audit and Risk Management Committee (monitoring compliance and controls).

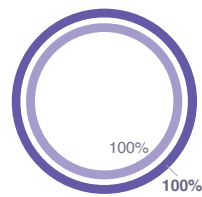
These requirements (which the Manager lived up to in full during the year) are higher than the requirements of the Listing Rules.

### Independence weighting

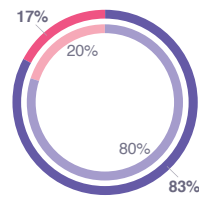
#### Board



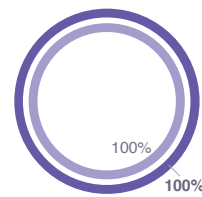
#### Audit and Risk Management Committee



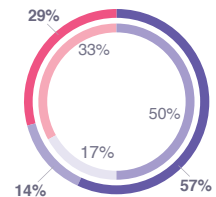
#### Nomination Committee



#### Remuneration Committee



#### Finance and Investment Committee



**2016** 2015  
 INED █ █  
 NED █ █  
 ED █ █

Assessment of independence of INEDs is carried out before each appointment, annually, and at any other time where the circumstances warrant re-consideration. Our assessment of independence of an INED is based on the independence criteria set out in the Link Corporate Governance Policy which is modelled on the independence guidelines of the Listing Rules. We also reference major proxy advisors' voting recommendations/guidelines in approaching the issue of INED's independence.

Each INED has provided to the Manager an annual confirmation of independence in accordance with the Link Corporate Governance Policy. Mr. Blair Chilton PICKERELL has also provided to the Manager his confirmation of independence on appointment. Based on such the confirmations received, the Nomination Committee assessed and the Board considered that all the INEDs have maintained their independence throughout the year under review.

## Efficient Board Process

### STRATEGIC BOARD SESSION

A full-day Board strategy meeting is held each year where Directors review, discuss, and set Link's strategies. There is a pre-meeting session for Directors to discuss the topics they prefer the off-site Board strategy meeting to focus on.

### INFORMATION AND SUPPORT

The CEO and the CFO regularly report to the Board on progress against targets and other developments of Link. Board Committee chairmen report their decisions and recommendations at Board meetings. Management provides monthly business updates to all Board members.

Each year, meeting calendar is set for Directors to plan their schedules. Standing Board/Board Committee agenda items are also set to ensure critical matters such as financial reporting, major projects, governance, risk management and internal controls, and compliance will be covered at regular intervals for the Board/Board Committees to review.

Agenda of Board/Board Committee meeting is circulated in advance for members to comment or add items. Notice of regular Board/Board Committee meeting is sent at least 14 days in advance. Agenda, discussion papers and supporting materials are circulated to Directors at least three days in advance to give Directors sufficient time to digest the information and prepare for the discussion. Materials relevant to Directors' duties or Link's business are circulated by the Company Secretary for Directors' reading from time to time. Telephone participation is arranged when a Director cannot attend the meeting in person. Representatives of the external auditor and Principal Valuer of Link attend the Audit and Risk Management Committee meetings and the Board meetings scheduled for approving the interim and final results of Link. The Company Secretary circulates to the Board all announcements immediately after their publication on the websites of the Stock Exchange and Link.

Minutes of meetings of Board/Board Committees are circulated in draft form for comments before they are signed. Final versions of Board Committee minutes are also circulated to non-committee Board members for reference. Board/Board Committee minutes and resolutions are kept by the Company Secretary and uploaded to the electronic platform (on a rolling 12-month basis) for online reference by Directors.

The Manager has put in place a private, secured electronic platform for sending Board/Board Committee agendas and papers, monthly business updates, reading materials and other information to Directors. This enables the timely supply of information to Directors, as well as speedy online reference by and interactive exchange of views among Directors.

All Directors are entitled to independent professional advice on issues relevant to their functions and duties at the Manager's expenses. They also have free and open contact with management at all levels. Management regularly attends Board/Board Committee meetings to deliberate on their proposals and updates. Property tours are arranged from time to time and when appropriate for Directors. External speakers are invited to brief Directors on specific topics. Directors are also invited to Link's other activities, such as the Link Together Initiatives, when they have opportunity to meet frontline staff to understand the operations and staff's concerns.

The Company Secretary also alerts Directors on securities dealings before the commencement of the annual and interim results "black-out" period and other ad hoc "black-out" period when an inside information situation has developed in accordance with the Link Securities Dealing Code.

## Corporate Governance Report continued

### INDUCTION TO NEW DIRECTORS

Comprehensive and tailored orientation programme is arranged for each newly-appointed Director. In addition to the induction kit, there is an orientation when the CEO, the CFO and senior management members will brief the new Director on Link's latest developments and bring the new Director to tour selected Link's properties. The induction kit contains key materials on the regulatory framework of Link, the Trust Deed and the Compliance Manual (setting out the Link Corporate Governance Policy and terms of reference of Board Committees) which are regularly reviewed by the Company Secretary to ensure they are updated.

Ms Poh Lee TAN, Mr Nicholas Charles ALLEN, Mr Ed CHAN Yiu Cheong and Mr Blair Chilton PICKERELL joined the Board as INEDs on, respectively, 12 November 2015, 1 February 2016, 15 February 2016 and 1 April 2016. Orientation programmes were arranged for all of them.

### ROLE OF THE COMPANY SECRETARY

The Company Secretary supports the Board Chairman and the Board/Board Committees. All Directors have access to the services of the Company Secretary, who is responsible to the Board for ensuring that Board/Board Committee procedures and applicable rules and regulations are complied with. Under the direction of the Board Chairman, the Company Secretary ensures good information flow within the Board, facilitates the induction and professional training of Directors, and advises the Board through the Board Chairman on corporate governance matters. During the year under review, the Company Secretary undertook over 15 hours of professional training.

The Company Secretary also heads the legal function of the Manager and is the SFC-compliance manager of Link. The profile of the Company Secretary appears on page 36 of this report.

### BOARD PERFORMANCE EVALUATION

Board performance is evaluated on an on-going basis by the Nomination Committee which reports the results to the Board. A formal Board performance evaluation (with facilitation from external independent consultant) is carried out every three years. The Board has scheduled a formal Board performance evaluation for the year 2016/2017 after the last formal evaluation in 2013/2014. The Board Chairman leads the process of Board performance evaluation.

At the end of each financial year, the chairman of the Nomination Committee (who is also the Board Chairman) will meet each NED/INED in the absence of the EDs to discuss issues concerning the Board as part of the on-going Board performance evaluation. Assisted by the Company Secretary, questionnaires will be sent to each NED/INED – and for the financial year under review the questionnaires were also sent to senior management members as well – for views on the Board's performance. During the process, the chairman of the Nomination Committee will also discuss the individual contribution of each NED/INED, explore training and development needs, seek input on areas where a NED/INED feels he/she can make a greater contribution and discuss whether the time commitment required of such NED/INED can continue to be delivered. Based on the evaluation results for the year under review, the Nomination Committee and the Board considered that the Board has performed effectively.

## SUCCESSION PLANNING

The Manager has an on-going programme on Board succession planning.

### INED Succession

The Nomination Committee is tasked with the responsibility of identifying for Board appointments suitable candidates to fill vacancies when INEDs retire. It maintains a pool of INED candidates and regularly reviews the list to time Board appointments ahead of the scheduled retirement of existing INEDs. This ensures Board succession is smooth and Board competence is replenished and upgraded on a timely basis. All Board appointments are made on merits and in line with the Board Diversity Policy of Link.

In the year under review, the Nomination Committee identified and recommended for Board appointments Ms Poh Lee TAN (legal expertise), Mr Ed CHAN Yiu Cheong and Mr Blair Chilton PICKERELL (both financial services/investment expertise) as Link's INEDs among the other strong candidates recommended by an external independent search consultant who assisted the Nomination Committee in the process.

### Board Chairman Succession

In the year under review, the Nomination Committee set up a task force to search for candidate of ability, acumen and stature to succeed Mr Nicholas Robert SALLNOW-SMITH when he retired after having served as Board Chairman for nine years.

The Board Chairman search task force was made up of INEDs representing each of the Board Committees but did not include, for objectivity, the incumbent Board Chairman and the CEO. An independent external independent search consultant was engaged to assist the Board Chairman search task force throughout the process and the Company Secretary supported on secretarial work. The Board Chairman search task force considered external as well as internal Board Chairman candidates. The incumbent Board Chairman and the CEO also met the candidate recommended by the Board Chairman search task force to satisfy that the Board Chairman candidate has the enthusiasm and passion to serve the Board and Link.

On the recommendation of the Board Chairman search task force, the Board appointed Mr Nicholas Charles ALLEN as INED/ Board Chairman designate on 1 February 2016. On 1 April 2016, Mr Nicholas Charles ALLEN formally succeeded Mr Nicholas Robert SALLNOW-SMITH (upon his retirement) as the Board Chairman of Link.

## Our Directors

The 2 EDs (being the CEO and the CFO) are employees. They are responsible for the daily operations of Link and the implementation of the plans and strategies set by the Board. Our NED and INEDs are not employees. Biographies of our Directors as at the date of this report appear on pages 32 to 35.

## COMMITMENT AND DILIGENCE

Our Directors participate actively in the affairs of Link. A total of 9 Board meetings and 24 Board Committee meetings (including one meeting of the former Human Resources and Compensation Committee held in May 2015) were held in the year under review. Total number of meetings held by the Board and Board Committees exceeds the requirements of the Listing Rules Corporate Governance Code. Among the Board meetings, one was the annual strategy meeting held outside Hong Kong.

The Board Chairman and the chairmen of the Board Committees, the 2 EDs and all the INEDs attended the 2015 AGM to meet and answer questions from Unitholders. The CEO reported to Unitholders follow-up actions in response to questions raised by Unitholders at the prior year's annual general meeting.



## Corporate Governance Report continued

Directors' meeting attendance during the year under review and approximate meeting duration are as follows:

**Directors' meeting attendance**  
(Number of meetings attended/eligible to attend)

Name	Directors' meeting attendance (Number of meetings attended/eligible to attend)						2015 AGM
	Board	Audit and Risk Management Committee	Remuneration Committee	Nomination Committee	Finance and Investment Committee	Former Human Resources and Compensation Committee <sup>(10)</sup>	
<b>Current Directors</b>							
Nicholas Charles ALLEN <sup>(4)</sup>	1/1	–	–	–	–	–	–
George Kwok Lung HONGCHOY	9/9	–	–	7/7	9/9	1/1	1/1
Andy CHEUNG Lee Ming	9/9	–	–	–	9/9	1/1	1/1
Ian Keith GRIFFITHS	9/9	–	–	–	9/9	–	0/1
William CHAN Chak Cheung	8/9	4/4	3/3	7/7	–	–	1/1
Ed CHAN Yiu Cheong <sup>(5)</sup>	1/1	–	–	–	–	–	–
Blair Chilton PICKERELL <sup>(6)</sup>	–	–	–	–	–	–	–
Poh Lee TAN <sup>(3)</sup>	3/3	1/1	–	–	–	–	–
May Siew Boi TAN	8/9	4/4	–	7/7	–	–	1/1
Peter TSE Pak Wing	9/9	4/4	3/3	–	–	–	1/1
Nancy TSE Sau Ling	8/8 <sup>(7)</sup>	–	3/3	–	–	–	1/1
David Charles WATT	8/9	–	3/3	–	8/9	–	1/1
Richard WONG Yue Chim	8/8 <sup>(7)</sup>	4/4	–	7/7	–	1/1	1/1
Elaine Carole YOUNG	9/9	–	–	–	8/9	1/1	1/1
<b>Former Directors</b>							
Nicholas Robert SALLNOW-SMITH <sup>(2)</sup>	9/9	–	–	7/7	9/9	–	1/1
Anthony CHOW Wing Kin <sup>(1)</sup>	1/1	–	1/1	2/2	–	–	–
<b>In attendance</b>							
External auditor	2/2	2/2	–	–	–	–	1/1
Internal auditor	–	4/4	–	–	–	–	–
Principal Valuer	2/2	2/2	–	–	–	–	–
<b>Total no. of meetings held</b>	9	4	3	7	9	1	1
Minimum no. of meetings required <sup>(8)</sup>	4	3	2	2	4	–	1
<b>Approximate duration per meeting (hour)</b>	1.5~4 <sup>(9)</sup>	1.5~2.5	1.5~5	1~2	1~3.5	1	1

## Notes:

(1) Retired effective from 22 May 2015.

(2) Retired effective from 1 April 2016.

(3) Appointed on 12 November 2015.

(4) Appointed on 1 February 2016.

(5) Appointed on 15 February 2016.

(6) Appointed subsequent to the financial year end on 1 April 2016.

(7) Ms Nancy TSE Sau Ling and Professor Richard WONG Yue Chim each abstained from one Board meeting to avoid potential conflict of interest.

(8) Minimum number of meetings required by the Link Corporate Governance Policy or respective terms of reference of the Board Committees.

(9) Excluding a full day off-site annual strategy meeting.

(10) Dissolved on 10 June 2015.

Directors have disclosed to the Manager the number and nature of office held in Hong Kong and overseas listed companies and organisations, and their other significant commitments. NED/INEDs have also indicated the amount of time he/she was involved in his/her outside-Link commitments and confirmed with the Board Chairman that he/she has given sufficient time to the affairs of Link. No current Director holds directorships in more than six public/listed companies (including Link). The 2 EDs have not held directorship in any listed company other than Link but have participated in professional bodies, academic and public organisations.

## CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Our Directors have undertaken continuous professional and training programmes in the year to keep themselves abreast of the latest developments in the fields relevant to their respective expertise and professions and Link's business. They received briefings from the Company Secretary on latest regulatory developments which have a bearing on their duties. They also attended externally-run seminars by professional bodies.

The EDs developed and refreshed their skills and knowledge of Link's business through making presentations to investors and analysts, speaking at industry conferences and meeting with Government officials as well as attending externally-run seminars by professional bodies.

The Company Secretary kept records of Directors' training for the Nomination Committee's annual review.

On-going training and professional developments undertaken by Directors in the year under review<sup>(2)</sup> are as follows:

Name	Reading materials	Attending seminars/ training courses/ talks/other professional developments <sup>(1)</sup>
Nicholas Charles ALLEN	✓	✓
George Kwok Lung HONGCHOY	✓	✓
Andy CHEUNG Lee Ming	✓	✓
Ian Keith GRIFFITHS	✓	✓
William CHAN Chak Cheung	✓	✓
Ed CHAN Yiu Cheong	✓	✓
Poh Lee TAN	✓	✓
May Siew Boi TAN	✓	✓
Peter TSE Pak Wing	✓	✓
Nancy TSE Sau Ling	✓	✓
David Charles WATT	✓	✓
Richard WONG Yue Chim	✓	✓
Elaine Carole YOUNG	✓	✓

Notes:

(1) Other professional developments included attending or speaking at forums, visiting Link's properties, and participating in conferences and other briefings, etc.

(2) Save as disclosed in the table above, Mr Nicholas Robert SALLNOW-SMITH and Mr Anthony CHOW Wing Kin, former INEDs who held office in the year under review, had also undertaken sufficient continuous professional and training programmes in the year. Mr Blair Chilton PICKERELL was appointed as an INED subsequent to the financial year end on 1 April 2016.

## Corporate Governance Report continued

### DIRECTOR'S TENURE

#### NED/INEDs

Each of our current NED/INEDs was appointed for a specific term of three years, subject to curtailment upon retirement by rotation and re-election by Unitholders at annual general meetings. The term can be renewed upon expiry and up to a maximum of nine years in the case of INED. NED is not subject to the maximum 9-year term but is subject to the same requirements of retirement by rotation and re-election by Unitholders at annual general meetings as the INEDs. The term, duties and obligations of each NED/INED are set out in a formal letter of appointment entered into by the Manager.

#### EDs

The 2 EDs (being the CEO and the CFO) have employment contracts with the Manager but are not on specific tenure. They are not subject to retirement by rotation at annual general meetings.

The Manager considers that the rigid application of code provision A.4.2 of the Listing Rules Corporate Governance Code to our EDs is not in the interest of our Unitholders. Business continuity and longevity at top management level work for the long-term benefit of Link. Frequent re-shuffle in executive directorate, absent the anchor of a controlling Unitholder, tends to promote "short-termism". Any risk of entrenchment in office is countenanced by an overwhelmingly high majority of INEDs on our Board, who have the collective power (and the Unitholders also have the same power under the Trust Deed) to remove a recalcitrant ED.

### APPOINTMENT, REMOVAL, AND RE-APPOINTMENT OF DIRECTORS

#### By the Board

The Board may (on the recommendation of the Nomination Committee):

- at any time appoint any person who is willing to act as a Director, either to fill a casual vacancy or (subject to the maximum number of 14 Board members) as an addition to the existing Board members; and
- remove any Director, and in such case, the Board shall give the incumbent Director notice to that effect signed by all the other Directors.

A Director shall abstain from voting in respect of his/her own re-appointment.

#### By the Unitholders

Unitholders may also appoint, re-appoint or remove any Director by an ordinary resolution:

- two or more registered Unitholders holding together not less than 10% of the units in issue may serve written request to the Manager which shall convene a meeting of Unitholders to consider the proposed ordinary resolution to appoint, re-appoint or remove a Director.
- if the proposed resolution is supported by a recommendation of the Nomination Committee, the effective quorum for the relevant Unitholders' meeting shall be two (or more) registered Unitholders holding together not less than 10% of the units in issue; otherwise, the effective quorum for the relevant Unitholders' meeting shall be two (or more) registered Unitholders holding together not less than 25% of the units in issue.

Subject to the passing of the ordinary resolution, the Trustee and the Manager shall take all necessary actions to give effect to such appointment, re-appointment or removal of Director.

#### Retirement by Articles of Association

The Articles of Association require that:

- any Director so appointed by the Board shall retire but be eligible for re-election at the next following annual general meeting (with such Director not being taken into account in determining the number of Directors subject to retirement by rotation at such annual general meeting);
- ED is not subject to retirement by rotation at annual general meeting; and
- one-third of the NED/INEDs shall be subject to retirement by rotation and re-election at each annual general meeting.

The Link Corporate Governance Policy further requires one-third of the INEDs to retire by rotation at each annual general meeting.

At the 2016 AGM, Mr William CHAN Chak Cheung, Mr David Charles WATT and Professor Richard WONG Yue Chim will retire by rotation in accordance with Article 125 of the Articles of Association, and Ms Poh Lee TAN, Mr Nicholas Charles ALLEN, Mr Ed CHAN Yiu Cheong and Mr Blair Chilton PICKERELL will retire in accordance with Article 121 of the Articles of Association.

Save for Professor Richard WONG Yue Chim who will not seek for re-election but instead will retire at the conclusion of the 2016 AGM after serving the Board for nine years, all other retiring Directors, being eligible, will offer themselves for re-election at the 2016 AGM.

### **DIRECTORS' SERVICE CONTRACTS**

There is no service contract, which is not determinable by the Manager within one year without payment of compensation (other than statutory compensation) in respect of those Directors who are due to retire and offer for re-election at the 2016 AGM.

### **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

Save as disclosed under the "Connected Party Transactions" section on pages 46 to 49 of this report and in Note 30 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to Link's business to which the Manager was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

There is no equity-link agreement entered into by the Manager in the year under review. The Manager entered into agreements with Directors and certain key employees in respect of grant of awards under the LTI Plan in the year. Further details are disclosed in the "Long-term Incentive Plan" section on pages 41 to 45 and Note 20 to the consolidated financial statements.

### **PERMITTED INDEMNITY PROVISIONS**

There are permitted indemnity provisions in the articles of association of the Manager and relevant SPVs of Link to provide indemnity against liability incurred by directors of the Manager and other members of the Group to third parties in discharging their duties.

The Manager reviews every two years the coverage (including the amount insured) of the directors' and officers' liability insurance to ensure that our directors and officers (including the company secretary) of all members in the Group in so serving Link and the Manager are fairly and sufficiently covered against potential liability to third parties.

### **UPDATES ON DIRECTORS' INFORMATION SINCE INTERIM REPORT 2015/2016**

#### **Changes to Board/Board Committee Members**

- Ms Poh Lee TAN was appointed as an INED and a member of the Audit and Risk Management Committee effective from 12 November 2015.
- Mr Nicholas Robert SALLNOW-SMITH retired as an INED and the chairman of the Board, the Finance and Investment Committee and the Nomination Committee effective from 1 April 2016.
- Mr Nicholas Charles ALLEN was appointed as an INED/Board Chairman designate effective from 1 February 2016, and succeeded as the chairman of the Board, the Finance and Investment Committee and the Nomination Committee effective from 1 April 2016.
- Mr Ed CHAN Yiu Cheong was appointed as an INED effective from 15 February 2016 and as a member of the Finance and Investment Committee effective from 1 April 2016.
- Mr Blair Chilton PICKERELL was appointed as an INED and a member of the Nomination Committee and the Remuneration Committee effective from 1 April 2016.
- Ms Elaine Carole YOUNG was appointed as a member of the Remuneration Committee effective from 1 April 2016.
- Ms Nancy TSE Sau Ling was appointed as a member of the Audit and Risk Management Committee and ceased to be a member of the Remuneration Committee effective from 1 April 2016.

#### **Update on Directors' Biographical Information**

- Mr Nicholas Charles ALLEN retired as an independent non-executive director of Hysan Development Company Limited, a company listed on the Stock Exchange, after the conclusion of its annual general meeting held on 13 May 2016.

## Corporate Governance Report continued

### Remuneration Policy

#### OBJECTIVE AND STRATEGY

Our approach to reward is meritocratic and market competitive, underpinned by an ethical and value-based performance culture that aligns the interest of our staff with the Unitholders. Our remuneration strategy supports this objective through balancing short-term and long-term sustainable performance. We judge performance not only by what it has been achieved over the short and long term, but also by how it is and will be achieved on a sustainable basis.

To ensure alignment between remuneration and our strategy, individual remuneration is determined through the assessment of performance delivered against business targets as well as adherence to Link's Vision, Mission and Values. The EDs and members of the senior management perform a 360° assessment as part of their annual performance appraisal.

#### STRUCTURE OF REMUNERATION

##### NED/INEDs

Our NED and INEDs are paid with Director's fees, having regard to their roles and duties at Board and Board Committees. The Remuneration Committee (with significant inputs from independent external consultant) reviews Director's fees annually against market benchmarks. Our NED and INEDs are also eligible to participate in the LTI Plan.

##### EDs and Other Staff

The Remuneration Committee (with inputs from independent external consultant) reviews the remuneration packages of the EDs and the remuneration policy of Link's staff to ensure that they are in line with the market and stay competitive for the Manager to attract and retain high performing staff.

A full-time and permanent staff member (including ED) receives a compensation package comprising basic salary and discretionary bonus, the payment of which is based on individual performance and the overall performance of Link. Other staff benefits include contribution to mandatory provident fund, annual leave, sick leave, maternity/paternity leave, birthday leave, medical insurance, life and personal accident insurance, and reimbursement of professional membership and seminar course fee.

To align the interest of staff with our Unitholders, full-time staff of the Manager meeting prescribed performance criteria and service length are eligible to participate in the EUPP. Further disclosures on the EUPP appear on page 20 of this report.

EDs are also eligible to participate in the LTI Plan. Directors and staff participating in the LTI Plan are not eligible to participate in the EUPP. The vesting of awards granted under the LTI Plan to the NED and INEDs is now tenure-based while that of the EDs is performance-linked.

#### APPROVAL OF REMUNERATION

Following the merger of the Human Resources and Compensation Committee with the Remuneration Committee last year, the Manager has delineated clearly the approval authority with regard to remuneration into a 2-tier model: (A) the remuneration of Directors, the CEO and the CFO is determined by the Board upon recommendation of the Remuneration Committee; and (B) the remuneration of the senior management is approved by the Remuneration Committee.

##### Directors

In determining the remuneration packages of Directors (including fees for the NED/INEDs as well as salaries and discretionary bonuses for the 2 EDs), the Board will take into consideration the recommendation of the Remuneration Committee which will review, together with independent external consultant, the roles and duties performed by the Directors, level of director's remuneration among comparable listed companies in the same business as Link, market trends and practices. No Director is involved in deciding his/her own remuneration. The grant of awards under the LTI Plan to the Directors is also reviewed and recommended by the Remuneration Committee for approval by the Board.

Our Remuneration Committee comprises entirely INEDs (including the chairman), which ensures that all our Directors are fairly but not excessively rewarded for their services.

Upon review and recommendation of the Remuneration Committee, the Board approved the increase of annual fee for NED/INED from HK\$465,000 to HK\$500,000 for the year ending 31 March 2017. Save for such change, other fees payable for acting as Board Chairman and chairman or member of the Board Committees shall remain at the same levels as that paid for the year ended 31 March 2016. Mr Blair Chilton PICKERELL, who was appointed on 1 April 2016, is therefore entitled to fees of HK\$615,000 for serving as an INED and the member of the Nomination Committee and the Remuneration Committee for the financial years ending 31 March 2017.



## Senior Management

The Remuneration Committee (with inputs from independent external consultant) reviewed and approved the remuneration packages of members of the senior management (who are not Directors) for the year under review.

The remuneration (comprising basic salaries and other incentives) of the senior management (including the 2 EDs) for the year under review is as follows:

Range (HK\$)	No. of Persons
1 – 500,000	1
3,500,001 – 4,000,000	1
5,000,001 – 5,500,000	1
5,500,001 – 6,000,000	1
6,000,001 – 6,500,000	2
6,500,001 – 7,000,000	2
12,000,001 – 12,500,000	1
34,500,001 – 35,000,000	1
<b>Total No. of Persons</b>	<b>10</b>

Biographies of our management team appear on pages 36 to 37 of this report.

## Communications with Unitholders and Unitholders' Rights

### COMMUNICATIONS WITH UNITHOLDERS AND OTHER STAKEHOLDERS

Transparency is a key to good corporate governance. The Manager sees communication with Unitholders and other stakeholders as an important component of Link's corporate governance framework. It proactively engages Unitholders and other stakeholders through effective channels to articulate the business objectives and progress of Link and collect their views and suggestions.

EDs together with staff of the investor relations function attend conferences and seminars organised by the investment community and hold regular meetings with institutional investors and analysts. The Board receives regular investor relations activities reports from management (which provide feedback from meetings with institutional investors, institutional and retail stockbrokers, and debt investors, analysts' forecasts, information from research reports, and Link's unit price performance). Management also makes regular briefings to Directors at Board meetings on feedbacks from investors and capital market developments.

The Manager also proactively engages the media and community interest groups to explain and gauge their views on the activities of Link.

Investors and Unitholders may at any time send their enquiries to the Board in writing at the Manager's registered office (see "Corporate Information" section for address) or by email and investor hotline (see "Investor Information" section for contact details).

During the year under review, the Manager carried out the following activities:

- press conferences with the media and analysts' briefings after announcing the interim and final results of Link. The Board Chairman, the CEO and the CFO attended the press conferences. The CEO, the CFO and senior management representing the investor relations function attended the analysts briefings to answer queries on financial results
- the 2015 AGM where Directors met Unitholders "face-to-face" to have a direct "Q&A" dialogue and the CEO reported back to Unitholders on matters and comments raised at the prior year's annual general meeting
- post-results investors' conferences and non-deal roadshows both in Hong Kong and overseas to explain the strategies, business developments and the sustainability efforts of Link, promoting transparency and inter-active communications with investors and the investment community, and also visits by analysts and representatives from major Unitholders to selected properties of Link in Hong Kong and Mainland China
- regular meetings with the media, and attending live TV and radio interviews, to articulate the position of Link on current social, business and other issues that are of interest to the community
- answering enquiries from Unitholders through email and investor hotline in a timely manner
- updating Link's corporate website on an on-going basis to post all corporate communications issued by Link in accordance with the requirements of the Listing Rules or the REIT Code, profiles of Directors (including information on the roles and functions of all the Directors) and senior management, business and sustainability developments, financial calendar and other news and latest developments of Link

## Corporate Governance Report continued

- proactively engaging proxy advisors to update on the corporate governance expectations of major Unitholders
- documents available for inspection at the registered office of the Manager including, among others, the Trust Deed (and supplemental deeds) constituting Link and the Compliance Manual (containing the Link Corporate Governance Policy)

## INVESTOR RELATIONS

The Manager has continually communicated with the investment community to ensure that analysts, retail and institutional investors are sufficiently informed, and to gauge their views on the business objectives, activities and future direction of Link. There are currently 14 equity research analysts covering Link. Since April 2015, the Manager held discussions with about 490 investment managers and analysts at meetings and conference calls, including attendance at 14 investors' conferences/corporate days, and 15 roadshows to Asia, Australia, Europe and the United States. The Manager also arranged 34 site visits for interested parties.

Event	Number
Individual Meetings and Conference Calls	~490
Investors' Conferences/Corporate Days	14
Post Results/Non-deal Roadshows	15
Site Visits	34

## REPORTING AND TRANSPARENCY

Link maintains a high standard of transparency and keeps Unitholders well apprised of Link's position by providing information and developments of Link in a timely manner:

- publication of annual report within three months after the financial year end and interim report within two months after the half-year period end as well as results highlights in major newspapers to broaden dissemination;
- publication of announcements (and circulars, where required) on material information or developments as required by the REIT Code, the Listing Rules and/or the SFC, or voluntarily as the Board considers appropriate; and
- publication of Link's interim and annual reports on its corporate website (Linkreit.com).

## GENERAL MEETINGS

The Trust Deed requires Link to hold an annual general meeting of Unitholders once every year. The Trust Deed and the REIT Code also require Link to hold other (or extraordinary) general meetings of Unitholders in certain specified circumstances.

A general meeting of Unitholders may be convened:

- by the Trustee; or
- by the Manager; or
- by not less than two Unitholders registered as together holding not less than 10% of the units in issue, who may serve written request to the Manager to ask the Manager to convene a general meeting of Unitholders and propose resolutions for consideration at such meeting.

Notice convening the annual general meeting or other general meeting of Unitholders will be given to the Unitholders in accordance with the requirements of the Trust Deed, the REIT Code and the Listing Rules. Generally, two or more Unitholders present in person or by proxy registered as holding together not less than 10% of the units in issue shall form a quorum for the transaction of business at a general meeting but for passing a special resolution, the quorum shall be not less than 25%.

In accordance with the REIT Code and the Trust Deed, any resolution put to a general meeting of Unitholders shall be decided by poll except (as permitted by the Trust Deed and under waiver granted by the SFC) where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural and administrative matter to be decided by a show of hands given that such matter (i) is not on the agenda of the general meeting or in any supplemental circular to Unitholders; and (ii) relates to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Unitholders a reasonable opportunity to express their views.

## MATTERS REQUIRED TO BE DECIDED BY SPECIAL RESOLUTION

Pursuant to the Trust Deed, each of the following matters requires specific Unitholders' approval by way of special resolution:

- (i) disposal of any real estate forming part of the assets of Link within two years from the date of acquisition (or in the case of engaging in any property development and related activities, from the date that such property development and related activities is completed);
- (ii) disposal by the Trustee of all or any of the issued share capital of the Manager;
- (iii) any increase in the maximum percentage rate or any change to the structure of the Trustee's fee which is not provided for in the Trust Deed;
- (iv) any modification, alteration or addition to the Trust Deed, save for certain circumstances specified in the Trust Deed;
- (v) termination or merger of Link; and
- (vi) removal of the Trustee under certain circumstances.

## 2015 AGM

At the 2015 AGM held on 22 July 2015, Unitholders approved, by separate ordinary resolution, the re-election of Mr Ian Keith GRIFFITHS as a NED and each of Mr Nicholas Robert SALLNOW-SMITH (former INED and Board Chairman), Ms May Siew Boi TAN, Ms Elaine Carole YOUNG, Mr Peter TSE Pak Wing and Ms Nancy TSE Sau Ling as an INED and the renewal of the unit buy-back mandate. The relevant poll vote results announcement dated 22 July 2015 can be found on websites of Link and the Stock Exchange.

The Board Chairman (who also chaired the Nomination Committee), the chairmen of the Audit and Risk Management Committee and the Remuneration Committee, other INEDs, the CEO, the CFO as well as Link's external auditor attended the 2015 AGM.

## 2016 AGM

The 2016 AGM will be held on 27 July 2016. Notice and agenda are set out in the circular to Unitholders accompanying this Annual Report 2015/2016.

## Internal Control and Risk Management

The Board (as assisted by the Audit and Risk Management Committee) is responsible for maintaining and reviewing the effectiveness of the internal control and risk management systems and determining the nature and extent of the significant risks Link may take in achieving its strategic objectives.

Led by the Board, management monitors the risks associated with Link's business and activities on an on-going basis and identifies from time to time new risks that may emerge as Link's business evolves. Procedures and control measures are implemented to deal with the relevant risks. Regular reports from the risk management and the internal audit functions are submitted to the Audit and Risk Management Committee to assist it to review and monitor risks.

The Audit and Risk Management Committee, with assistance from the risk management and internal audit functions, assists the Board to monitor the overall risk management profile of Link and reports to the Board on measures and success in the risk containing process. Details of the internal control and risk management framework are discussed on pages 54 to 57 in the Strategic Report of Annual Report 2015/2016.

The Manager has implemented a whistle-blowing policy such that possible improprieties may be detected earlier and brought to the attention of management and the Audit and Risk Management Committee.

The external auditor also reports on any control issues identified in the course of its interim review and annual audit work on Link's financial and business results.

With the assistance of the Audit and Risk Management Committee, the Board had reviewed and was satisfied with the effectiveness and adequacy of the internal control and risk management systems for the year under review, having had regard to the key processes of Link. These were achieved primarily through approving the scope of the annual internal audit plan, reviewing the findings and recommendations of internal audit work, reviewing statutory and operational compliance reports, approving the work plan for the risk management function, reviewing quarterly risk management activity reports, reviewing the movement of the key risk indicators on the top risks of Link, reviewing annual and interim financial statements as well as the nature, scope of work and reports of the external auditor.

## Corporate Governance Report continued

### Conflict of Interest

The Manager has instituted stringent internal procedures including compliance with the internal Guidelines on Declaration and Avoidance of Conflict of Interests to monitor and deal with conflict of interest issues. In particular:

- (i) Directors are required to immediately report and periodically update any changes to their directorships and positions held in other companies and organisations. The Manager maintains a register with respect to such outside directorships and positions of our Directors and makes filings with the SFC in the manner as required by the SFO. Management checks transactions against the register and performs other periodic and sample checking to detect and deal with potential connected party transactions in the manner as required under the REIT Code;
- (ii) the Manager has put in place procedures to deal with Directors' conflict of interest. Directors are required to declare their direct/indirect interests, if any, in any business proposals and abstain from voting on such proposals. Director will not be counted in the quorum for the transaction in which he/she is interested;
- (iii) Unitholders cannot vote on (nor will they be counted in the quorum for) a transaction in which they have a material interest which is different from the interest of other Unitholders as a whole;
- (iv) the Manager does not manage any REITs other than Link; and
- (v) all connected party transactions are managed in accordance with the requirements of the REIT Code, and in the manner and in accordance with the procedures prescribed in the Compliance Manual and under the waivers granted by the SFC relevant to the type of connected party transactions in question. Connected party transactions are subject to regular monitoring by the Audit and Risk Management Committee and regular periodic review by the Trustee.

In the year under review, Ms May Siew Boi TAN, Ms Nancy TSE Sau Ling and Professor Richard WONG Yue Chim had abstained from discussion and voting on the relevant acquisition proposals in which they had a potential conflict of interest. They had also declared to the Board the relevant potential conflict of interest.

### Regulatory Compliance

Throughout the year ended 31 March 2016,

- Link and the Manager complied with the REIT Code, the SFO, applicable provisions of the Listing Rules, the Trust Deed, and the Compliance Manual; and
- Link and the Manager applied the principles and complied with, to the extent appropriate, the code provisions in the Listing Rules Corporate Governance Code.

### Dealing in Securities of Link by Directors and Senior Management

The Link Securities Dealing Code governs dealing in securities of Link by Directors and relevant senior employees of the Manager and their respective associates. The terms of the Link Securities Dealing Code are regularly reviewed and updated (when required) to ensure that they are no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules.

All the Directors, after making specific enquiry of each of them, confirmed that they complied with the required standard set out in the Link Securities Dealing Code throughout the year ended 31 March 2016.

Pursuant to the Link Securities Dealing Code, Directors or relevant senior employees wishing to deal in the securities of Link must first have regard to the provisions of Parts XIII and XIV of the SFO with respect to insider dealing and market misconduct as if such SFO provisions were applicable to Link. They must also refrain from dealing in the securities of Link if they are aware of, or are privy to, any negotiations or agreements relating to intended acquisitions or disposals which are significant, or have been otherwise in possession of unpublished inside information, until proper disclosure of the inside information has been made.

Staff members who are involved in the preparation of the interim and final results announcements and the related reports of Link are prohibited from dealing in the units of Link (or "black-out") for the period and in the manner as specified by the Listing Rules. The Manager also imposes and enforces ad hoc "black-out" on staff members who are involved in corporate transaction activities or possess inside information relating to them in the manner as required by the Listing Rules and the inside information provisions of the SFO. Staff members subject to "black-out" will be suspended from participating in the EUPP until the "black-out" is lifted.

## Inside Information

The Manager has an escalation policy monitoring information flow for management to identify events and the Board to consider timely disclosures of inside information. It also has stringent internal procedures to preserve confidentiality of inside information. The Manager has complied with the requirements of Part XIVA of the SFO, which are extended to non-corporate entities including Link.

## Directors' Responsibility for the Financial Statements

The Directors acknowledged their responsibilities for the preparation of the consolidated financial statements of Link for the year ended 31 March 2016, which had been reviewed by the Audit and Risk Management Committee and approved by the Board to ensure accuracy and completeness of disclosures.

The statement of the auditor regarding its reporting responsibilities on the consolidated financial statements of Link is set out in the independent auditor's report on pages 53 to 54 of this report.

## Auditor's Re-appointment and Remuneration

The Audit and Risk Management Committee has reviewed and recommended to the Board the re-appointment of the existing external auditor, which is PricewaterhouseCoopers.

In making such recommendation, the Audit and Risk Management Committee has taken into consideration the quality and effectiveness of the work, current level of remuneration as against market trend and the independence of the external auditor who has written to the Audit and Risk Management Committee confirming that they are independent with respect to Link and that there is no relationship between the external auditor and Link which might reasonably bring to bear on their independence. It has also considered the scope of non-audit services provided by the external auditor and assessed whether its independence and objectivity were and could be affected by the rendering of these non-audit services.

All services provided by the external auditor are required to be approved by the Audit and Risk Management Committee which has set guidelines governing the engagement of the external auditor for provision of non-audit services and pre-approval amounts and thresholds for non-audit services. The Manager has considered (and the Audit and Risk Management Committee also agreed) that external auditor's review of interim results and report and annual tax filings services for Link's entities (as tax representatives) are recurring items, and the rendering by the external auditor of such recurring services does not impact its objectivity or any perceived independence in auditing the financial statements of Link. Non-audit services of a non-recurring nature are ad hoc assignments such as review of IT security systems, taxation advisory or assurance services on project specific basis.

An analysis of fees paid/payable to the external auditor for audit and non-audit services for the year ended 31 March 2016 is set out in Note 9 to the consolidated financial statements.



## Corporate Governance Report continued

### Acquisition and Disposal of Real Estate

During the year under review, the following acquisitions and disposals of real estate took place:

- acquisition of EC Mall in Beijing, the PRC through acquiring its holding company for an adjusted consideration of US\$304,697,068 as completed on 1 April 2015;
- acquisition of Corporate Avenue 1 and 2 in Shanghai, the PRC through acquiring its holding company for an adjusted consideration of RMB6,636,534,533 as announced and completed, respectively, on 23 July 2015 and 31 August 2015;
- disposal of five properties, namely, (i) Retail and Car Park within Fung Wah Estate; (ii) Ka Fuk Shopping Centre; (iii) Kwong Tin Shopping Centre; (iv) Retail and Car Park within Siu On Court; and (v) Tin Wan Shopping Centre, for an aggregate consideration of HK\$1,716,496,899 as announced and completed, respectively, on 27 October 2015 and 31 December 2015;
- acquisition of a commercial complex at 700 Nathan Road, Mong Kok, Kowloon, Hong Kong through Government tender at a consideration of HK\$5,910,000,000 as announced on 19 February 2016 (and completed subsequent to the financial year on 15 April 2016); and
- disposal of two properties, namely, (i) Shek Yam Shopping Centre and (ii) Wan Tau Tong Shopping Centre for an aggregate consideration of HK\$1,690,300,000 as announced on 31 March 2016 (and completed subsequent to the financial year end on 31 May 2016).

Save as disclosed above, neither Link nor any of its subsidiaries acquired or disposed of any real estate in the year under review.

Subsequent to the financial year end, the Manager announced on 11 April 2016 the disposal of seven properties of Link, namely, (i) Hing Man Commercial Centre; (ii) Kam Ying Court Shopping Centre; (iii) Retail and Car Park within Mei Chung Court; (iv) Retail and Car Park within Po Nga Court; (v) Po Tin Shopping Centre; (vi) Tin Ma Court Commercial Centre; and (vii) Retail and Car Park within Yan Shing Court, for an aggregate consideration of HK\$1,961,600,142, which had been completed on 31 May 2016.

### Property Development and Related Activities

Link, through joint venture with Nan Fung Development Limited (“**NFD**”) in which Link has a 60% interest and NFD a 40% interest, acquired a piece of land registered as New Kowloon Inland Lot No. 6512 for commercial development (“**Commercial Development**”). It is expected that the Commercial Development will be completed in 2019.

Updates on the Commercial Development pursuant to 7.2A of the REIT Code since Link’s interim report 2015/2016 are as follows:

- (i) total amount of development costs of the Commercial Development is within the approved budget;
- (ii) foundation works started and construction works are on schedule; and
- (iii) based on Link’s 60% interest in the project, its portion of the total development costs is estimated at approximately HK\$6,325 million, which (a) represents approximately 4.0% of the total gross asset value of Link as at 31 March 2016 (after adjusting for the final distribution payable on 7 July 2016, the acquisition of a commercial complex in Mong Kok completed on 15 April 2016, and the disposal of nine properties completed on 31 May 2016); and (b) is within 10% of the GAV Cap. The details had been reviewed by the Audit and Risk Management Committee.

### Employee Unit Purchase Plan

The EUPP is to provide benefits to eligible employees to create a sense of ownership among Link’s staff. Employees meeting the prescribed criteria under the EUPP are entitled to a subsidy from the Manager to purchase on the open market units of Link through an independent third party intermediary (currently, the Bank of China (Hong Kong) Limited). Four purchases are made in each financial year on pre-determined dates, and the amount of subsidy for each eligible employee is determined in accordance with the rules of the EUPP with reference to the length of service and appraised performance.

In the year under review, 460 eligible employees of the Manager participated in the EUPP who together purchased 303,294 units on the Stock Exchange at a total consideration of HK\$13,476,610, of which HK\$1,926,588 was subsidised by the Manager.

## Issue of New Units

1,596,867 new units were issued in the year under review pursuant to the LTI Plan. Based on 2,243,148,136 units in issue as at 31 March 2016, the number of new units issued in the year represented approximately 0.07%.

## Buy-back, Sale or Redemption of Link's Listed Units

During the year ended 31 March 2016, the Manager (on behalf of Link) bought back a total of 50,219,000 units on the Stock Exchange at an aggregate consideration (excluding expenses) of approximately HK\$2,197 million. Further details are set out below:

Month	Number of units bought back	Purchase price per unit		Aggregate consideration (excluding expenses) HK\$'M
		Highest HK\$	Lowest HK\$	
July 2015	8,314,000	46.15	44.60	377
August 2015	28,271,500	45.60	41.35	1,226
September 2015	4,313,500	42.90	40.55	179
December 2015	3,119,500	46.85	45.40	144
February 2016	3,500,500	44.15	42.75	151
March 2016	2,700,000	45.00	43.90	120

All the units bought back were cancelled prior to the financial year end. Unit buy-backs by the Manager in the year were carried out pursuant to the general mandate to buy back units granted by the Unitholders at the 2015 AGM and were made in the interest of Link and the Unitholders as a whole.

Save as disclosed above, neither the Manager nor any of Link's subsidiaries bought back, sold or redeemed any of Link's listed units during the year under review.

## Other Information Updates

### AMENDMENTS TO THE COMPLIANCE MANUAL

The latest update on the Compliance Manual was approved by the Board on 10 June 2015. Details of relevant amendments were set out on page 29 of the "Governance, Disclosures and Financial Statements" report of Annual Report 2014/2015 of Link. Save as disclosed, there has been no other amendment to the Compliance Manual in the year under review and up to the date of this report.

## UNITHOLDERS STATISTICS

An analysis of the registered Unitholders as at 31 March 2016 according to the register of Unitholders of Link was as follows:

Range of holdings	Number of registered Unitholders	Aggregate number of units held	Percentage %
0 – 1,000	7,771	5,220,181	0.23
1,001 – 5,000	14,660	32,494,351	1.45
5,001 – 10,000	1,096	7,664,855	0.34
10,001 – 100,000	690	19,164,675	0.86
100,001 or over	79	2,178,604,074	97.12
<b>Total</b>	<b>24,296</b>	<b>2,243,148,136</b>	<b>100.00</b>

HKSCC Nominees Limited (through which most holders hold their units in Link) was a single largest registered Unitholder, holding 2,149,859,359 units (95.84%) as at 31 March 2016.

As at 31 March 2016, there were 2,243,148,136 units of Link in issue, which amounted to a market capitalisation of approximately HK\$103.18 billion based on the closing price of HK\$46.00 per unit as at that date. Further details are set out in Note 25 to the consolidated financial statements.

## Corporate Governance Report continued

**PUBLIC FLOAT**

Based on the information publicly available to the Manager, Link continues to meet the required public float of no less than 25% of its issued units in public hands.

As at the date of this report, Link does not have any controlling Unitholder.

**DIRECTORS OF SUBSIDIARIES****Directors of the Manager**

The names of the current Directors of the Manager appear in the “Corporate Information” section of this report. Former Directors holding office in the year under review included Mr Anthony CHOW Wing Kin and Mr Nicholas Robert SALLNOW-SMITH.

**Directors of Link’s SPVs**

Mr George Kwok Lung HONGCHOY and Mr Andy CHEUNG Lee Ming are directors of all the Link’s SPVs. In addition, four SPVs also have Mr Ricky CHAN Ming Tak, Mr Gary FOK Yip Sang, Ms Peionie KONG Po Yan and/or Ms Phyllis NG Yuen Fan as their directors (and Mr Dick LEUNG Yuen Dick and Mr Albert YEUNG Shing Wo as their former directors who held office in the year under review).

**MAJOR REAL ESTATE AGENTS**

During the year ended 31 March 2016, commissions paid to the top five real estate agents engaged by Link and their respective services rendered are as follows:

Name	Nature of services	Commissions paid HK\$’M	Percentage of relevant costs %
Savills (Hong Kong) Limited	Real estate agency	16.6	74.4
DTZ Cushman & Wakefield Limited (formerly known as DTZ Debenham Tie Leung Limited)	Real estate agency	3.4	15.2
上海鈞正房地產經紀事務所 (Shanghai Jun Zheng Real Estate Company*)	Leasing	1.4	6.3
上海川福投資管理有限公司 (Shanghai Chuan Fu Investment Management Co., Ltd.*)	Leasing	0.3	1.4
第一太平戴維斯物業顧問(上海)有限公司 (Savills Property Services (Shanghai) Company Limited*)	Leasing	0.2	0.9
<b>Total</b>		<b>21.9</b>	<b>98.2</b>

\* English trade name or transliteration of official Chinese name.

## MAJOR CONTRACTORS

During the year ended 31 March 2016, the value of service contracts of the top five contractors engaged by Link and their respective services rendered are as follows:

Name	Nature of services	Value of services HK\$'M	Percentage of relevant costs %
Pat Davie Limited	Projects and maintenance	202	8.0
Ray On Construction Company Limited	Projects and maintenance	200	8.0
Hsin Chong Construction (Engineering) Limited	Projects and maintenance	174	7.0
Gammon Construction Limited	Pile foundation and support works	92	3.7
Wilson Parking (Holdings) Limited	Car park management	74	3.0
<b>Total</b>		<b>742</b>	<b>29.7</b>

## MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2016, the percentages attributable to the five largest customers combined and the five largest suppliers combined were less than 30% of Link's total revenue and total purchases for the year, respectively.

## LINK TOGETHER INITIATIVES

The Link Together Initiatives programme is part of Link's on-going commitment to sustainable development.

In the year under review, upon the recommendation of the selection committee, the Board approved charitable donations and sponsorships of approximately HK\$10 million under the Link Together Initiatives programme to sponsor 44 projects as well as the "Link Barrier Free Shopping Centre Orienteering" and the "First Generation University Student Scholarship". The themes of all these projects are in line with the focus of the programme to support the well-being of the elderly and the disadvantaged and education, training and development of children and youth services in the communities around Link's properties. The internal auditor of the Manager has carried out periodic reviews to ensure that the selection process and allocation of funds are within the rules of the Link Together Initiatives programme and in accordance with its defined objectives.

## Changes after Financial Year End

This report has taken into account changes occurred since the end of the financial year on 31 March 2016 up to the date of approval by the Board of this report on 8 June 2016.

Hong Kong, 8 June 2016

# Reports of Board Committees

## Report of the Audit and Risk Management Committee

Composition	Independent	Attended/ eligible to attend
William CHAN Chak Cheung ( <i>Chairman</i> )	✓	4/4
Poh Lee TAN	✓	1/1
May Siew Boi TAN	✓	4/4
Peter TSE Pak Wing	✓	4/4
Nancy TSE Sau Ling	✓	n/a*
Richard WONG Yue Chim	✓	4/4

\* Joined on 1 April 2016

The Audit and Risk Management Committee is principally responsible for overseeing the quality and integrity of financial statements, internal and external audit work, and overall risk management, and monitoring connected party transactions to ensure that they are being conducted in accordance with the conditions of the relevant SFC waivers.

The CEO, the CFO, the Head of Internal Audit, and the Head of Risk Management attended all Audit and Risk Management Committee meetings in the year. The external auditor and the Principal Valuer of Link also attended the relevant meetings to assist the Audit and Risk Management Committee to review the interim and final results of Link. A session of the Audit and Risk Management Committee meeting had been allocated for the members of the Audit and Risk Management Committee to meet with the external auditor in the absence of management to discuss any matters the external auditor may wish to raise.

The chairman of the Audit and Risk Management Committee also had ad hoc meetings directly with the Head of Internal Audit and the Head of Risk Management to discuss matters which they may wish to raise privately, and also with representatives of the external auditor (in the absence of other management staff) on audit scope and other financial reporting obligations.

During the year ended 31 March 2016, the Audit and Risk Management Committee met four times.

### KEY AREAS OF REVIEW

- Interim report and annual report and financial statements and the disclosures therein
- Disclosure of information to Unitholders
- Internal controls and risk management
- Compliance of connected party transactions with REIT Code requirements and relevant SFC waivers
- Disclosures in annual report in relation to updates on property development and related activities and the extent, in percentage terms, to which the GAV Cap has been applied
- Internal audit plan and audit work
- External auditor's performance and audit and non-audit service fees
- Appointment/re-appointment/removal of external auditor
- Compliance with the Listing Rules Corporate Governance Code
- Compliance with the provisions of the Compliance Manual (including the Link Securities Dealing Code and the Link Corporate Governance Policy) and the code of conduct applicable to Directors
- Monitoring compliance with competition law



## TASKS PERFORMED IN THE YEAR

- Reviewed interim and final results announcements and interim and annual reports and financial statements in conjunction with the external auditor and the Principal Valuer of Link (with respect to property valuations) to ensure compliance with applicable legal, accounting and financial reporting, and other regulatory requirements, and recommended them for approval by the Board
- Reviewed accounting policies and practices, including approval of critical accounting policies
- Reviewed to ensure that the annual report and financial statements for the year ended 31 March 2016 of Link, taken as a whole, are fair, balanced and understandable
- Reviewed disclosures in the Corporate Governance Report, monitored the compliance with the Listing Rules Corporate Governance Code, and endorsed the going concern statement and the statement of compliance with the Listing Rules Corporate Governance Code for inclusion in the annual report and financial statements
- Reviewed announcements, circulars, and other corporate communications issued by Link to Unitholders
- Reviewed and monitored connected party transactions through quarterly reports submitted by management and ensure compliance with the requirements of the REIT Code and the conditions of the relevant SFC waivers
- Reviewed internal audit activity reports on a quarterly basis and monitored implementation of recommended actions
- Approved the internal audit plan for the new financial year
- Satisfied itself that the internal audit function was effective and adequately resourced, and reviewed and considered through the assistance of the human resources function as to the adequacy of resources, staff qualifications and experience, training programmes and budget of the finance function
- Considered the external auditor's reports from PricewaterhouseCoopers on the interim review of the financial information and the annual audit of the financial statements of Link
- Reviewed and recommended for approval by the Board of the Directors' report and financial statements of the Manager
- Reviewed work scope, quality, fees and terms of engagements for audit and non-audit services from the external auditor (PricewaterhouseCoopers) and assessed its independence and based on its review and assessment, recommended the Board on re-appointment of PricewaterhouseCoopers as the external auditor of Link
- Reviewed risk management activity reports on a quarterly basis
- Reviewed the effectiveness of Link's internal control and risk management systems and monitored risks on an on-going basis by reference to internal policy and procedures (including new risks identified from time to time)
- Reviewed to ensure that the property development business was conducted in accordance with the REIT Code and the aggregate development costs were within the GAV Cap
- Reviewed statutory and operational compliance reports on a quarterly basis, and monitored compliance issues (including compliance with competition law)
- Reviewed and followed up whistle-blowing cases
- Monitored compliance with the Compliance Manual (which sets out the Link Corporate Governance Policy and the Link Securities Dealing Code governing Directors and relevant senior employees) through quarterly reports submitted by management
- Reviewed and endorsed amendments to the Compliance Manual

On changes to the composition of the Audit and Risk Management Committee, Mr Anthony CHOW Wing Kin retired as a member effective from 22 May 2015.

Ms Poh Lee TAN and Ms Nancy TSE Sau Ling joined as new members of the Audit and Risk Management Committee on, respectively, 12 November 2015 and 1 April 2016. None of the members of this committee was a partner, or a former partner of Link's external auditor within one year immediately before his/her appointment.

### **William CHAN Chak Cheung**

*Chairman of the Audit and Risk Management Committee*

Hong Kong, 8 June 2016

## Reports of Board Committees continued

## Report of the Nomination Committee

Composition	Independent	Attended/ eligible to attend
Nicholas Charles ALLEN ( <i>Chairman</i> )	✓	n/a*
George Kwok Lung HONGCHOY		7/7
William CHAN Chak Cheung	✓	7/7
Blair Chilton PICKERELL	✓	n/a*
May Siew Boi TAN	✓	7/7
Richard WONG Yue Chim	✓	7/7

\* Joined on 1 April 2016

The Nomination Committee is responsible for reviewing regularly the structure, size and composition of the Board and Board Committees (including knowledge, skills and experience, independence and diversity of the members) and makes recommendations to the Board with regard to any changes. The Nomination Committee is also responsible for overseeing the corporate governance practices of the Manager.

The Nomination Committee adopts a forward-looking approach to identify potential candidates for appointment to the Board, taking into account the gap in competence that is needed at Board level and the scheduled retirement of long serving NED/INEDs. External facilitation through independent professional search firm is engaged in the process to add objectivity and ensure that there is a pipeline of high calibre candidates ready to serve our Board within the desired succession time-frame.

During the year ended 31 March 2016, the Nomination Committee met seven times.

## KEY AREAS OF REVIEW

- Composition of the Board and Board Committees
- Appointment, re-appointment and removal of Directors
- Succession planning
- Link Corporate Governance Policy and practices
- Continuous professional development of Directors
- Board diversity
- Board performance evaluation

## TASKS PERFORMED IN THE YEAR

- Reviewed the composition, size and structure of the Board and Board Committees by taking into account the expertise, time commitment, and skills and experience of the members and the Board Diversity Policy of Link
- Evaluated performance of the Board for the year
- Set up a Board Chairman search task force to identify candidates with the assistance of and advice from an independent external consultant, and recommended for approval by the Board the appointment of Mr Nicholas Charles ALLEN as an INED/Board Chairman designate and as the new Board Chairman to succeed Mr Nicholas Robert SALLNOW-SMITH upon the latter's retirement
- Identified candidates with the assistance of and advice from an independent external consultant, and also recommended for approval by the Board the appointment of Ms Poh Lee TAN, Mr Ed CHAN Yiu Cheong and Mr Blair Chilton PICKERELL as new INEDs
- Maintained and regularly reviewed a running list of potential candidates for INEDs

- Assessed the independence of each INED, and the time required from the NED and INEDs (including any prospective Director) to fulfil their fiduciary duties of overseeing Link's business and serving the Board and various Board Committees
- Reviewed Directors' time commitment through, inter alia, monitoring their meeting attendance for the year and number of outside directorships
- Reviewed and recommended for approval by the Board the renewal of the term of Mr William CHAN Chak Cheung, Ms May Siew Boi TAN, Mr David Charles WATT and Ms Elaine Carole YOUNG each as an INED for three years
- Recommended the re-election of six retiring Directors who will stand for re-election at the forthcoming 2016 AGM after considering their respective contributions, skills and experience, expertise and, if applicable, independence
- Reviewed corporate governance practices, and monitored latest regulatory developments under the REIT Code and the Listing Rules as well as leading proxy advisors' latest voting recommendation policies that have a bearing on corporate governance practices or may affect Board composition
- Reviewed the composition and membership of the Board and Board Committees by reference to the Link Corporate Governance Policy and the Listing Rules Corporate Governance Code
- Reviewed training and continuous professional development undertaken by each Director in the year
- Reviewed the Board Diversity Policy of Link and monitored regularly the implementation progress

Mr Anthony CHOW Wing Kin retired as a member of the Nomination Committee effective from 22 May 2015. Mr Nicholas Charles ALLEN joined and took over from Mr Nicholas Robert SALLNOW-SMITH to chair the Nomination Committee on 1 April 2016 upon the latter's retirement. Mr Blair Chilton PICKERELL joined the Nomination Committee as a member on 1 April 2016.

On behalf of all committee members, I would like to thank Mr Nicholas Robert SALLNOW-SMITH for his leadership, insights, and contributions to the Nomination Committee.

**Nicholas Charles ALLEN**

*Chairman of the Nomination Committee*

Hong Kong, 8 June 2016

## Reports of Board Committees continued

**Report of the Remuneration Committee**

<b>Composition</b>	<b>Independent</b>	<b>Attended/ eligible to attend</b>
David Charles WATT ( <i>Chairman</i> )	✓	3/3
William CHAN Chak Cheung	✓	3/3
Blair Chilton PICKERELL	✓	n/a*
Peter TSE Pak Wing	✓	3/3
Elaine Carole YOUNG	✓	n/a*

\* Joined on 1 April 2016

The Remuneration Committee is responsible for setting the remuneration policy and strategy of Link. It reviews and recommends the Board on the remuneration level of NED/INEDs and the EDs and determines the remuneration packages of senior management.

The Remuneration Committee is the administrator of the LTI Plan and determines the grant of awards of selected key management staff (except any proposed grant of awards to Directors which will be approved by the Board under the recommendation of the Remuneration Committee).

The Board Chairman attends and provides input on the performance of the CEO, and the CEO presents his performance assessment of the CFO, to assist the Remuneration Committee to review the remuneration packages of the 2 EDs. An independent external consultant will be engaged to provide input to assist the Remuneration Committee in setting fee level of NED/INEDs and determining the remuneration packages of the EDs. No Director will be involved in deciding his/her own remuneration.

During the year ended 31 March 2016, the Remuneration Committee met three times.

**KEY AREAS OF REVIEW**

- Remuneration policies concerning Directors
- Remuneration strategy and policies for senior management and staff
- Remuneration packages of EDs and senior management
- Fee level of NED and INEDs
- Grant and vesting of awards in favour of Directors and senior management under the LTI Plan
- Review of training and continuous professional development of senior management

**TASKS PERFORMED IN THE YEAR**

- Reviewed the remuneration policies of the Directors
- Reviewed and recommended, with the assistance of an independent external consultant, the Board on the remuneration packages of the CEO (with input from the Board Chairman) and the CFO (with input from the CEO)
- Reviewed and recommended for approval by the Board proposed grant of restricted unit awards to Directors and approved the grant of restricted unit awards to certain senior management and key staff under the LTI Plan in the year
- Reviewed the vesting results of restricted unit awards vested under the LTI Plan in the year
- Reviewed, with the assistance of an independent external consultant, the level and structure of remuneration for NED and INEDs

- Reviewed and recommended updates on the terms of reference of the Remuneration Committee for approval by the Board
- Determined the salary increases and bonus payments for the senior management (except Directors) and other employees
- Reviewed the general market pay trend and endorsed the budgets for salary increment and performance bonus
- Evaluate proposal of a new incentive scheme
- Discussed training and continuous professional development of senior management

On changes to the composition of the Remuneration Committee, Mr Anthony CHOW Wing Kin retired and Mr David Charles WATT took over as the chairman of the Remuneration Committee effective from 22 May 2015. Ms Nancy TSE Sau Ling ceased to be a member of the Remuneration Committee. Ms Elaine Carole YOUNG and Mr Blair Chilton PICKERELL (both being INEDs) joined the Remuneration Committee as members on 1 April 2016.

**David Charles WATT**

*Chairman of the Remuneration Committee*

Hong Kong, 8 June 2016



## Reports of Board Committees continued

## Report of the Finance and Investment Committee

Composition	Independent	Attended/ eligible to attend
Nicholas Charles ALLEN ( <i>Chairman</i> )	✓	n/a*
George Kwok Lung HONGCHOY		9/9
Andy CHEUNG Lee Ming		9/9
Ian Keith GRIFFITHS		9/9
Ed CHAN Yiu Cheong	✓	n/a*
David Charles WATT	✓	8/9
Elaine Carole YOUNG	✓	8/9

\* Joined on 1 April 2016

The Finance and Investment Committee is responsible for overseeing the business and financial matters of Link. It approves proposals from management on asset enhancement projects and monitors their progress against measurable objectives, assesses investment proposals against agreed financial returns, endorses capital management and treasury policies, oversees the implementation of such policies by management taking into account the changing conditions of the global and local capital market, and reviews acquisition and disposal proposals from management.

During the year ended 31 March 2016, the Finance and Investment Committee met nine times.

## KEY AREAS OF REVIEW

- Financial matters
- Budget and forecasts
- Investment decisions
- Acquisition or disposal of assets
- Financing plans and strategies, and changes to financial authority, policies or procedures

## TASKS PERFORMED IN THE YEAR

- Reviewed and recommended for the Board's approval the 3-year budget and business plans
- Approved new asset enhancement projects within the authority limits set by the Board, monitored regularly the progress of existing asset enhancement projects and against budget, and evaluation of the performance of assets after enhancement; reviewed and recommended for approval by the Board adjustment to the delegated financial and signing authority thresholds on approving asset enhancement and other capital expenditure projects
- Evaluated various investment opportunities within the investment criteria approved by the Board
- Reviewed and recommended the Board on the acquisition opportunities in Hong Kong and the PRC in the year, and monitored post-acquisition management and performance of such assets
- Reviewed, evaluated, and recommended to the Board various investment projects proposed by management including the acquisition of (i) Corporate Avenue 1 and 2 in Shanghai, the PRC and (ii) a commercial complex at 700 Nathan Road, Mong Kok, Kowloon, Hong Kong
- Reviewed and recommended the Board on the disposal of non-core assets of Link and the criteria for the three rounds of asset disposals
- Reviewed regular reports on capital management issues and treasury matters and considered various financing/refinancing proposals
- Reviewed RMB hedging strategies and evaluated the impact of RMB devaluation on Link

- Reviewed capital management policies of Link including the mix of fixed/floating rate liabilities, and developments and trend of the capital market
- Reviewed and recommended for approval by the Board the increase in limit of the MTN Programme and issue of new notes under the MTN Programme to finance working capital
- Reviewed and recommended for approval by the Board various bilateral and club loans in the year
- Reviewed and recommended for approval by the Board on the criteria of unit buy-back and its implementation
- Reviewed the investor relations activities reports from management

Mr Nicholas Robert SALLNOW-SMITH stepped down upon retirement from the Board and was succeeded by Mr Nicholas Charles ALLEN who took over to chair the Finance and Investment Committee on 1 April 2016. Mr Ed CHAN Yiu Cheong (being an INED) joined the Finance and Investment Committee as a member on 1 April 2016. No member of the Audit and Risk Management Committee was a member of the Finance and Investment Committee.

On behalf of the Finance and Investment Committee members, I would like to thank Mr Nicholas Robert SALLNOW-SMITH for his leadership, insights, rich knowledge and expertise of treasury matters and the capital market which he brought to bear on the work of the Finance and Investment Committee.

**Nicholas Charles ALLEN**

*Chairman of the Finance and Investment Committee*

Hong Kong, 8 June 2016

# Biographical Details of Directors and Management Team

## Directors of the Manager

### MR NICHOLAS CHARLES ALLEN

#### Chairman (also an Independent Non-Executive Director)

Mr ALLEN, aged 61, joined the Manager as an Independent Non-Executive Director in February 2016 and succeeded as the Chairman of the Board in April 2016. He is also the chairman of the Nomination Committee and the Finance and Investment Committee of the Manager.

Mr ALLEN is currently an independent non-executive director of CLP Holdings Limited and Lenovo Group Limited (both of which are listed on the Main Board of the Stock Exchange). He is also an independent non-executive director of VinaLand Limited (which is listed on the AIM of the London Stock Exchange) and was an independent non-executive director of Texon International Group Limited and Hysan Development Company Limited (which is listed on the Main Board of the Stock Exchange). Currently, Mr ALLEN chairs the audit committees of Lenovo Group Limited and VinaLand Limited.

Mr ALLEN has extensive experience in accounting and auditing as well as securities and regulatory matters. He retired as a partner of PricewaterhouseCoopers in 2007. Mr ALLEN served on the Securities and Futures Appeals Panel, the Takeovers and Mergers Panel, the Takeovers Appeal Committee, the Share Registrars' Disciplinary Committee of the SFC and as member of various committees of the Hong Kong Institute of Certified Public Accountants. Currently, he is the honorary advisor to the Financial Reporting Council of Hong Kong, a member of the Hong Kong Institute of Certified Public Accountants Corporate Governance Working Group, and the chairman of Vision 2047 Foundation.

Mr ALLEN holds a Bachelor of Arts degree in Economics/Social Studies from The University of Manchester. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants.

### MR GEORGE KWOK LUNG HONGCHOY

#### Executive Director & Chief Executive Officer

Mr HONGCHOY, aged 54, joined the Manager as the Chief Financial Officer in January 2009, was appointed as an Executive Director in February 2009, and became the Chief Executive Officer in May 2010. Mr HONGCHOY is a member of the Nomination Committee and the Finance and Investment Committee of the Manager. He is also a director of The Link Holdings Limited, Link Properties Limited, The Link Finance Limited and all other subsidiaries of Link.

Mr HONGCHOY has extensive experience in investment banking, financial consulting and accounting in Asia and New Zealand with focus on real estate, financial services and consumer/retail sectors. He holds a Bachelor of Commerce degree from the University of Canterbury and a MBA degree from The Wharton School, University of Pennsylvania. He is a Chartered Accountant, a Senior Fellow and a member of the Corporate Advisory Council of Hong Kong Securities and Investment Institute, and a Fellow member of the Hong Kong Institute of Certified Public Accountants, the Chartered Accountants Australia and New Zealand, The Hong Kong Institute of Directors, the Royal Institution of Chartered Surveyors, Institute of Shopping Centre Management and a Professor of Practice (Real Estate) at The Hong Kong Polytechnic University.

Mr HONGCHOY is Chairman of the Supervisory Committee of The Tracker Fund of Hong Kong (a Hong Kong unit trust authorised under section 104(1) of the SFO whose units are listed on the Main Board of the Stock Exchange), a member of the Asia Executive Board of The Wharton School and a Council Member of The Hong Kong Institute of Directors. He is a governor of Infrastructure and Urban Development Community, World Economic Forum. He is a member of the Policy Research Committee of the Financial Services Development Council and a former member of the Advisory Committee on Human Resources Development in Financial Sector of The Government of the HKSAR. He was a director of Hong Kong Cyberport Management Company Limited, a Council Member of Hong Kong Institute of Certified Public Accountants and Chairman of its Corporate Finance Committee in 2008, and a director of Hong Kong Securities and Investment Institute in 2006-2011.

Mr HONGCHOY was named Business Person of the Year by DHL/SCMP Hong Kong Business Awards in 2015. He was also presented with Asian Corporate Director Award by Corporate Governance Asia in 2013-2015, Director of the Year Award under the category of Listed Companies – Executive Directors by The Hong Kong Institute of Directors and Outstanding Entrepreneurship Award by Enterprise Asia in 2011.

## MR ANDY CHEUNG LEE MING

### Executive Director & Chief Financial Officer

Mr CHEUNG, aged 49, joined the Manager as an Executive Director and the Chief Financial Officer in June 2010. He is a member of the Finance and Investment Committee of the Manager. He is also a director of The Link Holdings Limited, Link Properties Limited, The Link Finance Limited and all other subsidiaries of Link.

Mr CHEUNG has over 24 years of experience in the areas of business development, finance and audit. He holds a Bachelor degree in Business Administration from the Boston University and a Master of Business Administration degree from the McMaster University. He is a Certified Public Accountant of the State of Illinois in the United States and also a member of the Real Estate and Infrastructure Committee of The Hong Kong General Chamber of Commerce, and a member of the General Committee of The Chamber of Hong Kong Listed Companies.

Prior to joining the Manager, Mr CHEUNG was an executive director and the chief financial officer of Paul Y. Engineering Group Limited and was an executive director of Hopewell Holdings Limited, both of which are listed on the Main Board of the Stock Exchange.

## MR IAN KEITH GRIFFITHS

### Non-Executive Director

Mr GRIFFITHS, aged 61, has been a Non-Executive Director of the Manager since September 2007. He is also a member of the Finance and Investment Committee of the Manager. Mr GRIFFITHS has practiced architecture for 38 years, with 33 years in Hong Kong. He is the Chairman of Aedas which is one of the world's leading architecture and design practices with 15 offices and 1,450 staff internationally.

## MR WILLIAM CHAN CHAK CHEUNG

### Independent Non-Executive Director

Mr William CHAN, aged 68, has been an Independent Non-Executive Director of the Manager since October 2009. He is also the chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and the Nomination Committee of the Manager. Mr William CHAN is a retired partner of PricewaterhouseCoopers with a career spanning 33 years in Canada, Hong Kong and Mainland China. Mr William CHAN is an independent non-executive director of National Electronics Holdings Limited and was also an independent non-executive director of King Fook Holdings Limited; both of which are listed on the Main Board of the Stock Exchange. Mr William CHAN brings senior management skills and experience in solving complex business issues in many different industries including the real estate industry, and also brings experience in matters on corporate governance.

## MR ED CHAN YIU CHEONG

### Independent Non-Executive Director

Mr Ed CHAN, aged 53, has been an Independent Non-Executive Director of the Manager since February 2016. He is also a member of the Finance and Investment Committee of the Manager. Mr Ed CHAN is an executive director and the Vice Chairman of C.P. Lotus Corporation (which is listed on the Main Board of the Stock Exchange). He is currently a Vice Chairman of Charoen Pokphand Group Company Limited and a non-executive director of Treasury Wine Estates Limited (which is listed on the Australian Securities Exchange). Mr Ed CHAN was the President and chief executive officer of Walmart China from November 2006 to October 2011, and held senior positions with the Dairy Farm Group from November 2001 to November 2006 (including his last position as Regional Director, North Asia). He also led Bertelsmann Music Group business in Greater China. Mr Ed CHAN began his career as a consultant with McKinsey & Co working in both Hong Kong and the United States. Mr Ed CHAN obtained a Bachelor degree from The University of Chicago, USA and a Master degree from the Sloan School of Management, Massachusetts Institute of Technology, USA.

## MR BLAIR CHILTON PICKERELL

### Independent Non-Executive Director

Mr PICKERELL, aged 59, has been an Independent Non-Executive Director of the Manager since April 2016. He is also a member of the Remuneration Committee and the Nomination Committee of the Manager. Mr PICKERELL is an independent non-executive director and a member of the Finance Committee, Nominating and Governance Committee and Strategic Issues Committee of Principal Financial Group, Inc. (which is listed on the New York Stock Exchange) and an independent non-executive director and a member of the audit committee of Dah Sing Financial Holdings Limited (which is listed on the Main Board of the Stock Exchange). He is also a member of the Supervisory Committee of The Tracker Fund of Hong Kong (a Hong Kong unit trust authorised under section 104(1) of the SFO whose units are listed on the Main Board of the Stock Exchange) and the International Advisory Board, Securities and Exchange Board of India. He has also been active in public service. He was a court member of The University of Hong Kong during December 2008 to November 2014 and is a vice patron of The Community Chest of Hong Kong and a director of Harvard Business School Association of Hong Kong. Mr PICKERELL was chairman, Asia of Nikko Asset Management Co., Ltd. up to July 2015. He joined Jardine Matheson Holdings Group in 1984 and held various positions in Jardine Matheson Holdings Group. In 2003, he joined HSBC Investments (Hong Kong) Limited (now known as HSBC Global Asset Management (Hong Kong) Limited) as the Chief Executive Officer, Asia Pacific. From 2007 to 2010, he served as managing director and Chief Executive Officer, Asia of Morgan Stanley Investment Management. Mr PICKERELL holds an MBA degree from Harvard Business School, U.S.A. and an MA degree (in East Asian Studies) and a BA degree (in Political Science) from Stanford University, U.S.A.

## Biographical Details of Directors and Management Team continued

**MS POH LEE TAN****Independent Non-Executive Director**

Ms Poh Lee TAN, aged 57, has been an Independent Non-Executive Director of the Manager since November 2015. She is also a member of the Audit and Risk Management Committee of the Manager. Ms Poh Lee TAN was the managing partner of the Hong Kong, Beijing, Shanghai and Vietnam offices of the international law firm Baker & McKenzie from November 2010 till October 2012 and chairman of Asia for Baker & McKenzie from October 2008 to October 2010. She is a solicitor and admitted to practice in Hong Kong, England and Wales, Australia and Singapore, and has extensive experience on mergers and acquisitions and private equity transactions in the Asia-Pacific region as well as outbound investments from Mainland China. Ms Poh Lee TAN has been active in community services. She is the founder and a director of Mighty Oaks Foundation Limited, was a member of the founding board of Independent Schools Foundation, and is a director of PathFinders Limited. Ms Poh Lee TAN holds a Bachelor of Laws degree from the London School of Economics and Political Science and a Masters of Law degree from Queens' College, University of Cambridge.

**MS MAY SIEW BOI TAN****Independent Non-Executive Director**

Ms May TAN, aged 60, has been an Independent Non-Executive Director of the Manager since February 2013. She is also a member of the Audit and Risk Management Committee and the Nomination Committee of the Manager. Ms May TAN is an executive director and chief executive officer of Standard Chartered Bank (Hong Kong) Limited. She was previously the chief executive officer of Cazenove Asia Limited and a partner of Cazenove and Co. Cazenove Asia Limited (now known as Standard Chartered Securities (Hong Kong) Limited) became part of Standard Chartered Hong Kong in January 2009. Ms May TAN is the Chairman of The Hong Kong Association of Banks, the ex-officio member of Hong Kong Trade Development Council and a member of the Currency Board Sub-Committee of The Exchange Fund Advisory Committee of Hong Kong Monetary Authority. She was a member of the Listing Committee of the Stock Exchange from 4 May 2012 to 9 July 2015 and a member of the Takeovers and Mergers Panel and the Takeovers Appeal Committee of the SFC from 1 April 2001 to 31 March 2013. She is also a Council Member and the Vice Chairman of Oxfam Hong Kong and an executive committee member of Hong Kong Youth Arts Foundation. Ms May TAN graduated from The University of Sheffield. She is a member of The Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants.

**MR PETER TSE PAK WING****Independent Non-Executive Director**

Mr Peter TSE, aged 65, has been an Independent Non-Executive Director of the Manager since July 2014. He is also a member of the Audit and Risk Management Committee and the Remuneration Committee of the Manager. Mr Peter TSE was an executive director of CLP Holdings Limited (a company listed on the Main Board of the Stock Exchange) up till May 2012. He then became a non-executive director until he retired in April 2013. Before joining the CLP Group in January 1981, he worked with Deloitte & Co. in London and Hong Kong, and the Swire Group. Mr Peter TSE is an independent non-executive director of Hong Kong Aircraft Engineering Company Limited (a company listed on the Main Board of the Stock Exchange) and an independent non-executive director of HSBC Bank (China) Company Limited. Mr Peter TSE holds a Bachelor of Science degree in Mechanical Engineering from The University of Hong Kong and a Master of Science degree in Technological Economics from the University of Stirling in Scotland. He is a Fellow of The Institute of Chartered Accountants in England and Wales and a Fellow of the Hong Kong Institute of Certified Public Accountants.

**MS NANCY TSE SAU LING****Independent Non-Executive Director**

Ms Nancy TSE, aged 63, has been an Independent Non-Executive Director of the Manager since July 2014. She is also a member of the Audit and Risk Management Committee of the Manager. Ms Nancy TSE joined the Hospital Authority in 1991 and was the chief financial officer and the Director (Finance and Information Technology Services) of the Hospital Authority before her retirement in August 2013. Ms Nancy TSE is a member of the audit committee of The University of Hong Kong and an Adjunct Professor at The Jockey Club School of Public Health and Primary Care of The Chinese University of Hong Kong. She also sits on the boards and committees of a number of charitable organisations and non-government organisations. Ms Nancy TSE is an independent non-executive director of Wheelock and Company Limited (a company listed on the Main Board of the Stock Exchange) and DBS Bank (Hong Kong) Limited. She holds a Bachelor of Arts (Honours) degree in Mathematics and a Master of Business Administration degree in Finance/Accounting from the University of California, Los Angeles, the United States. Ms Nancy TSE is a Chartered Accountant qualified in Canada, a Fellow of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Hong Kong Institute of Directors.



## MR DAVID CHARLES WATT

### Independent Non-Executive Director

Mr WATT, aged 66, has been an Independent Non-Executive Director of the Manager since August 2009. He is also the chairman of the Remuneration Committee and a member of the Finance and Investment Committee of the Manager. Mr WATT holds a Master of Arts in Modern History from the University of Oxford and completed the International Executive Programme at INSEAD, France in 1991. He is a Fellow of the Royal Institution of Chartered Surveyors. Mr WATT is Senior Advisor to InfraRed Capital Partners and Special Advisor to Macdonald & Company. He is also Senior Advisor to China Council for the Promotion of International Trade, Guangzhou Committee and China Chamber of International Commerce, Guangzhou Chamber of Commerce. He was an International Director of DTZ with responsibility for business development and client services across the Asia-Pacific Region. He has over 43 years of international experience on a wide range of commercial development projects. He is a former member of the European Advisory Board of the International Council of Shopping Centres.

## PROFESSOR RICHARD WONG YUE CHIM, SBS, JP

### Independent Non-Executive Director

Professor WONG, aged 63, has been an Independent Non-Executive Director of the Manager since September 2007. He is also a member of the Audit and Risk Management Committee and the Nomination Committee of the Manager. Professor WONG is Professor of Economics at The University of Hong Kong. His main research interest is in the economic analysis of competition, regulation and economic development. He has been actively involved in public services and serves on numerous public bodies. Professor WONG is an independent non-executive director of Great Eagle Holdings Limited, Orient Overseas (International) Limited, Pacific Century Premium Developments Limited and Sun Hung Kai Properties Limited, all of which are listed on the Main Board of the Stock Exchange, as well as Industrial and Commercial Bank of China (Asia) Limited. He was also an independent non-executive director of CK Life Sciences Int'l., (Holdings) Inc., which is listed on the Main Board of the Stock Exchange.

## MS ELAINE CAROLE YOUNG

### Independent Non-Executive Director

Ms YOUNG, aged 51, has been an Independent Non-Executive Director of the Manager since February 2013. She is also a member of the Finance and Investment Committee and the Remuneration Committee of the Manager. Ms YOUNG has extensive experience in both real estate and hospitality and is the co-founder of the boutique serviced apartment brand, Shama. After Shama was acquired by ONYX Hospitality Group in 2010, Ms YOUNG joined as their executive director to drive the development and operations of all ONYX brands in North Asia. In May 2014, she left ONYX in order to pursue other business opportunities within the serviced hospitality sector. Ms YOUNG was awarded "Entrepreneur of the Year" at the prestigious RBS Coutts/Financial Times Women in Asia Awards in 2009. She was trained by Marks & Spencer PLC in retail and commercial management in the United Kingdom prior to living in Hong Kong.

## Biographical Details of Directors and Management Team continued

## Management Team

### MR GEORGE KWOK LUNG HONGCHOY

**Executive Director and Chief Executive Officer**

### MR ANDY CHEUNG LEE MING

**Executive Director and Chief Financial Officer**

### MR HUBERT CHAK

**Director (Finance)**

Mr CHAK, aged 55, oversees the finance and capital markets functions of Link. He is one of the responsible officers of the Manager for the purpose of the SFO.

Mr CHAK joined the Manager in June 2010. He holds a Master of Business Administration degree and a Bachelor of Science degree in Mechanical Engineering from University of Wales (now known as Cardiff University). Before joining the Manager, he was an executive director of CSI Properties Limited. Mr CHAK held various senior management positions at PCCW Limited between 1999 and 2007 and was an executive director of Pacific Century Premium Developments Limited until February 2007. He is currently an independent non-executive director of Tradelink Electronic Commerce Limited and a member of the Financial and Treasury Services Committee of The Hong Kong General Chamber of Commerce.

### MR RICKY CHAN MING TAK

**Director (Legal) & Company Secretary**

Mr Ricky CHAN, aged 57, oversees the legal and company secretarial affairs and regulatory compliance of Link. Mr Ricky CHAN joined the Manager in August 2010 and has over 32 years of experience in the legal profession with real estate, corporate finance, listing matters and cross-border transactions. He is a director of two subsidiaries of Link. Before joining the Manager, Mr Ricky CHAN was the Group General Counsel of Littauer Technologies Co., Ltd. (Kosdaq-listed), the Head Legal Counsel and Company Secretary of K. Wah International Holdings Limited and the General Counsel of Pacific Century Premium Developments Limited. Mr Ricky CHAN holds a Bachelor of Laws from The University of Hong Kong, a Master of Laws from University of London and is a qualified solicitor in Hong Kong. He is a member of the in-house lawyers committee of The Law Society of Hong Kong and a member of the listing-related issues concern group of The Chamber of Hong Kong Listed Companies.

### MS CHRISTINE CHAN SUK HAN

**Director (Investment)**

Ms Christine CHAN, aged 41, oversees asset investment of Link, including acquisition, new market development, and the market study and research functions. She is one of the responsible officers of the Manager for the purpose of the SFO. Ms Christine CHAN has over 18 years of experience in the real estate and fund management industry. Before joining the Manager in May 2013, Ms Christine CHAN was the Director – Investment & Acquisition at Harvest Capital Partners Limited, a subsidiary of China Resources Group. Ms Christine CHAN also held managerial positions in ARA Asset Management (Prosperity) Limited and Hutchison Whampoa Properties Limited in earlier years.

Ms Christine CHAN has extensive experience in direct asset investment, debt and equity investment and financing, asset management, REIT and private equity fund set up and management in the Greater China Region. Ms Christine CHAN holds a Bachelor of Science degree in Surveying from The University of Hong Kong and a Master of Science degree in Global Finance jointly conferred by the New York University Stern School of Business and the HKUST Business School. She is a qualified General Practice Surveyor and a member of The Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors.

### MR GARY FOK YIP SANG

**Director (Asset Management – China)**

Mr FOK, aged 49, oversees the management of Link's properties in China, including leasing, property management and asset upgrade. He joined the Manager in July 2014 and has over 21 years of solid and all-rounded experience in asset management of commercial properties in China and Hong Kong. He is a director of two subsidiaries of Link. Before joining the Manager, Mr FOK was the Head of Asset Management of InfraRed NF Investment Advisers Limited. He had also held various leadership roles in major asset development and management companies in China and Hong Kong such as Hutchison Whampoa Properties Limited, New World Group, Jones Lang LaSalle Limited and Henderson Land Development Company Limited. Mr FOK holds a Bachelor of Science in Surveying from The University of Hong Kong and he is a Registered Professional Surveyor, a member of The Hong Kong Institute of Surveyors, the Royal Institution of Chartered Surveyors and the Hong Kong Institute of Real Estate Administrators.

### MS PEONIE KONG PO YAN

#### Director (Asset Management – Hong Kong)

Ms KONG, aged 46, oversees the asset management, leasing and marketing activities of Link's Hong Kong asset portfolio. Ms KONG joined the Manager in March 2005 and is a director of two subsidiaries of Link. She has 23 years of experience in the real estate industry. She has extensive experience in retail and commercial leasing as well as implementation of large scale renovation projects and trade-mix repositioning exercises. Prior to joining the Manager, she had held managerial positions in renowned property developers including Sun Hung Kai Properties Limited, New World Development Company Limited and Henderson Land Development Company Limited. Ms KONG holds a Bachelor of Arts degree in Geography from The University of Hong Kong.

### MR LO BING CHUNG

#### Director (Corporate Communications & External Relations)

Mr LO, aged 62, oversees corporate communications, branding, customer experience management and engagement with our key stakeholders including media, Government and the community at large. He joined the Manager in June 2014 with over 38 years of experience in corporate communications and external affairs in Hong Kong and Greater China. He had held various senior roles in sizeable organisations including Hong Kong Disneyland, Coca-Cola China and Hong Kong Jockey Club. Mr LO holds a Master of Business Administration degree from the University of East Asia and a Diploma in Communications from the Hong Kong Baptist University. He is an Adjunct Associate Professor of the Institute for China Business, School of Professional and Continuing Education of The University of Hong Kong. He is also an Adjunct Lecturer for post-graduate programme at the School of Journalism and Communication of The Chinese University of Hong Kong. Mr LO is a Life Member of the International Association of Business Communicators, a director of China International Public Relations Association and a member of the Chartered Institute of Linguists in UK, and the former Chairman of the Hong Kong Chapter of the International Public Relations Association.

### MS PHYLLIS NG YUEN FAN

#### Director (Human Resources)

Ms NG, aged 52, oversees the human resources, learning and development and general administration functions of Link. She joined the Manager in March 2016 and is a director of a subsidiary of Link. She is a seasoned professional having held various senior human resources management positions in internationally recognised financial institutions, including seventeen years at UBS AG. Her past duties included a full spectrum of human resources functions covering Hong Kong, PRC and the Asia Pacific region. With this extensive work experience, she established her own consulting business in 2013, engaging in cross-industry human resources projects. Ms NG holds a Bachelor of Arts degree from The University of Hong Kong and an Executive MBA degree from the Guanghua School of Management of the Peking University.

### MR GORDON WU CHI PING

#### Director (Property Management & Operations)

Mr WU, aged 48, oversees the property, facility and car park management and operations of the asset portfolio of Link. He joined the Manager in September 2011. Mr WU has over 27 years of experience in property management in both Hong Kong and the PRC, running a group of management companies and training academies. Prior to joining the Manager, he was an associate director of the Sino Group and managed more than 180 properties with a workforce over 2,000 staff. Mr WU holds a Master of Science in Real Estate from The University of Hong Kong.

## Disclosure of Interests

### Interests and Short Positions of Unitholders Required to be Disclosed under the SFO

According to the disclosure of interests to the Stock Exchange and the Manager pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, the following persons held an interest of 5% or more in the units and underlying units of Link as at 31 March 2016:

Name	Capacity	Number of units/ underlying units in long position (L)/ short position (S)	Approximate percentage of total units in issue <sup>(3)</sup> %
The Capital Group Companies, Inc.	Interests of controlled corporations	(L) 133,327,404 <sup>(1)</sup>	5.94 <sup>(1)</sup>
Capital Research and Management Company	Direct interests and interests of controlled corporations	(L) 122,886,052 <sup>(1)</sup>	5.47 <sup>(1)</sup>
BlackRock, Inc.	Interests of controlled corporations	(L) 157,784,271 <sup>(2)</sup> (S) 602,000 <sup>(2)</sup>	7.03 <sup>(2)</sup> 0.02 <sup>(2)</sup>

Notes:

- (1) The Capital Group Companies, Inc. is the parent company of Capital Research and Management Company, therefore, The Capital Group Companies, Inc. was deemed to be interested in the same batch of 122,886,052 units in which Capital Research and Management Company was interested. Accordingly, the interests in units stated in the table above were overlapped.
- (2) These included long position interests in 875,000 underlying units and short position interests in 265,000 underlying units, all of which were cash settled unlisted derivatives.
- (3) The approximate percentages were calculated based on 2,243,148,136 units in issue as at 31 March 2016 (rounded down to two decimal places).

Save as disclosed above, based on the disclosure of interests to the Stock Exchange and the Manager pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, there were no other persons having an interest of 5% or more in the units and underlying units of Link as at 31 March 2016.

## Interests of Directors in Units

According to the disclosure of interests to the Stock Exchange and the Manager pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, the interests of the Directors in units and underlying units of Link as at 31 March 2016 were as follows:

Name	Number of units				Interest in underlying units <sup>(2)</sup>	Total interest held at 31 Mar 2016	Approximate percentage of total units in issue <sup>(4)</sup> %	Total interest held at 30 Sep 2015
	Personal interest <sup>(1)</sup>	Family interest	Corporate interest	Other interest				
<b>Current Directors</b>								
<b>Chairman (also an Independent Non-Executive Director)</b>								
Nicholas Charles ALLEN <sup>(3)</sup>	-	-	-	-	-	-	-	-
<b>Executive Directors</b>								
George Kwok Lung HONGCHOY	1,656,121	-	-	-	906,500	2,562,621	0.1142	2,562,621
Andy CHEUNG Lee Ming	429,036	-	-	-	254,500	683,536	0.0305	683,536
<b>Non-Executive Director</b>								
Ian Keith GRIFFITHS	37,720	-	-	-	23,000	60,720	0.0027	60,720
<b>Independent Non-Executive Directors</b>								
William CHAN Chak Cheung	121,960	-	-	-	31,250	153,210	0.0068	153,210
Ed CHAN Yiu Cheong <sup>(3)</sup>	-	-	-	-	-	-	-	-
Blair Chilton PICKERELL <sup>(3)</sup>	-	-	-	-	-	-	-	-
Poh Lee TAN <sup>(3)</sup>	-	-	-	-	-	-	-	-
May Siew Boi TAN	6,250	-	-	-	28,250	34,500	0.0015	34,500
Peter TSE Pak Wing	-	-	-	-	10,500	10,500	0.0005	10,500
Nancy TSE Sau Ling	-	-	-	-	8,000	8,000	0.0004	8,000
David Charles WATT	72,615	-	-	-	26,250	98,865	0.0044	98,865
Richard WONG Yue Chim	267,583	-	-	-	30,250	297,833	0.0133	297,833
Elaine Carole YOUNG	8,250	-	-	-	24,750	33,000	0.0015	33,000
<b>Former Independent Non-Executive Directors</b>								
Nicholas Robert SALLNOW-SMITH <sup>(5)</sup>	759,668	-	-	-	51,750	811,418	0.0362	811,418
Anthony CHOW Wing Kin <sup>(6)</sup>	544,712	-	-	-	6,750	551,462	0.0246	551,462

### Notes:

- (1) The personal interests of the Directors in units as stated above were long position interests. There was no short position interest held by any Director.
- (2) These interests in underlying units were long position interests and represent the maximum number of units which might be issued to the Directors (and the former Independent Non-Executive Directors mentioned above) on the vesting of the restricted unit awards granted to them under the LTI Plan. Please also see notes 5 and 6 below.
- (3) Mr Nicholas Charles ALLEN, Mr Ed CHAN Yiu Cheong, Mr Blair Chilton PICKERELL and Ms Poh Lee TAN were appointed as Independent Non-Executive Directors, respectively, on 1 February 2016, 15 February 2016, 1 April 2016 and 12 November 2015. No restricted unit award has yet been granted to them under the LTI Plan.
- (4) The approximate percentages were calculated based on 2,243,148,136 units in issue as at 31 March 2016.
- (5) Mr Nicholas Robert SALLNOW-SMITH retired effective from 1 April 2016. Please see note 7 on page 45 for details of his entitlement to the unvested restricted unit awards after his retirement.
- (6) Mr Anthony CHOW Wing Kin retired effective from 22 May 2015. The personal interest in units disclosed above represented only his position on his date of retirement and his interest in underlying units shown above has been adjusted for restricted unit awards vested (in respect of 18,155 units and lapsed in respect of 5,095 units after his retirement and up to 31 March 2016. Please see note 8 on page 45 for further details.

Save as disclosed above and so far as the Manager is aware, none of the Directors or any of their respective associates held any interests in units (or, as the case may be, shares) or underlying units (or, as the case may be, underlying shares) or debentures of Link and/or its subsidiaries which were required to be disclosed pursuant to the provisions of Part XV of the SFO as at 31 March 2016.



## Disclosure of Interests continued

## Interests of Connected Persons in Units

After making reasonable enquiry and according to the information available to the Manager, as at 31 March 2016, the following persons (other than the significant Unitholders and Directors and any of their respective associates<sup>(4)</sup>), being connected persons (as defined in Chapter 8 of the REIT Code) to Link, held the following interests in the units of Link:

Name	Number of units held at 31 Mar 2016	Approximate percentage of total units in issue <sup>(3)</sup> %	Number of units held at 30 Sep 2015
The Hongkong and Shanghai Banking Corporation Limited ("HSBC") and its subsidiaries <sup>(1)</sup>	4,825,455	0.22	2,459,461
Aviva Life Insurance Company Limited ("Aviva") <sup>(2)</sup>	217,469	0.01	224,500

## Notes:

- (1) The Trustee is an indirect subsidiary of HSBC and hence HSBC and its subsidiaries are connected persons to Link. Save as disclosed in the table above, a fellow subsidiary of HSBC was also interested in 2,975,566 units as at 31 March 2016.
- (2) Aviva, an associate of a former Independent Non-Executive Director, Mr Nicholas Robert SALLNOW-SMITH, ceased to be a connected person to Link on 1 April 2016.
- (3) The approximate percentages were calculated based on 2,243,148,136 units in issue as at 31 March 2016.
- (4) As at 31 March 2016, Link did not have any significant Unitholder (within the meaning of "significant holder" under 8.1(d) of Chapter 8 of the REIT Code). The interests in units held by Directors (being connected persons to Link for the purpose of the REIT Code) as at 31 March 2016 are disclosed in the "Interests of Directors in Units" section above. In addition, as at 31 March 2016, Mr Ricky CHAN Ming Tak (the Company Secretary of the Manager and a director of two subsidiaries of Link) together with his associate (as defined in the REIT Code) was interested in 259,190 units.
- (5) CBRE Limited, the Principal Valuer, is a connected person to Link for the purpose of the REIT Code. A fellow subsidiary of CBRE Limited was interested in 25,782,906 units as at 31 March 2016.

# Long-term Incentive Plan

The LTI Plan was adopted on 23 July 2007 pursuant to which equity incentive in the form of a restricted unit award giving a conditional right to receive units (the “**Restricted Unit Award**”), a unit option giving an option to subscribe for units (the “**Unit Option**”), and a cash incentive in the form of a conditional cash award (the “**Conditional Cash Award**”) (and, each an “**Award**” and collectively the “**Awards**”) may be granted to the Directors and other eligible staff of the Manager.

The LTI Plan is managed and administered by the Remuneration Committee in accordance with the rules of the LTI Plan. A summary of the rules is set out below.

## Summary of the LTI Plan

### PURPOSES

The principal purposes of the LTI Plan are:

- (i) to align the interests of the participants of the LTI Plan with the achievement of the strategic long-term goals of the Manager for Link and with the interests of the Unitholders as a whole;
- (ii) to enhance the ability to attract and retain talented management and key employees of the Manager whose contributions are essential to the long-term growth and prosperity of Link and the creation of value for the Unitholders; and
- (iii) to provide Link with the ability to incentivise and/or reward the management and key employees of the Manager so as to motivate them to achieve superior performance.

### PARTICIPANTS

Persons eligible to participate in the LTI Plan (the “**Participants**”) include (i) Directors; and (ii) key employees of the Manager who, in the sole opinion of the Remuneration Committee, have contributed or have the potential to contribute to the success of Link.

### GRANT OF AWARD

Grant of Award shall be approved by the Remuneration Committee, except for the grant of an Award to a Director, the CEO or a significant holder (within the meaning under 8.1(d) of Chapter 8 of the REIT Code) of Link, or any of their respective associates (other than a person who is an associate only by virtue of such person's employment with the Manager) which shall be approved by the Board (including the Independent Non-Executive Directors). No Director shall be involved in the decision of granting an Award to himself/herself.

### TOTAL NUMBER OF UNITS AVAILABLE FOR ISSUE UNDER THE LTI PLAN

The total number of units which may be issued pursuant to all the Awards granted under the LTI Plan shall not in aggregate exceed 213,745,400 units (being 10% of the then units in issue as at the date of the adoption of the LTI Plan). As at the date of this report, 198,883,838 units are available for further grant of Awards under the LTI Plan, representing approximately 8.87% of the units in issue.

### MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

Unless approved by the Unitholders by way of an ordinary resolution, no Participant shall be granted an Award which, if accepted and vested (for a Restricted Unit Award) and/or exercised (for a Unit Option) in full, would result in such Participant becoming entitled to receive such number of units that, when aggregated with the total units already issued or to be issued to him/her pursuant to all the Awards granted or to be granted (including Awards vested and/or exercised, cancelled and outstanding) to him/her within a 12-month period immediately preceding the date of such proposed grant, would exceed 1% of the total units in issue as at the proposed date of grant of such Award.

If an Award is proposed to be granted to an Independent Non-Executive Director or a significant holder (within the meaning under 8.1(d) of Chapter 8 of the REIT Code) of Link or any of their respective associates which would result in the units issued and to be issued pursuant to all the Awards granted or to be granted (including Awards vested and/or exercised, cancelled and outstanding) to him/her within a 12-month period up to and including the date of such proposed grant, (i) representing in aggregate over 0.1% of the total units in issue; and (ii) having an aggregate value, based on the closing price of the units as at the date of such proposed grant, in excess of HK\$5 million, such further grant of Award shall be approved by the Unitholders by way of an ordinary resolution and the relevant Participant and his/her associate(s) shall abstain from voting on the relevant ordinary resolution. In addition, grant of Awards to an Independent Non-Executive Director shall not, among others, exceed 1% of the total units in issue.

## Long-term Incentive Plan continued

### **VESTING PERIOD/OPTION PERIOD**

The vesting period of a Restricted Unit Award is generally one year to three years or such other period as determined by the Remuneration Committee. The option period for a Unit Option is such period (which is no longer than 10 years) as determined by the Remuneration Committee.

### **EXERCISE PRICE OF UNIT OPTION**

The exercise price of a Unit Option shall not be less than the higher of: (i) the closing price of the units as quoted on the Stock Exchange on the date of grant; and (ii) the average of the closing prices of the units as quoted on the Stock Exchange for the five trading days immediately preceding the date of grant.

### **PERFORMANCE TARGETS**

The performance targets and/or other vesting conditions (if any) for a Restricted Unit Award shall be determined by the Remuneration Committee which, in its absolute discretion, will determine whether, and to what extent, such performance targets and/or vesting conditions (if any) have been satisfied (or, if applicable, waived) upon vesting.

### **CONDITIONAL CASH AWARD**

A Conditional Cash Award shall only be granted, in the absolute discretion of the Remuneration Committee, in conjunction with a Restricted Unit Award and shall vest under the same performance targets and/or vesting conditions and vesting period applicable to the relevant Restricted Unit Award. A Conditional Cash Award gives the grantee a conditional right to receive a cash payment equal to the aggregate distributions per unit paid to the Unitholders during the vesting period multiplied by the actual number of units finally vested with such grantee.

### **ACCEPTANCE OF AWARD AND CONSIDERATION PAYABLE**

An offer for grant of an Award shall be accepted within 14 days from the date of grant (or such other period as specified by the Remuneration Committee). Consideration payable on acceptance of an Award (if any) shall be determined by the Remuneration Committee in its absolute discretion.

### **DURATION OF THE LTI PLAN**

Save for early termination, the LTI Plan shall remain valid for 10 years from 23 July 2007 (its date of adoption).

## Unit Options

No Unit Option has ever been granted since the adoption of the LTI Plan.

## Restricted Unit Awards

The movements in Restricted Unit Awards, which were granted in conjunction with Conditional Cash Awards<sup>(5)</sup>, under the LTI Plan during the year ended 31 March 2016 and the balances as at the beginning and end of the year were as follows:

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2015 <sup>(1)</sup>	Granted during the year <sup>(1) (2)</sup>	Vested during the year <sup>(3)</sup>	Cancelled during the year <sup>(4)</sup>	Lapsed during the year <sup>(4)</sup>	Outstanding at 31 Mar 2016 <sup>(1)</sup>
<b>Current Directors</b>								
Nicholas Charles ALLEN (Independent Non-Executive Director)	-	-	-	-	-	-	-	-
George Kwok Lung HONGCHOY (Executive Director)	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	189,500	-	(140,443)	-	(49,057)	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	187,500	-	(180,439)	-	(7,061)	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	187,500	-	-	-	-	187,500
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	181,000	-	-	-	-	181,000
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	181,000	-	-	-	-	181,000
	24 Jul 2015	24 Jul 2015 to 30 Jun 2017	-	178,500	-	-	-	178,500
	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	-	178,500	-	-	-	178,500
Andy CHEUNG Lee Ming (Executive Director)	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	55,500	-	(41,132)	-	(14,368)	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	52,500	-	(50,523)	-	(1,977)	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	52,500	-	-	-	-	52,500
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	49,500	-	-	-	-	49,500
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	49,500	-	-	-	-	49,500
	24 Jul 2015	24 Jul 2015 to 30 Jun 2017	-	51,500	-	-	-	51,500
	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	-	51,500	-	-	-	51,500
Ian Keith GRIFFITHS (Non-Executive Director)	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	12,500	-	(9,264)	-	(3,236)	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	5,000	-	(5,000)	-	-	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	5,000	-	-	-	-	5,000
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	4,750	-	-	-	-	4,750
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	4,750	-	-	-	-	4,750
	24 Jul 2015	24 Jul 2015 to 30 Jun 2017	-	4,250	-	-	-	4,250
	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	-	4,250	-	-	-	4,250
William CHAN Chak Cheung (Independent Non-Executive Director)	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	16,500	-	(12,229)	-	(4,271)	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	6,750	-	(6,750)	-	-	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	6,750	-	-	-	-	6,750
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	6,250	-	-	-	-	6,250
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	6,250	-	-	-	-	6,250
	24 Jul 2015	24 Jul 2015 to 30 Jun 2017	-	6,000	-	-	-	6,000
	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	-	6,000	-	-	-	6,000

## Long-term Incentive Plan continued

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2015 <sup>(1)</sup>	Granted during the year <sup>(1)(2)</sup>	Vested during the year <sup>(3)</sup>	Cancelled during the year <sup>(4)</sup>	Lapsed during the year <sup>(4)</sup>	Outstanding at 31 Mar 2016 <sup>(1)</sup>
Ed CHAN Yiu Cheong (Independent Non-Executive Director)	-	-	-	-	-	-	-	-
Blair Chilton PICKERELL (Independent Non-Executive Director)	-	-	-	-	-	-	-	-
Poh Lee TAN (Independent Non-Executive Director)	-	-	-	-	-	-	-	-
May Siew Boi TAN (Independent Non-Executive Director)	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	6,250	-	(6,250)	-	-	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	6,250	-	-	-	-	6,250
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	5,750	-	-	-	-	5,750
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	5,750	-	-	-	-	5,750
	24 Jul 2015	24 Jul 2015 to 30 Jun 2017	-	5,250	-	-	-	5,250
	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	-	5,250	-	-	-	5,250
Peter TSE Pak Wing (Independent Non-Executive Director)	24 Jul 2015	24 Jul 2015 to 30 Jun 2017	-	5,250	-	-	-	5,250
	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	-	5,250	-	-	-	5,250
Nancy TSE Sau Ling (Independent Non-Executive Director)	24 Jul 2015	24 Jul 2015 to 30 Jun 2017	-	4,000	-	-	-	4,000
	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	-	4,000	-	-	-	4,000
David Charles WATT (Independent Non-Executive Director)	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	13,500	-	(10,005)	-	(3,495)	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	5,750	-	(5,750)	-	-	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	5,750	-	-	-	-	5,750
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	5,250	-	-	-	-	5,250
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	5,250	-	-	-	-	5,250
	24 Jul 2015	24 Jul 2015 to 30 Jun 2017	-	5,000	-	-	-	5,000
24 Jul 2015	24 Jul 2015 to 30 Jun 2018	-	5,000	-	-	-	5,000	
Richard WONG Yue Chim (Independent Non-Executive Director)	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	15,500	-	(11,487)	-	(4,013)	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	6,750	-	(6,750)	-	-	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	6,750	-	-	-	-	6,750
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	6,500	-	-	-	-	6,500
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	6,500	-	-	-	-	6,500
	24 Jul 2015	24 Jul 2015 to 30 Jun 2017	-	5,250	-	-	-	5,250
	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	-	5,250	-	-	-	5,250
	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	-	5,250	-	-	-	5,250
Elaine Carole YOUNG (Independent Non-Executive Director)	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	5,750	-	(5,750)	-	-	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	5,750	-	-	-	-	5,750
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	5,250	-	-	-	-	5,250
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	5,250	-	-	-	-	5,250
	24 Jul 2015	24 Jul 2015 to 30 Jun 2017	-	4,250	-	-	-	4,250
	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	-	4,250	-	-	-	4,250
<b>Former Directors</b>								
Nicholas Robert SALLNOW-SMITH (Former Independent Non-Executive Director)	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	44,500	-	(32,980)	-	(11,520)	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	18,250	-	(18,250)	-	-	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	18,250	-	-	-	-	18,250 <sup>(7)</sup>
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	16,750	-	-	-	-	16,750 <sup>(7)</sup>
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	16,750	-	-	-	-	16,750 <sup>(7)</sup>
Anthony CHOW Wing Kin (Former Independent Non-Executive Director)	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	16,500	-	(11,775)	-	(4,725)	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	6,750	-	(6,380)	-	(370)	-
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	6,750	-	-	-	-	6,750 <sup>(8)</sup>



Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2015 <sup>(1)</sup>	Granted during the year <sup>(1)(2)</sup>	Vested during the year <sup>(3)</sup>	Cancelled during the year <sup>(4)</sup>	Lapsed during the year <sup>(4)</sup>	Outstanding at 31 Mar 2016 <sup>(1)</sup>
<b>Other Participants</b>								
In aggregate	16 Jul 2012	16 Jul 2012 to 30 Jun 2015	659,468 <sup>(9)</sup>	–	(452,535) <sup>(9)</sup>	(12,512)	(194,421) <sup>(9)</sup>	–
	20 Jan 2014	20 Jan 2014 to 30 Jun 2015	630,836 <sup>(9)</sup>	–	(583,175) <sup>(9)</sup>	(6,015)	(41,646) <sup>(9)</sup>	–
	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	621,540 <sup>(9)</sup>	–	–	–	(83,750)	537,790 <sup>(9)</sup>
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	643,500	–	–	–	(103,832)	539,668
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	643,500	–	–	–	(106,930)	536,570
	24 Jul 2015	24 Jul 2015 to 30 Jun 2017	–	641,500	–	–	(88,000)	553,500
	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	–	641,500	–	–	(88,000)	553,500
<b>Total</b>			<b>4,727,344</b>	<b>1,821,500</b>	<b>(1,596,867)</b>	<b>(18,527)</b>	<b>(810,672)</b>	<b>4,122,778</b>

## Notes:

- (1) These figures represent the maximum number of units that may be issued on vesting of the Restricted Unit Awards. The actual number of units that will finally be issued to each grantee on vesting may range from zero to such maximum number depending on whether, and to what extent, the relevant vesting conditions (if any) are met.
- (2) The closing price of the units on the business day immediately preceding the date of grant of the Restricted Unit Awards in the year was HK\$45.90 per unit. On the assumption that the Restricted Unit Awards granted in the year were finally vested for the maximum number of units, the estimated fair value of such Restricted Unit Awards would amount to approximately HK\$81.6 million as at 31 March 2016 based on the valuation of an independent valuer.
- (3) The closing price of the units on the business day immediately preceding the date on which the Restricted Unit Awards were vested in the year was HK\$45.50 per unit.
- (4) These figures represent the maximum number of units in respect of which the Restricted Unit Awards had lapsed or were cancelled in the year. The Conditional Cash Awards granted in conjunction with such Restricted Unit Awards had lapsed or were cancelled simultaneously.
- (5) The Restricted Unit Awards in the above table were all granted in conjunction with Conditional Cash Awards. An aggregate amount of approximately HK\$7 million was paid for the Conditional Cash Awards vested along with the relevant Restricted Unit Awards in the year. Based on the maximum number of units to be issued in respect of the Restricted Unit Awards granted but not yet vested in the year, the aggregate weighted average value carried by each of the Conditional Cash Awards as at the end of the year was HK\$2.4258 per unit.
- (6) According to the prevailing policy, outstanding Restricted Unit Awards held by a retired Director will vest on a pro rata basis to his/her actual number of days in office before his/her retirement.
- (7) On a pro rata basis (see note 6 above), the maximum number of units that may be issued on vesting of the outstanding Restricted Unit Awards held by Mr Nicholas Robert SALLNOW-SMITH (who retired effective from 1 April 2016) would be 16,735 units, 14,618 units and 9,678 units (instead of 18,250 units, 16,750 units and 16,750 units as stated in the above table). The remaining portion will lapse on the relevant vesting dates.
- (8) On a pro rata basis (see note 6 above), the maximum number of units that may be issued on vesting of the outstanding Restricted Unit Awards held by Mr Anthony CHOW Wing Kin (who retired effective from 22 May 2015) would be 4,250 units (instead of 6,750 units as stated in the above table). The remaining portion will lapse on the relevant vesting date.
- (9) Included in these figures were outstanding Restricted Unit Awards held by three former Independent Non-Executive Directors, including (i) Restricted Unit Awards in respect of a maximum of 15,500 units held by Mr Michael Ian ARNOLD at the beginning of the year, of which 4,404 units were vested and issued and all the remaining had lapsed in the year; (ii) Restricted Unit Awards in respect of a maximum of 23,500 units held by Dr Patrick FUNG Yuk Bun at the beginning of the year, of which 9,503 units were vested and issued and 8,747 units had lapsed in the year with Restricted Unit Awards in respect of a maximum of 5,250 units remaining outstanding at the end of the year that will vest on a pro rata basis (see note 6 above); and (iii) Restricted Unit Awards in respect of a maximum of 28,000 units held by Mr Stanley KO Kam Chuen at the beginning of the year, of which 11,172 units were vested and issued and 10,578 units had lapsed in the year with Restricted Unit Awards in respect of a maximum of 6,250 units remaining outstanding at the end of the year that will vest on a pro rata basis (see note 6 above). Please refer to pages 110 to 111 of annual report 2013/2014 and pages 45 to 46 of the "Governance, Disclosures and Financial Statements" report of annual report 2014/2015 for further details.

The Restricted Unit Awards and Conditional Cash Awards are to be expensed through Link's consolidated income statement over the relevant vesting period. Further details of the LTI Plan are set out in Note 20 to the consolidated financial statements.

# Connected Party Transactions

## Waivers from Strict Compliance

On the listing of Link and subsequently on 8 June 2007, 26 October 2007, 19 March 2013, 6 March 2015 and 5 October 2015, waivers from strict compliance with the disclosure and unitholders' approval requirements under Chapter 8 of the REIT Code for certain connected party transactions of Link were granted by the SFC (the "Waivers").

During the year ended 31 March 2016, Link complied with the stipulated terms and conditions of the Waivers for the relevant connected party transactions including, inter alia, (i) conducting the transactions at arm's length on normal commercial terms in the usual and ordinary course of business and in the interests of the Unitholders; (ii) wherever applicable, within specific caps on transaction amounts or fees paid; and (iii) having the relevant transactions reviewed by the auditor and the Audit and Risk Management Committee and approved by the Board.

## Connected Persons and Connected Party Transactions

The following table sets out the connected party transactions entered into by Link and/or its subsidiaries in the year<sup>(11)</sup> with connected persons (as defined under Chapter 8 of the REIT Code) named below:

Name of connected person	Relationship with Link	Nature of the transactions	Income derived HK\$'M	Expenses incurred HK\$'M
Link Asset Management Limited	Manager	Management fee <sup>(1)</sup>	N/A	(619.8)
HSBC Institutional Trust Services (Asia) Limited	Trustee	Trustee's fee <sup>(2)</sup>	N/A	(13.2)
CBRE Limited ("CBRE") <sup>(3)</sup>	Principal Valuer	Valuation fees	N/A	(4.3) <sup>(3)</sup>
		Consultancy services	N/A	(1.0)
HSBC and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) ("HSBC Group")	Associates of Trustee	Tenancy/licence <sup>(4)</sup>	31.9 <sup>(5)</sup>	N/A
		Interest income	0.7	N/A
		Interest expenses and financing changes	N/A	(59.7)
		Arrangement fees and bank charges	N/A	(9.7) <sup>(6)</sup>
Industrial and Commercial Bank of China (Asia) Limited ("ICBC (Asia)")	Associate of Professor Richard WONG Yue Chim	Tenancy/licence <sup>(4)</sup>	10.4 <sup>(5)</sup>	N/A
		Interest income	– <sup>(7)</sup>	N/A
		Interest expenses and financing changes	N/A	(1.5)
		Arrangement fees and bank charges	N/A	(0.3)
Standard Chartered Bank (Hong Kong) Limited ("SCBHK")	Associate of Ms May Siew Boi TAN	Tenancy/licence <sup>(4)</sup>	12.8 <sup>(5)</sup>	N/A
		Interest income	0.6	N/A
		Interest expenses and financing changes	N/A	(0.4)
		Arrangement fees and bank charges	N/A	(0.1)
Aedas Limited ("Aedas") <sup>(8)</sup>	Associate of Mr Ian Keith GRIFFITHS	Architectural and renovation consultancy services	N/A	(11.1)
Hong Kong Youth Arts Foundation <sup>(9)</sup>	Associate of Ms May Siew Boi TAN and Mr Nicholas Robert SALLNOW-SMITH <sup>(10)</sup>	Sponsorship fees	N/A	(0.5)
The Chamber of Hong Kong Listed Companies	Associate of Mr Andy CHEUNG Lee Ming	Sponsorship, training and membership fees	N/A	(0.1)

### Notes:

(1) The Manager recovers its expenses from Link on a cost recovery basis.

(2) Trustee's fee was calculated at the rate of, respectively, 0.008% per annum and 0.03% per annum of the property values of Link's properties in and outside Hong Kong as determined in the latest annual valuation report prepared by the Principal Valuer, subject to a minimum of HK\$150,000 per month.

(3) Valuation fees payable to CBRE for the year included HK\$1.1 million incurred for valuation services in respect of acquisition/disposal transactions. Land consultancy services contracts for an aggregate amount of HK\$2,463,000 were awarded to CBRE and a consultancy services contract for RMB880,000 was awarded to a subsidiary of CBRE in Mainland China in the year.

(4) For shops, ATMs and showcases at various locations.

(5) Excluding deposits received.

(6) Including transaction fees paid for buy-back of Link's units by the Manager in the year.

- (7) Interest income of approximately HK\$2,000 was received from ICBC (Asia) in the year.
- (8) Contract for a sum of HK\$10,700,000 was awarded to Aedas in the year.
- (9) Contracts for an aggregate sum of HK\$595,000 were concluded with Hong Kong Youth Arts Foundation in the year.
- (10) Mr Nicholas Robert SALLNOW-SMITH retired as an INED after the financial year end.
- (11) Other than those disclosed in the table above, there were two connected party transactions in the year including: (A) bank charges of approximately HK\$1,000 paid to DBS Bank (Hong Kong) Limited (an associate of Ms Nancy TSE Sau Ling); and (B) registration fees of HK\$4,000 paid to The Hong Kong Institute of Directors Limited (an associate of Mr George Kwok Lung HONGCHOY).

## Lease Transactions with Connected Persons

In addition to certain tenancies disclosed on page 96 of annual report 2012/2013<sup>(3)</sup>, page 114 of annual report 2013/2014, page 48 of the “Governance, Disclosures and Financial Statements” report of annual report 2014/2015 (which still subsisted at the financial year end), the following tenancies were entered into by Link’s subsidiaries with the following connected persons (as defined under Chapter 8 of the REIT Code) in the year with an annual rent exceeding HK\$1 million:

Name of tenant	Nature of the transactions	Lease term	Annual rent <sup>(1)</sup> HK\$'M	Rental deposit received as at 31 March 2016 HK\$'M
SCBHK	Tenancy for shop no. G201 at Lok Fu Plaza	Term of 3 years expiring on 14 December 2016	3.2	0.8 <sup>(2)</sup>
ICBC (Asia)	Tenancy for shop no. 216 at Tai Wo Plaza	Term of 3 years expiring on 15 September 2018	2.5	0.7
	Tenancy for shop no. 128 at Wong Tai Sin Plaza (now known as Temple Mall South)	Term of 2 years expiring on 31 July 2017	2.1	0.6

Notes:

- (1) Annual rent is calculated from the monthly base rent on a 12-month basis as if such rent were received from the beginning of the financial year.
- (2) In the form of bank guarantee.
- (3) Annual rent of the tenancy for shop no. 121A at Wong Tai Sin Plaza (now known as Temple Mall South) with Hang Seng Bank, Limited for a term of five years expiring on 2 July 2017, as disclosed in annual report 2012/2013, had been changed to HK\$2.8 million.

## Provision of Banking and Financial Services by Connected Persons

Link and/or its subsidiaries engaged the HSBC Group (including, among others, Hang Seng Bank, Limited (“**Hang Seng**”) and HSBC Bank (China) Company Limited), ICBC (Asia), SCBHK and DBS Bank (Hong Kong) Limited (“**DBSHK**”) to provide ordinary course banking and financial services in the year. Further details are set out in Note 30 to the consolidated financial statements. The HSBC Group also provided services to subsidiaries of Link in relation to Mandatory Provident Fund accounts and payment and receipt arrangements. Bank accounts were also maintained with the HSBC Group, ICBC (Asia) and SCBHK for deposits and/or rent collection purposes.

## LOANS

Loan transactions with banks (which are Link’s connected persons) by The Link Finance Limited (a wholly-owned subsidiary of Link) in the year under review were as follows:

- (i) a bilateral loan of HK\$500 million made available in May 2010 by HSBC was fully repaid in the year;
- (ii) a bilateral loan of HK\$300 million made available in June 2010 by SCBHK was fully repaid in the year;
- (iii) a 5-year club loan of HK\$2.5 billion (with HSBC being one of the relevant banks) made available in April 2011 was fully repaid in the year;
- (iv) a bilateral loan of HK\$500 million was made available in September 2013 by Hang Seng of which the outstanding balance due to Hang Seng as at 31 March 2016 was HK\$500 million;
- (v) a bilateral loan of HK\$1 billion was made available in November 2013 by HSBC of which the outstanding balance due to HSBC as at 31 March 2016 was HK\$1 billion;

## Connected Party Transactions *continued*

- (vi) a 5-year club loan of HK\$4 billion was made available in May 2015 (with HSBC, Hang Seng and ICBC (Asia) being three of the relevant banks) of which the outstanding amounts due to, respectively, HSBC, Hang Seng and ICBC (Asia) as at 31 March 2016 were HK\$230 million, HK\$450 million and HK\$200 million;
- (vii) a 4-year club loan of HK\$4 billion was made available in August 2015 (with HSBC and Hang Seng being two of the relevant banks) of which the outstanding amounts due to, respectively, HSBC was HK\$578 million and Hang Seng was HK\$529 million as at 31 March 2016; and
- (viii) a bilateral loan of HK\$1.5 billion was made available in March 2016 by Hang Seng of which the outstanding amount due to Hang Seng as at 31 March 2016 was HK\$400 million.

In addition, a loan of RMB630 million was made available by HSBC Bank (China) Company Limited, Beijing branch, to 益颯美置業(天津)有限公司 (ECM Property Holding (Tianjin) Co., Ltd.), a wholly-owned subsidiary of Link in Mainland China in April 2015 and such loan was fully repaid in the year.

## DEPOSITS

As at 31 March 2016, subsidiaries of Link placed deposits with the HSBC Group, ICBC (Asia) and SCBHK of approximately HK\$176 million, HK\$1 million and HK\$33 million, respectively.

## OTHER TRANSACTIONS

The programme limit of the MTN Programme (with HSBC, a connected person of Link, acting as the arranger) was increased from US\$2 billion to US\$3 billion effective from 7 September 2015.

In the year under review, pursuant to the MTN Programme, two tranches of fixed rate private notes, both due 2022, for a principal amount of respectively, HK\$530 million and HK\$700 million were issued on 2 July 2015 and 24 December 2015 with HSBC acting as the dealer.

The two issues were within the waiver granted by the SFC in respect of connected party transactions with the HSBC Group. Both of them were conducted at arm's length on normal commercial terms. In order to ensure the effective interest cost of a new note issue is competitive, the Manager monitors the market interest rates and compares quotations from multiple dealers from time to time. Save as disclosed above, no other note was issued pursuant to the MTN Programme with a connected person acting as dealer in the year.

The Link Finance Limited (a wholly-owned subsidiary of Link) also maintained interest rate and cross currency swap contracts with HSBC in the year under review. As at 31 March 2016, the total notional principal outstanding value in respect of such swap contracts with HSBC was HK\$6.4 billion.

## Confirmation by the Manager and the Trustee in respect of Corporate Finance Transactions with the HSBC Group

The Trustee and the Manager both confirm that, with respect to the corporate finance transactions entered into with the HSBC Group in the year under review, (i) such transactions were carried out at arm's length on normal commercial terms; (ii) the Trustee was not involved in the decisions to enter into such transactions, subject only to its duties of oversight under the REIT Code and the Trust Deed; and (iii) the on-going general conditions under the relevant Waiver (details of which were disclosed in the offering circular dated 14 November 2005 of Link) were complied with. Save as disclosed above, there was no other corporate finance transaction entered into by Link with the HSBC Group in the year.

## Report from Auditor in relation to Certain Connected Party Transactions

The continuing connected party transactions conducted in the year under review have been reviewed by the auditor in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the connected party transactions including lease transactions and corporate finance transactions in accordance with the Waivers from strict compliance with the disclosure and unitholders' approval requirements under Chapter 8 of the REIT Code granted by the SFC.

## Confirmation by the Audit and Risk Management Committee

The management submitted quarterly compliance reports to the Audit and Risk Management Committee for review which were then presented to the Board after endorsement.

The Audit and Risk Management Committee has reviewed and is satisfied that the general nature and types of the ordinary course banking and financial services provided by the HSBC Group, ICBC (Asia), SCBHK and DBSHK in the year under review were of the types that are contemplated in the respective Waivers granted by the SFC and were of the nature and types that were entered into in the ordinary and usual course of business at arm's length on normal commercial terms and there were no material inconsistencies with the internal procedures of the Manager that should be drawn to the attention of the Unitholders.

The Audit and Risk Management Committee also confirms that, after review of the terms of all relevant connected party transactions (including the lease and corporate finance transactions), it is satisfied that all such connected party transactions entered into in the year under review:

- (i) were at arm's length on normal commercial terms;
- (ii) were in the ordinary and usual course of business of Link;
- (iii) are fair and reasonable; and
- (iv) are in the interests of the Unitholders.

## Confirmation by the Manager

The Board (including the Independent Non-Executive Directors) confirms that:

- (i) based on the information provided, and representations made, by the Trustee, it is satisfied with the internal controls and compliance procedures of the Trustee, which demonstrate that the Trustee's operations are run independently of other banking or financial functions or operations of the HSBC Group;
- (ii) the basis of the cap amount in relation to the corporate advisory transactions for the provision of corporate finance advice set out in the Waivers is fair and reasonable in light of Link's operations and unitholding structure, including the objectives and strategy of Link, the size, geographical and tenancy mix of its property portfolio and its management structure;
- (iii) the scope and terms of the Waivers are fair and reasonable, and in the best interests of the Unitholders; and
- (iv) the Manager is not bound to enter into corporate finance transactions with the HSBC Group despite of the Waivers granted.

## Continuation with the Waivers Granted without Unitholders' Approval

The Audit and Risk Management Committee has reviewed the terms of the Waivers. The Audit and Risk Management Committee and the full Board (including the Independent Non-Executive Directors) are satisfied that (on the basis of the terms of the Waivers and the internal controls and procedures in place) it is fair and reasonable and in the best interests of the Unitholders that the Waivers continue without Unitholders' approval.

## Link Together Initiatives

### Link Together Initiatives – Service Fund

Link Together Initiatives, the flagship charity and community engagement programme of Link, was established to support eligible charitable organisations in launching relevant service projects that benefit the communities near Link's properties. This programme is set up with the objective of advancing sustainable development in the communities that Link serves and furthering Link's vision of serving and improving the lives of the people around us. Every year, Link contributes an amount up to 0.25% of its net property income of the previous financial year to the programme. No awarded organisation will be granted a budget of more than 30% of the total granted funds.

Organisation	Project Category/ Name	Target Audience	# of Targeted Participants (approx.)	Total Funding Donated (HK\$)	Progress Update
1. Animals Asia Foundation Limited	Dr Dog Programme	Elderly	500	305,000	The project provides dog therapy visits to elderly care centres for deprived senior citizens aged 65 or above. It aims to improve their physical coordination and concentration as well as social interaction. To date, the organiser has reached out to over 1,500 elderly. Through petting the dogs and interacting with the volunteers and other participants during the visits, a higher degree of responsiveness and verbal communication were observed among these elderly. The organiser has been requested by the visited centres to schedule repeat visits.
2. Cha Duk Chang Children's Cantonese Opera Association Limited	Cha Duk Chang in 3 Generations	Children & Elderly	5,935	503,380	The project aims to cultivate the interest and understanding of Chinese culture among children and forge bonding between children and the elderly by learning Cantonese opera in an innovative and fun process. As of March 2016, the organiser has hosted 17 introductory workshops with over 3,000 participants, and will have a grand performance in September 2016.
3. Food For Good Limited	"Help the Aged, Teach the Young" – Link Fresh Market Surplus Food Donation Project	Elderly	280,240	1,320,700	With the purchase of its first refrigerator truck, the organiser collects surplus food at ten of Link's fresh markets in Tuen Mun and Kowloon East and redistributes to people in need. The surplus food will be used to produce 800 to 1,000 meal boxes daily once the Yau Tong community kitchen opens in May. Successful usage rate of the collected food has increased by nearly 100% with the aid of the refrigerator truck. The organiser also conducts a wider educational programme on waste reduction.
4. Hong Kong Guide Dogs Association Limited	Breeding and Caring of Guide Dog Litters and Public Education Programme	Social Inclusion	3,800	597,088	The Association established a local guide dog breeding programme which aims to enhance the supply of guide dogs and their service in Hong Kong. A qualified breeding female dog purchased from Australia arrived in Hong Kong in early April. The production of a public online education kit is in progress and a community outreach programme for schools is being carried out on a scheduled timeline.



Organisation	Project Category/ Name	Target Audience	# of Targeted Participants (approx.)	Total Funding Donated (HK\$)	Progress Update
5. Music Children Foundation Limited	Music Children @ Link	Children	3,600	522,678	The project enables underprivileged children to experience classical music via an interactive platform. The organiser has conducted four live music performances at Link's shopping centres. The children, together with invited musicians, performed on orchestral instruments staging a story-telling musical. Students and their parents were encouraged to participate as volunteers.
6. Playright Children's Play Association	Mobile Playborhood Project (Phase 3) – Playful and Happy Community	Children & Families	6,300	500,000	The project was launched in 2013. This year, the organiser enables more children to experience the fun of the service by moving the playground bases from Tin Shui Wai and Sau Mau Ping to Tseung Kwan O and Tuen Mun. More repeated visits by children and parents were observed and the bonding among users was stronger than before. Parents were encouraged to bring household items and toys to build the playborhood together. Young residents were also recruited as part-time workers and/or volunteers.
7. Youth Outreach	Street Transformers	Youth	2,284	400,000	This is the project's third year of service under the Initiatives. The project recruits new members to participate in the national hip-hop dance competition to be held this July in Beijing at Link's EC Mall. To date, the organiser recruited 51 new members. Ten groups totalling 54 members have been practicing for the dancing competition held in Hong Kong this April, after which the winning teams will enter the national competition in Beijing.

### Link Together Initiatives – Neighbourhood Project Fund

The Neighbourhood Project Fund was established during the 2015/16 year as a significant category under Link Together Initiatives. The purpose is to enable the wider reach and closer connection of Link with the public through programmes that cater to the specific needs of a district's local communities. A total of HK\$3.4 million was granted to 37 projects that were selected by a panel comprising 21 community leaders including District Council Chairmen and Vice-chairmen, District Council Members, representatives from District Offices and The Hong Kong Council of Social Service.

### Link Together Initiatives – Link First Generation University Student Scholarship

The Link First Generation University Student Scholarship was established during the 2015/2016 year under Link Together Initiatives. This programme supports first-year undergraduates who are the first university students from among three generations of their families to study at one of Hong Kong's universities. Each awardee receives a HK\$20,000 scholarship to realise their goals and plans for improving their learning environment and/or seeking further learning opportunities. During the 2015/2016 year, Link donated HK\$2 million to the Scholarship. A total of 100 students received scholarship grants via WiseGiving Charitable Trust.

### Link Together Initiatives – Link Barrier Free Shopping Centre Orienteering

To enhance public awareness of the importance of barrier-free access facilities for people with disabilities and the elderly, Link held its first Barrier Free Shopping Centre Orienteering event on 5 December 2015 at Stanley Plaza and Murray House. The Hong Kong Council of Social Service and the Hong Kong Joint Council for People with Disabilities co-organised the event, in observation and celebration of the International Day of Disabled Persons 2015. A total of HK\$0.44 million was allocated for this event.

# Trustee's Report

We hereby confirm that, in our opinion, the Manager of Link Real Estate Investment Trust has, in all material respects, managed Link Real Estate Investment Trust in accordance with the provisions of the Trust Deed dated 6 September 2005, as amended and supplemented by eleven supplemental deeds, for the financial year ended 31 March 2016.

**HSBC Institutional Trust Services (Asia) Limited**  
**in its capacity as the Trustee of Link Real Estate Investment Trust**

Hong Kong, 8 June 2016

# Independent Auditor's Report



羅兵咸永道

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LINK REAL ESTATE INVESTMENT TRUST

(a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

We have audited the consolidated financial statements of Link Real Estate Investment Trust (“**Link**”) and its subsidiaries (together, the “**Group**”) set out on pages 55 to 100, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of distributions, the consolidated statement of changes in equity and net assets attributable to Unitholders and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Manager's Responsibility for the Consolidated Financial Statements

The Manager of Link is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and is responsible for ensuring that the consolidated financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed dated 6 September 2005, as amended by the 11 Supplemental Deeds (the “**Trust Deed**”), and the relevant disclosure requirements set out in Appendix C of the Code on Real Estate Investment Trusts established by the Securities and Futures Commission of Hong Kong (the “**REIT Code**”), and for such internal control as the Manager determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to the Unitholders, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

## Independent Auditor's Report continued

### Auditor's Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of Link, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the relevant provisions of the Trust Deed and the relevant disclosure requirements set out in Appendix C of the REIT Code.

### **PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 8 June 2016

# Consolidated Income Statement

For the year ended 31 March 2016

	Note	2016 HK\$'M	2015 HK\$'M
<b>Revenue</b>	6	<b>8,740</b>	7,723
Property operating expenses	8	<b>(2,227)</b>	(2,054)
Net property income		<b>6,513</b>	5,669
General and administrative expenses		<b>(368)</b>	(437)
Change in fair values of investment properties	15	<b>11,263</b>	22,699
<b>Operating profit</b>	9	<b>17,408</b>	27,931
Interest income		<b>6</b>	32
Finance costs	10	<b>(508)</b>	(359)
Gains on disposals of investment properties		<b>396</b>	445
Profit before taxation and transactions with Unitholders		<b>17,302</b>	28,049
Taxation	12	<b>(953)</b>	(819)
<b>Profit for the year, before transactions with Unitholders</b>		<b>16,349</b>	27,230
Distributions paid to Unitholders:			
– 2015 final distribution		<b>(2,138)</b>	–
– 2016 interim distribution		<b>(2,230)</b>	–
– 2014 final distribution		–	(1,976)
– 2015 interim distribution		–	(2,054)
		<b>11,981</b>	23,200
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back		<b>11,404</b>	23,217
Amount arising from cash flow hedging reserve and exchange reserve movements	26	<b>523</b>	(17)
Non-controlling interest		<b>54</b>	–
		<b>11,981</b>	23,200
Profit for the year, before transactions with Unitholders attributable to			
– Unitholders (Note (i))	13	<b>16,295</b>	27,230
– Non-controlling interest		<b>54</b>	–

The notes on pages 61 to 100 are an integral part of these consolidated financial statements.

## Notes:

- (i) Earnings per unit, based upon profit after taxation and before transactions with Unitholders attributable to Unitholders and the weighted average number of units in issue, is set out in Note 13 to the consolidated financial statements.
- (ii) Total Distributable Income (as defined in the Trust Deed constituting Link Real Estate Investment Trust) is determined in the consolidated statement of distributions. The final distribution declared in respect of this year as set out in the consolidated statement of distributions will be paid to Unitholders on 7 July 2016.

# Consolidated Statement of Comprehensive Income

For the year ended 31 March 2016

	Before transactions with Unitholders HK\$'M	Transactions with Unitholders (Note (i)) HK\$'M	After transactions with Unitholders (Note (ii)) HK\$'M	Non-controlling interest HK\$'M	Total HK\$'M
<b>For the year ended 31 March 2016</b>					
Profit for the year	16,295	(15,772)	523	54	577
Other comprehensive income					
Items that may be reclassified subsequently to the consolidated income statement					
– Cash flow hedging reserve	(299)	–	(299)	–	(299)
– Exchange reserve	(224)	–	(224)	–	(224)
<b>Total comprehensive income for the year</b>	<b>15,772</b>	<b>(15,772)</b>	<b>–</b>	<b>54</b>	<b>54</b>

For the year ended 31 March 2015

Profit for the year	27,230	(27,247)	(17)	–	(17)
Other comprehensive income					
Item that may be reclassified subsequently to the consolidated income statement					
– Cash flow hedging reserve	17	–	17	–	17
<b>Total comprehensive income for the year</b>	<b>27,247</b>	<b>(27,247)</b>	<b>–</b>	<b>–</b>	<b>–</b>

The notes on pages 61 to 100 are an integral part of these consolidated financial statements.

Notes:

- (i) Transactions with Unitholders comprise the distributions to Unitholders of HK\$4,368 million (2015: HK\$4,030 million) and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, of HK\$11,404 million (2015: HK\$23,217 million).
- (ii) In accordance with the Trust Deed, Link Real Estate Investment Trust is required to distribute to Unitholders not less than 90% of Total Distributable Income for each financial year. The trust also has a limited life of 80 years from the date of establishment. Accordingly, the units contain contractual obligations of the trust to pay to its Unitholders cash distributions and also upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of the trust less any liabilities, in accordance with their proportionate interests in the trust at the date of the termination. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with Hong Kong Accounting Standard 32: Financial Instruments: Presentation. Consistent with Unitholders' funds being classified as a financial liability, the distributions to Unitholders and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, are finance costs. Accordingly, the total comprehensive income, after the transactions with Unitholders, is zero.



# Consolidated Statement of Distributions

For the year ended 31 March 2016

	Note	2016 HK\$'M	2015 HK\$'M
<b>Profit for the year, before transactions with Unitholders attributable to Unitholders</b>		<b>16,295</b>	27,230
Adjustments:			
– Change in fair values of investment properties attributable to Unitholders		<b>(11,209)</b>	(22,699)
– Deferred taxation on change in fair values of investment properties attributable to Unitholders		<b>24</b>	–
– Other non-cash income		<b>(101)</b>	(46)
– Depreciation charge on investment properties under China Accounting Standards		<b>(67)</b>	–
– Gains on disposals of investment properties, net of transaction costs		<b>(375)</b>	(421)
<b>Total Distributable Income</b> (Note (i))		<b>4,567</b>	4,064
<b>Discretionary distribution</b> (Note (ii))		<b>67</b>	128
<b>Total Distributable Amount</b>		<b>4,634</b>	4,192
Interim distribution, paid		<b>2,230</b>	2,054
Final distribution, to be paid to the Unitholders		<b>2,404</b>	2,138
Total distributions for the year (Note (iii))		<b>4,634</b>	4,192
Total Distributable Amount as a percentage of Total Distributable Income		<b>101%</b>	103%
Units in issue at 31 March	25	<b>2,243,148,136</b>	2,291,770,269
Distributions per unit to Unitholders:			
– Interim distribution per unit, paid (Note (iv))		<b>HK98.99 cents</b>	HK89.56 cents
– Final distribution per unit, to be paid to the Unitholders (Note (v))		<b>HK107.19 cents</b>	HK93.28 cents
Distribution per unit for the year		<b>HK206.18 cents</b>	HK182.84 cents

The notes on pages 61 to 100 are an integral part of these consolidated financial statements.

Notes:

- (i) Under the terms of the Trust Deed, the Total Distributable Income is the consolidated profit after taxation attributable to Unitholders (equivalent to profit for the year, before transactions with Unitholders attributable to Unitholders) adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the consolidated income statement for the relevant year. Link Real Estate Investment Trust is required to ensure that the total amount distributed to Unitholders as distributions for each financial year shall be no less than 90% of Total Distributable Income, plus at its discretion, any other additional amount that the Manager determines is distributable (i.e. Total Distributable Amount). The Manager has decided to distribute 100% (2015: 100%) of Total Distributable Income as the distribution for the year ended 31 March 2016.
- (ii) Discretionary distribution refers to any additional amount to be distributed as determined by the Manager pursuant to clause 13.4 of the Trust Deed. The Manager recommended a discretionary distribution relating to the adjustment for depreciation charge on investment properties under China Accounting Standards during the year as part of the distribution. For the year ended 31 March 2015, the discretionary distribution was related to the transaction costs incurred for the acquisition of an investment property during the year.
- (iii) The interim distribution was paid to Unitholders on 4 December 2015. The final distribution will be paid to Unitholders on 7 July 2016.
- (iv) The interim distribution per unit of HK98.99 cents for the six months ended 30 September 2015 is calculated based on the interim distribution of HK\$2,230 million for the period and 2,252,468,136 units in issue as at 30 September 2015. The interim distribution per unit of HK89.56 cents for the six months ended 30 September 2014 was calculated based on the interim distribution of HK\$2,054 million for the period and 2,293,242,269 units in issue as at 30 September 2014.
- (v) The final distribution per unit of HK107.19 cents for the year ended 31 March 2016 is calculated based on the final distribution to be paid to the Unitholders of HK\$2,404 million for the second half of the financial year and 2,243,148,136 units in issue as at 31 March 2016. The final distribution per unit of HK93.28 cents for the year ended 31 March 2015 was calculated based on the final distribution of HK\$2,138 million for the period and 2,291,770,269 units in issue as at 31 March 2015.

# Consolidated Statement of Financial Position

As at 31 March 2016

	Note	2016 HK\$'M	2015 HK\$'M
<b>Non-current assets</b>			
Goodwill	14	487	384
Investment properties	15	157,612	138,383
Property, plant and equipment	16	76	72
Derivative financial instruments	22	158	162
Other non-current assets		1,095	316
		<b>159,428</b>	139,317
<b>Current assets</b>			
Investment properties held for sale	15	3,060	–
Trade and other receivables	17	435	312
Deposits and prepayments		74	67
Derivative financial instruments	22	1	–
Short-term bank deposits	18	118	1,215
Cash and cash equivalents	18	336	2,233
		<b>4,024</b>	3,827
<b>Total assets</b>		<b>163,452</b>	143,144
<b>Current liabilities</b>			
Trade payables, receipts in advance and accruals	19	1,643	1,433
Security deposits		1,410	1,173
Provision for taxation		252	240
Current portion of long-term incentive plan provision	20	63	77
Interest bearing liabilities	21	959	1,940
Derivative financial instruments	22	60	17
		<b>4,387</b>	4,880
<b>Net current liabilities</b>		<b>363</b>	1,053
<b>Total assets less current liabilities</b>		<b>159,065</b>	138,264
<b>Non-current liabilities, excluding net assets attributable to Unitholders</b>			
Long-term incentive plan provision	20	36	43
Interest bearing liabilities	21	25,965	15,130
Derivative financial instruments	22	402	96
Deferred tax liabilities	23	2,202	1,957
Other non-current liabilities	24	3,019	2,932
		<b>31,624</b>	20,158
<b>Total liabilities, excluding net assets attributable to Unitholders</b>		<b>36,011</b>	25,038
<b>Non-controlling interest</b>		<b>54</b>	–
<b>Net assets attributable to Unitholders</b>		<b>127,387</b>	118,106
Units in issue	25	2,243,148,136	2,291,770,269
Net assets per unit attributable to Unitholders		<b>HK\$56.79</b>	HK\$51.53

The notes on pages 61 to 100 are an integral part of these consolidated financial statements.

On behalf of the Board of Directors of  
Link Asset Management Limited, as manager of Link Real Estate Investment Trust

# Consolidated Statement of Changes in Equity and Net Assets Attributable to Unitholders

For the year ended 31 March 2016

	Note	Net assets attributable to Unitholders HK\$'M	Total reserves HK\$'M	Non-controlling interest HK\$'M
At 1 April 2015		118,106	580	–
Issuance of units under long-term incentive plan		74	–	–
Units bought back for cancellation		(2,197)	–	–
Profit for the year ended 31 March 2016, before transactions with Unitholders		16,295	–	54
Distributions paid to Unitholders				
– 2015 final distribution		(2,138)	–	–
– 2016 interim distribution		(2,230)	–	–
Change in fair values of cash flow hedges	26	–	(386)	–
Amount transferred to the consolidated income statement	26	–	87	–
Exchange loss on translation of financial statements	26	–	(224)	–
Amount arising from cash flow hedging reserve and exchange reserve movements	26	(523)	523	–
Change in net assets attributable to Unitholders and non-controlling interest for the year ended 31 March 2016, excluding issues of new units and units bought back		11,404	–	54
<b>At 31 March 2016</b>		<b>127,387</b>	<b>580</b>	<b>54</b>
At 1 April 2014		96,351	–	–
Non-controlling interest put option obligation		(580)	580	–
Issuance of units under long-term incentive plan		74	–	–
Units bought back for cancellation		(956)	–	–
Profit for the year ended 31 March 2015, before transactions with Unitholders		27,230	–	–
Distributions paid to Unitholders				
– 2014 final distribution		(1,976)	–	–
– 2015 interim distribution		(2,054)	–	–
Change in fair values of cash flow hedges	26	–	(35)	–
Amount transferred to the consolidated income statement	26	–	52	–
Amount arising from cash flow hedging reserve movement	26	17	(17)	–
Change in net assets attributable to Unitholders and non-controlling interest for the year ended 31 March 2015, excluding issues of new units and units bought back		23,217	–	–
At 31 March 2015		118,106	580	–

The notes on pages 61 to 100 are an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

For the year ended 31 March 2016

	Note	2016 HK\$'M	2015 HK\$'M
<b>Operating activities</b>			
<b>Net cash generated from operating activities</b>	27(a)	<b>5,682</b>	4,853
<b>Investing activities</b>			
Acquisition of businesses	28	(9,819)	(1,380)
Acquisition of an investment property under development		–	(5,860)
Deposits for acquisitions		(1,095)	(316)
Additions to investment properties		(1,457)	(1,038)
Proceeds from disposal of investment properties		1,716	2,956
Additions to property, plant and equipment		(18)	(25)
Interest income received		14	34
Decrease in short-term bank deposits with original maturity of more than three months		1,097	1,019
<b>Net cash used in investing activities</b>		<b>(9,562)</b>	(4,610)
<b>Financing activities</b>			
Proceeds from interest bearing liabilities, net of transaction costs		20,587	10,217
Repayment of interest bearing liabilities		(11,488)	(5,780)
Increase in amount due to non-controlling interest		26	2,344
Interest expenses paid on interest bearing liabilities		(573)	(365)
Distributions paid to Unitholders		(4,368)	(4,030)
Units bought back for cancellation		(2,197)	(956)
<b>Net cash generated from financing activities</b>		<b>1,987</b>	1,430
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,893)</b>	1,673
Cash and cash equivalents at 1 April		2,233	560
Effect on exchange rate changes on cash and cash equivalents		(4)	–
<b>Cash and cash equivalents at 31 March</b>		<b>336</b>	2,233

The notes on pages 61 to 100 are an integral part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

## 1 Corporate Information

Link Real Estate Investment Trust (“**Link**”) is a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Link is governed by a trust deed entered into on 6 September 2005 (as amended and supplemented by 11 Supplemental Deeds dated 4 November 2005, 8 November 2005, 16 January 2006, 21 November 2006, 13 July 2007, 23 July 2007, 5 October 2009, 23 July 2010, 25 July 2012, 18 February 2014 and 15 January 2015) (together the “**Trust Deed**”).

The principal activity of Link and its subsidiaries (the “**Group**”) is investing in real estate (other than real estate of a residential, hotel or serviced apartment nature) and undertaking property development and related activities in respect of all types of developments that contain retail and/or commercial portions. The addresses of the registered offices of the Manager, Link Asset Management Limited, and the Trustee, HSBC Institutional Trust Services (Asia) Limited, are 33/F., AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong and 1 Queen’s Road Central, Hong Kong, respectively.

## 2 Basis of Preparation

### (a) STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”), the requirements of the Trust Deed and the relevant disclosure requirements as set out in Appendix C of the Code on Real Estate Investment Trusts (the “**REIT Code**”) issued by the Securities and Futures Commission of Hong Kong. HKFRSs is a collective term which includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

As at 31 March 2016, the Group’s current liabilities exceeded its current assets. The Group considers that its liquidity and financial position as a whole is healthy and it has a reasonable expectation that the Group has adequate resources to meet its liabilities and commitments as and when they fall due and to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the consolidated financial statements.

### (b) ACCOUNTING CONVENTION

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments, investment properties and non-controlling interest put option obligation, which are stated at fair values as explained in the significant accounting policies set out in Note 3.

### (c) ADOPTION OF NEW AND REVISED HKFRSs

For the year ended 31 March 2016, the Group has adopted all the amendments that are currently in issue and effective.

## Notes to the Consolidated Financial Statements continued

**2 Basis of Preparation (Continued)****(c) ADOPTION OF NEW AND REVISED HKFRSs (Continued)**

HKAS 19 (2011) Amendments	Defined Benefit Plans: Employee Contributions
Annual Improvements to HKFRSs 2010 – 2012 Cycle	
Annual Improvements to HKFRSs 2011 – 2013 Cycle	

The adoption of these amendments has not had any significant effect on the accounting policies or results reported and financial position of the Group.

The following new standards and amendments, which have been published but are not yet effective, have not been early adopted in the consolidated financial statements. These are effective for the Group's accounting periods beginning on or after 1 April 2016.

HKAS 1 Amendments	Disclosure Initiative <sup>(1)</sup>
HKAS 16 and HKAS 38 Amendments	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>(1)</sup>
HKAS 16 and HKAS 41 Amendments	Agriculture: Bearer Plants <sup>(1)</sup>
HKAS 27 Amendments	Equity Method in Separate Financial Statements <sup>(1)</sup>
HKAS 28 (2011) and HKFRS 10 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>(4)</sup>
HKAS 28 (2011), HKFRS 10 and HKFRS 12 Amendments	Investment Entities: Applying the Consolidation Exception <sup>(1)</sup>
HKFRS 9 (2014)	Financial Instruments <sup>(2)</sup>
HKFRS 11 Amendments	Accounting for Acquisitions of Interests in Joint Operations <sup>(1)</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>(1)</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>(2)</sup>
HKFRS 16	Leases <sup>(3)</sup>
Annual Improvements to HKFRSs 2012 – 2014 Cycle <sup>(1)</sup>	

<sup>(1)</sup> effective for accounting periods beginning on or after 1 January 2016

<sup>(2)</sup> effective for accounting periods beginning on or after 1 January 2018

<sup>(3)</sup> effective for accounting periods beginning on or after 1 January 2019

<sup>(4)</sup> no mandatory effective date is determined yet but early application is permitted

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Manager has concluded that while the adoption of the new or revised HKFRSs may result in new or amended disclosures, these are unlikely to have a significant impact on the Group's reported results of operations and financial position.



### 3 Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

#### (a) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of Link and all its subsidiaries as at 31 March 2016 and their results for the year then ended.

Subsidiaries are entities, including structured entities, over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Where the Group enters into a contract that contains an obligation (for example a written put option exercisable by the contract counterparty) to acquire shares in a partly-owned subsidiary company from the non-controlling interest, which is not part of a business combination, the Group records a financial liability for the present value of the redemption amount with a corresponding charge directly to equity. Changes to the value of the financial liability are recognised in the consolidated income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the units issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed in the consolidated income statement during the period in which they are incurred.

#### (b) SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged either in providing a particular type of service (operating segment), or in providing services within a particular economic environment (geographical segment), and which is subject to risks and rewards that are different from those of other segments. Consistent with the Group's internal financial reporting to the Manager, being the chief operating decision maker, for the purpose of making decisions about allocating resources and assessing performance, segment assets consist primarily of tangible assets and receivables and segment liabilities mainly comprise operating liabilities.

## Notes to the Consolidated Financial Statements continued

### 3 Summary of Significant Accounting Policies (Continued)

#### (c) FOREIGN CURRENCY TRANSLATION

##### (i) Functional and presentation currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in millions of Hong Kong Dollars, which is the functional currency of Link and the Group's presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

##### (iii) Group companies

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position of the Group's entities are translated at the reporting date closing rate;
- income and expenditures for each income statement of the Group's entities are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenditures are translated at the rates on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the reporting date closing rate. Currency translation differences arising are recognised in other comprehensive income.

#### (d) INVESTMENT PROPERTIES

A property that is held for long-term rental yields or for capital appreciation or both, is classified as an investment property. It also includes properties that are being constructed or developed for future use as investment properties.

Investment property comprises land held under government leases and treated under finance lease and buildings held under finance leases.

An investment property is measured initially at its cost, including related transaction costs.

After initial recognition, an investment property is carried at fair value, representing open market value determined at each reporting date. The carrying value of the investment property is reviewed every six months and is independently valued by external valuers at least annually.

Any gain or loss arising on disposal of the investment property (calculated as the difference between the disposal proceeds and the carrying amount, including revaluation, of the asset) is recognised in the consolidated income statement in the period in which the investment property is disposed of.

Changes in fair values of the investment properties are recognised in the consolidated income statement.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed in the consolidated income statement during the period in which they are incurred.

### 3 Summary of Significant Accounting Policies (Continued)

#### (e) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed in the consolidated income statement during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost less estimated residual value less accumulated impairment losses over the shorter of the estimated useful lives or their lease terms (if applicable), as follows:

Leasehold improvements	5 years
Equipment	3 to 5 years
Motor vehicles	5 years

An asset's residual value and useful life are reviewed and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount, as an impairment loss.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised in the consolidated income statement.

#### (f) TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the consolidated income statement.

#### (g) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

#### (h) GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill on business combinations is stated as a separate asset. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

#### (i) UNITHOLDERS' FUNDS AS A FINANCIAL LIABILITY

In accordance with the Trust Deed, Link is required to distribute to Unitholders not less than 90% of the Group's Total Distributable Income for each financial year. The trust also has a limited life of 80 years from the date of establishment. Accordingly, the units contain contractual obligations of the trust to pay to its Unitholders cash distributions and also upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of the trust less any liabilities, in accordance with their proportionate interests in the trust at the date of the termination. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with HKAS 32: Financial Instruments: Presentation. This liability is shown on the consolidated statement of financial position as the net assets attributable to Unitholders. Distributions to Unitholders are recognised in the consolidated income statement.

## Notes to the Consolidated Financial Statements continued

**3 Summary of Significant Accounting Policies (Continued)****(j) TRADE PAYABLES AND PROVISIONS****(i) Trade payables**

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**(ii) Provisions**

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where a provision is expected to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**(k) OPERATING LEASES**

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Details of the recognition of operating lease rental income are set out in Note 3(o)(i) below.

**(l) CURRENT AND DEFERRED TAXATION**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxation is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax liability or deferred tax asset arising from investment property is determined based on the presumption that the carrying amount of such investment property will be recovered through sale with the corresponding tax rate applied.

**(m) INTEREST BEARING LIABILITIES**

Interest bearing liabilities are recognised initially at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the instrument using the effective interest method.

### 3 Summary of Significant Accounting Policies (Continued)

#### (n) IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets are reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

#### (o) REVENUE RECOGNITION

##### (i) Rentals from retail and commercial properties

Operating lease rental income is recognised on a straight-line basis over the term of the lease agreement. Contingent rental income (representing income over and above base rent) such as turnover rent, is recognised according to the terms of the lease agreements when the amount can be reliably measured, in the accounting period in which it is earned. Lease incentives provided, such as rent-free periods, are amortised on a straight-line basis and are recognised as a reduction of rental income over the respective term of the lease.

##### (ii) Rentals from car parks

Rentals from car parks are recognised as revenue on an accrual basis.

##### (iii) Service fees and charges

Service fees and charges such as air conditioning income arising from the provision of services are recognised when such services are rendered.

##### (iv) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

#### (p) EXPENDITURE

Expenditures, including property related outgoings and other expenses, are recognised on an accrual basis.

#### (q) EMPLOYEE BENEFITS

Employee benefits such as wages, salaries and bonuses are recognised as an expense when the employee has rendered the service.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave. The employer's contributions to the Mandatory Provident Fund for employees are expensed as incurred.

#### (r) EMPLOYEES' LONG-TERM INCENTIVE PLAN

Incentives in the form of a long-term incentive plan are provided to eligible employees (including directors).

Employee services rendered in exchange for the grant of the long-term incentive plan awards are recognised as an expense, with a corresponding increase in the liability incurred. This expense is charged to the consolidated income statement over the vesting periods. Until the liability is settled, the value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in value recognised in the consolidated income statement for the year. At each reporting date, estimates of the number of long-term incentive plan awards that are expected to vest will be revised and the impact of the revision is recognised in the consolidated income statement. The carrying value of the long-term incentive plan awards is reviewed every six months and is independently valued by external valuers at least annually. If the awards do not vest on the vesting dates, the amounts charged to the consolidated income statement will be written back.

## Notes to the Consolidated Financial Statements continued

**3 Summary of Significant Accounting Policies (Continued)****(s) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES**

A derivative is initially recognised at fair value on the date a derivative contract is entered into and is subsequently re-measured at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

**(i) Cash flow hedge**

Hedging relationships are classified as cash flow hedges when such relationships are used to hedge against exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability and such variability could affect profit or loss.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The changes in the fair value of the effective portion of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and deferred in a cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated income statement.

Amounts accumulated in hedging reserve are transferred to the consolidated income statement in the periods when the hedged item affects earnings. However, when the highly probable forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in cash flow hedging reserve are transferred from hedging reserve and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the cash flow hedging reserve at that time shall remain in hedging reserve and is recognised when the forecast transaction is ultimately recognised in the consolidated income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserve is immediately transferred to the consolidated income statement.

**(ii) Fair value hedge**

Derivatives designated as hedging instruments to hedge the fair value of recognised assets or liabilities may qualify as fair value hedges.

The Group uses interest rate swap contracts to hedge its exposure to variability in fair values of recognised liabilities against changes in market interest rates.

The Group uses cross currency swap contracts to hedge its exposure to variability in fair value of recognised foreign currency liabilities against changes in foreign currency exchange rates and market interest rates. The changes in fair values of the cross currency swap contracts are recognised directly in the consolidated income statement.

Changes in the fair values of these derivative contracts, together with the changes in the fair values of the hedged liabilities attributable to the hedged risk are recognised in the consolidated income statement as finance costs on interest bearing liabilities. At the same time the carrying amounts of the hedged liabilities in the consolidated statement of financial position are adjusted for the changes in fair values.

**(t) BORROWING COSTS**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.



## 4 Financial Risk Management

### (a) FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk.

Risk management is carried out by the Manager. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments such as interest rate swap contracts and cross currency swap contracts to manage financial risk.

#### (i) Market risk

##### (A) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes in interest bearing liabilities and assets. The risks can be separated into cash flow interest rate risk and fair value interest rate risk.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swap contracts. Such interest rate swap contracts have the economic effect of converting borrowings from floating rates to fixed rates.

Fair value interest rate risk is the risk that the values of financial liabilities will fluctuate because of changes in market interest rates. The Group manages its fair value interest rate risk by entering into interest rate swap contracts which have the economic effect of converting borrowings from fixed rates to floating rates.

As at 31 March 2016, if interest rates on floating rate interest bearing liabilities net of floating rate interest bearing assets had been 100 basis points higher/lower with all other variables held constant, profit for the year, before transactions with Unitholders, would have been HK\$78 million (2015: HK\$25 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. As at 31 March 2016, if interest rates had been 100 basis points higher/lower, the hedging reserve would have been HK\$130/246 million (2015: HK\$36/37 million) higher/lower mainly as a result of an increase/decrease in the fair values of the cash flow hedges as described above.

##### (B) Currency risk

Currency risk arises on account of monetary assets and liabilities denominated in a currency that is not the functional currency.

The Group has certain investments in Mainland China, whose net assets are exposed to foreign currency translation risk. This gave rise to an unrealised loss of approximately HK\$224 million (2015: Nil) on translation of these operations' net assets to the Group's Hong Kong Dollar reporting currency, which is reflected as a movement in reserves under the heading of exchange reserve.

The Group has medium term notes denominated in Australian Dollars and United States Dollars. It uses cross currency swap contracts to hedge its exposure against changes in the Australian Dollars and United States Dollars exchange rates, management therefore considers that there are no significant currency risk with respect to Australian Dollars and United States Dollars. As at 31 March 2016, the Hong Kong Dollars equivalents of the Australian Dollars and United States Dollars medium term notes stand at HK\$148 million (2015: HK\$146 million) and HK\$3,857 million (2015: HK\$3,905 million), respectively.

## Notes to the Consolidated Financial Statements continued

**4 Financial Risk Management (Continued)****(a) FINANCIAL RISK FACTORS (Continued)****(ii) Credit risk**

Credit risk arises from the potential failure of the Group's counterparties to meet their obligations under financial contracts. The Group is exposed to credit risk on its cash and cash equivalents and deposits with banks and financial institutions, derivative financial instruments as well as trade receivables.

Credit risk is managed on a group basis. The Group manages its deposits with banks and financial institutions by limiting the level of deposits to be placed with any counterparties. Deposits placed with any individual counterparty cannot exceed a pre-defined limit assigned to the individual counterparty. As at 31 March 2016, all deposits were placed with financial institutions with external credit ratings of no less than "BBB+".

In respect of credit exposures to tenants, credit risk exposure is minimised by undertaking transactions with a large number of counterparties and conducting credit reviews on prospective tenants. The Group also has policies in place to ensure that rental security deposits are required from tenants prior to commencement of leases. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group regularly reviews the recoverable amount of each individual trade receivable to ensure that adequate provision for impairment losses is made for irrecoverable amounts. The Group has no significant concentrations of credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. The Group's exposure to credit risk arising from trade receivables amounted to HK\$92 million (2015: HK\$95 million) and is set out in Note 17. The Group's exposure to credit risk arising from bank deposits amounted to HK\$454 million (2015: HK\$3,447 million) and is set out in Note 18. The Group's exposure to credit risk arising from derivative financial instruments amounted to HK\$159 million (2015: HK\$162 million) and is set out in Note 22.

**(iii) Liquidity risk**

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from committed credit facilities and operating cashflow.

The Group has cash and cash equivalents and short-term bank deposits of HK\$454 million (2015: HK\$3,448 million) as at 31 March 2016. In addition to the cash resources, the Group has total available borrowing facilities amounting to HK\$34,625 million (2015: HK\$20,040 million), of which HK\$27,045 million (2015: HK\$17,055 million) was drawn as at 31 March 2016. The undrawn committed facilities, in the form of bank loans, totalled HK\$7,580 million (2015: HK\$2,985 million) as at 31 March 2016.

As at 31 March 2016, the Group's current liabilities exceeded its current assets by HK\$363 million (2015: HK\$1,053 million). The Group will continue to monitor market conditions to assess the possibility of arranging longer term refinancing at favourable rates and extending the maturity profile of its debts.

## 4 Financial Risk Management (Continued)

### (a) FINANCIAL RISK FACTORS (Continued)

#### (iii) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows which comprise both interest and principal cash flows.

	Less than 1 year HK\$'M	Between 1 and 2 years HK\$'M	Between 2 and 5 years HK\$'M	Over 5 years HK\$'M
<b>At 31 March 2016</b>				
Interest bearing liabilities	1,641	890	16,184	12,104
Trade payables and accruals	1,423	–	–	–
Security deposits	529	385	409	87
Unitholders' funds	–	–	–	127,387
Amount due to non-controlling interest	–	–	–	2,812
Non-controlling interest put option obligation	–	–	–	903
Derivative financial instruments (net settled)	145	93	140	94
<b>At 31 March 2015</b>				
Interest bearing liabilities	2,384	3,920	4,693	9,195
Trade payables and accruals	1,250	–	–	–
Security deposits	446	311	355	61
Unitholders' funds	–	–	–	118,106
Amount due to non-controlling interest	–	–	–	2,828
Non-controlling interest put option obligation	–	–	–	980
Derivative financial instruments (net settled)	27	70	5	13

### (b) CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst seeking to maximise benefits to Unitholders.

The Group monitors capital on a regular basis and observes the REIT Code's maximum gearing ratio of 45%. This ratio is calculated as total borrowings (including current and non-current borrowings) divided by total asset value as shown in the consolidated statement of financial position.

	2016 HK\$'M	2015 HK\$'M
Interest bearing liabilities (Note 21)	26,924	17,070
Total asset value	163,452	143,144
Gearing ratio	16.5%	11.9%

## Notes to the Consolidated Financial Statements continued

**4 Financial Risk Management (Continued)****(c) FAIR VALUE ESTIMATION****(i) Fair value hierarchy**

HKFRS 13 requires disclosure of fair value measurement by three levels of fair value measurement hierarchy. The following table presents the Group's assets and liabilities that are measured at fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	Level 1 HK\$'M	Level 2 HK\$'M	Level 3 HK\$'M	Total HK\$'M
<b>At 31 March 2016</b>				
Assets				
Investment properties	–	–	160,672	160,672
Derivative financial instruments	–	159	–	159
<b>Total assets</b>	<b>–</b>	<b>159</b>	<b>160,672</b>	<b>160,831</b>
Liabilities				
Derivative financial instruments	–	462	–	462
Non-controlling interest put option obligation	–	–	580	580
<b>Total liabilities</b>	<b>–</b>	<b>462</b>	<b>580</b>	<b>1,042</b>
<b>At 31 March 2015</b>				
Assets				
Investment properties	–	–	138,383	138,383
Derivative financial instruments	–	162	–	162
<b>Total assets</b>	<b>–</b>	<b>162</b>	<b>138,383</b>	<b>138,545</b>
Liabilities				
Derivative financial instruments	–	113	–	113
Non-controlling interest put option obligation	–	–	580	580
<b>Total liabilities</b>	<b>–</b>	<b>113</b>	<b>580</b>	<b>693</b>

There were no transfers between these three levels during the year (2015: Nil).

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

## 4 Financial Risk Management (Continued)

### (c) FAIR VALUE ESTIMATION (Continued)

#### (ii) Fair value disclosure

The carrying values less impairment provision of trade receivables and the carrying values of trade payables, accruals, bank deposits and short-term interest bearing liabilities are a reasonable approximation of their fair values due to their short-term maturities.

The fair values of long-term interest bearing liabilities are based on market prices or are estimated by using the expected future payments discounted at market interest rates.

## 5 Critical Accounting Estimates and Judgements

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in the process of applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

### (a) INVESTMENT PROPERTIES

The fair value of each investment property is individually determined at each reporting date by independent valuers based on a market value assessment. The valuers have relied on the discounted cash flow analysis, income capitalisation approach and residual approach as their primary methods, cross-referenced to the direct comparison method. Details of the valuation techniques and assumptions have been disclosed in Note 15.

### (b) FINANCIAL INSTRUMENTS

In estimating the fair value of its financial instruments, the Group uses valuation techniques such as dealer quotes and discounted cash flows. The Group also makes assumptions that are based on market conditions existing at each reporting date.

### (c) LONG-TERM INCENTIVE PLAN VALUATION

The value of awards granted is estimated based on valuation techniques. The valuations are based on various assumptions on future unit prices, outstanding length of the awards and distribution pay-out rates, which management considers as representing the best estimate of the value of the liability for such awards at the reporting date. The carrying value of the long-term incentive plan awards is reviewed every six months and is independently valued by external valuers at least annually.

## Notes to the Consolidated Financial Statements continued

**5 Critical Accounting Estimates and Judgements (Continued)****(d) NON-CONTROLLING INTEREST PUT OPTION OBLIGATION**

The fair value of the non-controlling interest put option obligation is determined at each reporting date by independent valuers based on a market value assessment. The valuers have used discounted cash flow as the valuation technique. The valuation is based on various assumptions, including the estimated fair value of the equity interests of the non-wholly owned subsidiary at the expected time of exercise of the put option, the expected time of exercise itself, the cash flow and the discount rate used. Details of the valuation technique and assumptions have been disclosed in Note 24.

**(e) GOODWILL**

Goodwill is recorded as a separate asset and it is subject to an annual impairment test. The tests undertaken as at 31 March 2015 and 2016 indicated that no impairment provision was necessary.

For the purposes of impairment tests, the recoverable amount of goodwill is determined based on the cash flow projections inherent in the valuation of investment properties by the principal valuer. Judgement was required to determine key assumptions for adoption in the cash flow projections, such as income and expenditure growth rates, discount rate, income capitalisation rate, etc. The income and expenditure growth rates were driven by the forecast occupancy rate, reversion rate, progress on asset enhancement projects and inflation. The discount rate and income capitalisation rates stated in Note 15 were used in the cash flow projections. Changes to these key assumptions can significantly affect the cash flow projections and therefore the results of the impairment tests.

**6 Revenue**

Revenue recognised during the year comprise:

	<b>2016</b> <b>HK\$'M</b>	2015 HK\$'M
Rentals		
– Retail and commercial properties	<b>6,506</b>	5,711
– Car parks	<b>1,846</b>	1,656
	<b>8,352</b>	7,367
Other revenue		
– Air conditioning service fees	<b>356</b>	337
– Other property related revenue	<b>32</b>	19
	<b>388</b>	356
<b>Total revenue</b>	<b>8,740</b>	7,723

Leases with tenants provide for monthly base rent and recovery of certain outgoings. Additional rents based on business turnover amounted to HK\$149 million (2015: HK\$169 million) and have been included in the rental income.



## 7 Segment Information

	Retail properties HK\$'M	Car parks HK\$'M	Others HK\$'M	Total HK\$'M
<b>For the year ended 31 March 2016</b>				
Revenue	6,699	1,850	191	8,740
Segment results	5,033	1,328	(216)	6,145
Change in fair values of investment properties	7,006	3,999	258	11,263
Interest income				6
Finance costs				(508)
Gains on disposals of investment properties				396
Profit before taxation and transactions with Unitholders				17,302
Taxation				(953)
Profit for the year, before transactions with Unitholders				16,349
Capital expenditure	5,331	114	7,149	12,594
Depreciation	–	–	(22)	(22)
<b>As at 31 March 2016</b>				
Segment assets	118,981	28,943	14,428	162,352
Goodwill				487
Derivative financial instruments				159
Short-term bank deposits				118
Cash and cash equivalents				336
Total assets				163,452
Segment liabilities	2,252	195	606	3,053
Provision for taxation				252
Long-term incentive plan provision				99
Interest bearing liabilities				26,924
Derivative financial instruments				462
Deferred tax liabilities				2,202
Other non-current liabilities				3,019
Total liabilities, excluding net assets attributable to Unitholders				36,011
Non-controlling interest				54
Net assets attributable to Unitholders				127,387

For the year ended 31 March 2016, revenue of HK\$421 million (2015: Nil) is attributable to external customers from Mainland China and HK\$8,319 million (2015: HK\$7,723 million) is attributable to external customers from Hong Kong.

As at 31 March 2016, non-current assets of HK\$11,099 million (2015: Nil) is located in Mainland China and HK\$148,171 million (2015: HK\$139,155 million) is located in Hong Kong.

## Notes to the Consolidated Financial Statements continued

## 7 Segment Information (Continued)

	Retail properties HK\$'M	Car parks HK\$'M	Others HK\$'M	Total HK\$'M
For the year ended 31 March 2015				
Revenue	6,064	1,659	–	7,723
Segment results	4,502	1,167	(437)	5,232
Change in fair values of investment properties	15,443	7,256	–	22,699
Interest income				32
Finance costs				(359)
Gains on disposals of investment properties				445
Profit before taxation and transactions with Unitholders				28,049
Taxation				(819)
Profit for the year, before transactions with Unitholders				27,230
Capital expenditure	2,197	212	5,907	8,316
Depreciation	–	–	(23)	(23)
As at 31 March 2015				
Segment assets	107,584	25,237	6,329	139,150
Goodwill				384
Derivative financial instruments				162
Short-term bank deposits				1,215
Cash and cash equivalents				2,233
Total assets				143,144
Segment liabilities	2,070	183	353	2,606
Provision for taxation				240
Long-term incentive plan provision				120
Interest bearing liabilities				17,070
Derivative financial instruments				113
Deferred tax liabilities				1,957
Other non-current liabilities				2,932
Total liabilities, excluding net assets attributable to Unitholders				25,038
Net assets attributable to Unitholders				118,106

## 8 Property Operating Expenses

	2016 HK\$'M	2015 HK\$'M
Property managers' fees, security and cleaning	593	554
Staff costs (Note 11)	385	381
Repair and maintenance	221	201
Utilities	314	300
Government rent and rates	271	236
Promotion and marketing expenses	120	108
Estate common area costs	118	113
Business and real estate taxes in Mainland China	43	–
Other property operating expenses	162	161
	<b>2,227</b>	<b>2,054</b>

## 9 Operating Profit

	2016 HK\$'M	2015 HK\$'M
Operating profit for the year is stated after charging:		
Staff costs (Note 11)	544	546
Depreciation of property, plant and equipment	22	23
Loss on disposal of property, plant and equipment	–	2
Trustee's fee	13	9
Valuation fee	4	3
Auditor's remuneration		
Audit fees	5	4
Audit-related assurance services	2	2
Total audit and audit-related assurance services	7	6
Acquisition related professional fees	1	4
Others	1	2
Total auditor's remuneration	9	12
Bank charges	5	5
Operating lease charges	30	26
Other legal and professional fees	24	22
Commission to property agents	20	28
Donations	10	7

## Notes to the Consolidated Financial Statements continued

**10 Finance Costs**

	<b>2016 HK\$'M</b>	2015 HK\$'M
Interest expenses on interest bearing liabilities	<b>572</b>	380
Other borrowing costs (Note (i))	<b>108</b>	14
	<b>680</b>	394
Less: capitalised under investment properties (Note (ii))	<b>(172)</b>	(35)
	<b>508</b>	359

## Notes:

- (i) Other borrowing costs include HK\$62 million (2015: HK\$8 million) interest expenses to non-controlling interest, HK\$87 million (2015: HK\$52 million) net losses on interest rate swap contracts designated as cash flow hedges, HK\$77 million (2015: HK\$69 million) net gains on cross currency swap contracts and interest rate swap contracts designated as fair value hedges and various banking and financing charges.
- (ii) Interest expenses have been capitalised under investment properties at an average interest rate of 2.6% (2015: 2.9%) per annum.

**11 Staff Costs**

	<b>2016 HK\$'M</b>	2015 HK\$'M
Wages and salaries	<b>543</b>	494
Contributions to mandatory provident fund scheme	<b>13</b>	13
Long-term incentive plan awards (Note 20)	<b>60</b>	111
	<b>616</b>	618
Less: capitalised under investment properties	<b>(72)</b>	(72)
Staff costs (Note 9)	<b>544</b>	546

**(a) STAFF COSTS CAN BE FURTHER ANALYSED AS BELOW:**

	<b>2016 HK\$'M</b>	2015 HK\$'M
Included under property operating expenses (Note 8)	<b>385</b>	381
Included under general and administrative expenses	<b>159</b>	165
	<b>544</b>	546

## 11 Staff Costs (Continued)

### (b) DIRECTORS' EMOLUMENTS

The remunerations of directors are set out below:

Name of Director	Cash and other benefits in kind – received during the year					2015 Total cash remuneration HK\$'000
	Fees	Base pay, allowance and other benefits (Note (i))	Contribution to pension scheme	Variable remuneration related to performance (Note (ii))	2016 Total cash remuneration	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Mr Nicholas Charles ALLEN (Note (iv))	76	–	–	–	76	–
Mr Nicholas Robert SALLNOW-SMITH (Note (v))	1,975	–	–	–	1,975	1,975
Mr George Kwok Lung HONGCHOY	–	7,639	18	14,424	22,081	19,177
Mr Andy CHEUNG Lee Ming	–	4,028	18	4,540	8,586	7,711
Mr Ian Keith GRIFFITHS	543	–	–	–	543	543
Mr William CHAN Chak Cheung	780	–	–	–	780	763
Mr Ed CHAN Yiu Cheong (Note (vi))	58	–	–	–	58	–
Mr Blair Chilton PICKERELL (Note (vii))	–	–	–	–	–	–
Ms Poh Lee TAN (Note (viii))	237	–	–	–	237	–
Ms May Siew Boi TAN	670	–	–	–	670	670
Mr Peter TSE Pak Wing	675	–	–	–	675	464
Ms Nancy TSE Sau Ling	525	–	–	–	525	361
Mr David Charles WATT	637	–	–	–	637	603
Prof Richard WONG Yue Chim	689	–	–	–	689	770
Ms Elaine Carole YOUNG	554	–	–	–	554	603
Mrs Eva CHENG LI Kam Fun (Note (ix))	–	–	–	–	–	480
Mr Anthony CHOW Wing Kin (Note (x))	107	–	–	–	107	757
Dr Patrick FUNG Yuk Bun (Note (xi))	–	–	–	–	–	188
Mr Stanley KO Kam Chuen (Note (xii))	–	–	–	–	–	210
	<b>7,526</b>	<b>11,667</b>	<b>36</b>	<b>18,964</b>	<b>38,193</b>	<b>35,275</b>

## Notes to the Consolidated Financial Statements continued

**11 Staff Costs (Continued)****(b) DIRECTORS' EMOLUMENTS (Continued)**

Name of Director	Long-term incentive plan awards – Provision made based on estimated values and over vesting period (Note (iii))				Total remuneration – Cash and provision	
	Current year grants HK\$'000	Prior years grants HK\$'000	2016 Long-term incentive plan provision HK\$'000	2015 Long-term incentive plan provision HK\$'000	2016 HK\$'000	2015 HK\$'000
Mr Nicholas Charles ALLEN (Note (iv))	–	–	–	–	76	–
Mr Nicholas Robert SALLNOW-SMITH (Note (v))	–	974	974	3,536	2,949	5,511
Mr George Kwok Lung HONGCHOY	3,694	9,201	12,895	21,171	34,976	40,348
Mr Andy CHEUNG Lee Ming	1,066	2,533	3,599	6,219	12,185	13,930
Mr Ian Keith GRIFFITHS	125	273	398	986	941	1,529
Mr William CHAN Chak Cheung	176	362	538	1,312	1,318	2,075
Mr Ed CHAN Yiu Cheong (Note (vi))	–	–	–	–	58	–
Mr Blair Chilton PICKERELL (Note (vii))	–	–	–	–	–	–
Ms Poh Lee TAN (Note (viii))	–	–	–	–	237	–
Ms May Siew Boi TAN	154	350	504	485	1,174	1,155
Mr Peter TSE Pak Wing	154	–	154	–	829	464
Ms Nancy TSE Sau Ling	117	–	117	–	642	361
Mr David Charles WATT	147	306	453	1,089	1,090	1,692
Prof Richard WONG Yue Chim	154	374	528	1,269	1,217	2,039
Ms Elaine Carole YOUNG	125	320	445	446	999	1,049
Mrs Eva CHENG LI Kam Fun (Note (ix))	–	–	–	–	–	480
Mr Anthony CHOW Wing Kin (Note (x))	–	108	108	1,122	215	1,879
Dr Patrick FUNG Yuk Bun (Note (xi))	–	–	–	876	–	1,064
Mr Stanley KO Kam Chuen (Note (xii))	–	–	–	1,046	–	1,256
	<b>5,912</b>	<b>14,801</b>	<b>20,713</b>	<b>39,557</b>	<b>58,906</b>	<b>74,832</b>

## Notes:

- (i) Other benefits include leave pay, insurance premium and club membership fee.
- (ii) The variable remunerations paid during the year were in relations to performance and services of prior years, based on financial and non-financial key performance indicators.
- (iii) Values of the long-term incentive plan awards are estimated based on valuation techniques with assumptions on future unit prices, outstanding length of the awards and distribution pay-out rates. There is no commitment to pay out the estimated values provided. The eventual amounts to be paid depend on the scale of achievement against certain performance and service related vesting conditions. For the portion of the awards which do not vest on the vesting dates, the amounts previously charged to the consolidated income statement will be written back. Details on the long-term incentive plan of the Group are set out in Note 20.

For the year ended 31 March 2016, certain long-term incentive plan awards have been vested and units of Link have been issued under the plan. The amounts recognised as expenses represent the provision recognised as set out in the accounting policy Note 3(r).

- (iv) Appointed on 1 February 2016.
- (v) Retired on 31 March 2016.
- (vi) Appointed on 15 February 2016.
- (vii) Appointed on 1 April 2016.
- (viii) Appointed on 12 November 2015.
- (ix) Resigned on 1 February 2015.
- (x) Retired on 22 May 2015.
- (xi) Retired on 1 August 2014.
- (xii) Retired on 23 July 2014.



## 11 Staff Costs (Continued)

### (c) FIVE HIGHEST PAID INDIVIDUALS

The five individuals whose emoluments were the highest in the Group for the year include two (2015: two) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2015: three) individuals during the year are as follows:

	2016 HK\$'M	2015 HK\$'M
Basic salaries, other allowances and benefits in kind	10	8
Discretionary bonus	6	5
Long-term incentive plan awards	4	11
<b>Total</b>	<b>20</b>	<b>24</b>

The emoluments of the five individuals fell within the following bands:

	2016 Number of individuals	2015 Number of individuals
Emolument bands		
HK\$6,000,001 – HK\$6,500,000	1	–
HK\$6,500,001 – HK\$7,000,000	2	–
HK\$7,000,001 – HK\$7,500,000	–	1
HK\$8,000,001 – HK\$8,500,000	–	1
HK\$9,000,001 – HK\$9,500,000	–	1
HK\$12,000,001 – HK\$12,500,000	1	–
HK\$13,500,001 – HK\$14,000,000	–	1
HK\$34,500,001 – HK\$35,000,000	1	–
HK\$40,000,001 – HK\$40,500,000	–	1

### (d) PENSION – DEFINED CONTRIBUTION PLAN

The Group operates a pension scheme – Mandatory Provident Fund. The scheme is a defined contribution plan funded through payments to trustee-administered funds. A defined contribution plan is a pension plan under which the employer pays fixed contributions into a separate entity (a fund). The Group has no further payment obligations once the contributions have been paid.

## Notes to the Consolidated Financial Statements continued

**12 Taxation**

Hong Kong profits tax has been provided for at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year. Corporate income tax in Mainland China has been provided for at the rate of 25% on the estimated assessable profit for the year.

The amount of taxation charged to the consolidated income statement represents:

	2016 HK\$'M	2015 HK\$'M
Current taxation		
– Hong Kong	681	616
– Mainland China	37	–
Deferred taxation	235	203
<b>Taxation</b>	<b>953</b>	<b>819</b>

The differences between the Group's expected tax charge, using the Hong Kong profits tax rate, and the Group's taxation for the year were as follows:

	2016 HK\$'M	2015 HK\$'M
Profit before taxation	17,302	28,049
Expected tax calculated at the Hong Kong profits tax rate of 16.5% (2015: 16.5%)	2,855	4,628
Tax effect of different taxation rates	4	–
Tax effect of non-deductible expenses	24	33
Tax effect of non-taxable income	(1,885)	(3,824)
Tax effect of other temporary differences	(36)	(18)
Utilisation of previously unrecognised tax loss	(19)	–
Withholding tax on unremitted earnings of subsidiaries	10	–
<b>Taxation</b>	<b>953</b>	<b>819</b>

### 13 Earnings Per Unit Based Upon Profit after Taxation and Before Transactions with Unitholders Attributable to Unitholders

	2016	2015
Profit after taxation and before transactions with Unitholders attributable to Unitholders	<b>HK\$16,295 million</b>	HK\$27,230 million
Weighted average number of units for the year for calculating basic earnings per unit	<b>2,267,331,282</b>	2,301,106,036
Adjustment for dilutive contingently issuable units under long-term incentive plan	<b>2,102,718</b>	2,541,450
Weighted average number of units for the year for calculating diluted earnings per unit	<b>2,269,434,000</b>	2,303,647,486
Basic earnings per unit based upon profit after taxation and before transactions with Unitholders attributable to Unitholders	<b>HK\$7.19</b>	HK\$11.83
Diluted earnings per unit based upon profit after taxation and before transactions with Unitholders attributable to Unitholders	<b>HK\$7.18</b>	HK\$11.82

### 14 Goodwill

	2016 HK\$'M	2015 HK\$'M
At 1 April	<b>384</b>	331
Acquisition of businesses (Note 28)	<b>109</b>	60
Exchange adjustments	<b>(3)</b>	–
Disposal of investment properties	<b>(3)</b>	(7)
<b>At 31 March</b>	<b>487</b>	384

### 15 Investment Properties

(a) DETAILS OF THE MOVEMENTS OF INVESTMENT PROPERTIES ARE AS FOLLOWS:

	Completed properties HK\$'M	Properties under development HK\$'M	Total HK\$'M
At 1 April 2015	<b>132,503</b>	<b>5,880</b>	<b>138,383</b>
Acquisition of businesses (Note 28)	<b>10,974</b>	–	<b>10,974</b>
Exchange adjustments	<b>(225)</b>	–	<b>(225)</b>
Additions	<b>1,310</b>	<b>284</b>	<b>1,594</b>
Disposals	<b>(1,317)</b>	–	<b>(1,317)</b>
Change in fair values	<b>11,127</b>	<b>136</b>	<b>11,263</b>
	<b>154,372</b>	<b>6,300</b>	<b>160,672</b>
Reclassify to "Investment properties held for sale" (see Note 33(b) below)	<b>(3,060)</b>	–	<b>(3,060)</b>
<b>At 31 March 2016</b>	<b>151,312</b>	<b>6,300</b>	<b>157,612</b>
At 1 April 2014	109,899	–	109,899
Acquisition of business	1,320	–	1,320
Additions	1,089	5,880	6,969
Disposals	(2,504)	–	(2,504)
Change in fair values	22,699	–	22,699
At 31 March 2015	132,503	5,880	138,383

## Notes to the Consolidated Financial Statements continued

**15 Investment Properties (Continued)****(b) VALUATION PROCESS**

The investment properties were revalued on an open market value basis as at 31 March 2015 and 2016 by CBRE Limited, an independent firm of professional qualified valuers and the principal valuer of Link.

The Manager held discussions with the principal valuer and reviewed all significant inputs used by the principal valuer. Discussions of the valuation processes and results at each reporting date are held between the Manager and the principal valuer.

**(c) VALUATION TECHNIQUES**

The principal valuer has relied on the income capitalisation approach, discounted cash flow analysis and residual approach as its primary approaches, cross-referenced to the direct comparison method.

The income capitalisation approach involves the capitalisation of the current passing income and potential reversionary income to arrive at the capital value at an appropriate capitalisation rate. The adopted capitalisation rate reflects the nature, location and tenancy profile of the properties together with the current market investment criteria, as supported by the market evidence. The prevailing market rentals have been obtained through analysis of recent lettings and achievable rentals of the properties and other similar developments in the locality. Adjustments are made accordingly to reflect factors specific to the lease and property.

Discounted cash flow analysis allows an investor or owner to make an assessment of the longer term return that is likely to be derived from a property with a combination of both income and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, net property income, income growth, potential capital expenditure, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

Residual approach involves the assessment of a property's fair value by assuming its completion at the date of valuation and deducts the estimated development costs to derive at the residual value of the property under development. A property's fair value adopts a direct comparison approach, making reference to the latest market transaction records of relevant properties in the vicinity. Estimated future development costs include estimated construction costs, professional fee, finance costs, other required costs and an allowance for developer's profit.

The three valuation techniques are summarised in the below table with their respective significant unobservable inputs.

	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
<b>Income capitalisation approach</b>		
Retail and commercial properties and car parks	i) Capitalisation rate (Blended): 3.40% – 5.60%	The higher the capitalisation rate, the lower the fair value.
	ii) Net passing income per annum: HK\$0.4M – HK\$346.1M	The higher the net passing income, the higher the fair value.
<b>Discounted cash flow analysis</b>		
Retail and commercial properties and car parks	i) Discount rate 7.50% – 9.00%	The higher the discount rate, the lower the fair value.
	ii) Net passing income per annum: HK\$0.4M – HK\$346.1M	The higher the net passing income, the higher the fair value.
<b>Residual approach</b>		
Properties under development	Estimated development costs and allowance for developer's profit	The higher the estimated development costs and allowance for developer's profit, the lower the fair value.

The investment properties are included in Level 3 (2015: Level 3) of the fair value hierarchy.

## 15 Investment Properties (Continued)

### (d) RESTRICTION OF THE REIT CODE

Link acquired Lions Rise Mall, a piece of land for commercial development, EC Mall and Corporate Avenue 1 & 2 on 18 September 2014, 23 February 2015, 1 April 2015 and 31 August 2015, respectively. In accordance with the REIT Code, Link is prohibited from disposing of its properties for at least two years from either the time such properties are acquired or the completion of the development of the properties, unless the Unitholders have passed a special resolution consenting to the proposed disposal.

## 16 Property, Plant and Equipment

	Leasehold improvements HK\$'M	Motor vehicles HK\$'M	Equipment HK\$'M	Total HK\$'M
At 1 April 2015	15	2	55	72
Acquisition of businesses (Note 28)	–	–	1	1
Additions	2	1	22	25
Depreciation charge for the year	(9)	(1)	(12)	(22)
<b>At 31 March 2016</b>	<b>8</b>	<b>2</b>	<b>66</b>	<b>76</b>
<b>At 31 March 2016</b>				
Cost	78	5	169	252
Accumulated depreciation	(70)	(3)	(103)	(176)
Net book value	8	2	66	76
At 1 April 2014	15	1	54	70
Additions	10	2	15	27
Disposals	(2)	–	–	(2)
Depreciation charge for the year	(8)	(1)	(14)	(23)
At 31 March 2015	15	2	55	72
At 31 March 2015				
Cost	76	6	146	228
Accumulated depreciation	(61)	(4)	(91)	(156)
Net book value	15	2	55	72

## Notes to the Consolidated Financial Statements continued

**17 Trade and Other Receivables**

	2016 HK\$'M	2015 HK\$'M
Trade receivables	97	98
Less: provision for impairment of trade receivables	(5)	(3)
Trade receivables – net	92	95
Other receivables	343	217
	<b>435</b>	<b>312</b>

The carrying amounts of these receivables approximate their fair values.

There are no specific credit terms given to the tenants. The trade receivables are generally fully covered by the rental deposits/bank guarantees from corresponding tenants.

The ageing of trade receivables, presented based on the due date, is as follows:

	2016 HK\$'M	2015 HK\$'M
0 – 30 days	88	90
31 – 90 days	4	5
Over 90 days	5	3
	<b>97</b>	<b>98</b>

Monthly rentals in respect of retail and commercial properties are payable in advance by tenants in accordance with the leases while daily gross receipts from car parks are received from the car park operators in arrears. Included in the net trade receivables of HK\$92 million (2015: HK\$95 million) presented above were HK\$41 million (2015: HK\$46 million) of accrued car park income and HK\$30 million (2015: HK\$31 million) of accrued turnover rent, which were not yet due as at 31 March 2016. The remaining HK\$21 million (2015: HK\$18 million) were past due but not considered impaired.

The ageing of the past due but not considered impaired trade receivables is as follows:

	2016 HK\$'M	2015 HK\$'M
0 – 30 days	17	13
31 – 90 days	4	5
	<b>21</b>	<b>18</b>

As at 31 March 2016, trade receivables of HK\$5 million (2015: HK\$3 million) were considered as impaired and had been provided for. The individually impaired receivables are those where collectibility is in doubt.

The ageing of the impaired trade receivables is as follows:

	2016 HK\$'M	2015 HK\$'M
Over 90 days	5	3



## 17 Trade and Other Receivables (Continued)

Movements on the provision for impairment of trade receivables are as follows:

	2016 HK\$'M	2015 HK\$'M
At 1 April	3	1
Provision for impairment of trade receivables	6	5
Receivables written off during the year as uncollectible	(4)	(3)
<b>At 31 March</b>	<b>5</b>	<b>3</b>

The creation and release of provision for impairment of trade receivables have been included in property operating expenses in the consolidated income statement. Amounts charged to the provision account will be written off when there is no expectation of recovering additional cash.

The other classes of receivables included in the trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of trade receivables.

## 18 Cash and Cash Equivalents and Short-term Bank Deposits

	2016 HK\$'M	2015 HK\$'M
Cash on hand	–	1
Cash at bank	237	2,060
Short-term bank deposits with original maturity of less than three months	99	172
Cash and cash equivalents	336	2,233
Short-term bank deposits with original maturity of more than three months	118	1,215
	<b>454</b>	<b>3,448</b>

## 19 Trade Payables, Receipts in Advance and Accruals

	2016 HK\$'M	2015 HK\$'M
Trade payables	84	28
Receipts in advance	220	183
Accruals	1,339	1,222
	<b>1,643</b>	<b>1,433</b>

The carrying amounts of these payables approximate their fair values.

The ageing of trade payables, presented based on the due date, is as follows:

	2016 HK\$'M	2015 HK\$'M
0 – 30 days	64	27
31 – 90 days	20	1
	<b>84</b>	<b>28</b>

## Notes to the Consolidated Financial Statements continued

**20 Long-term Incentive Plan Provision**

	2016 HK\$'M	2015 HK\$'M
Long-term incentive plan provision	99	120
Less: current portion of long-term incentive plan provision	(63)	(77)
Non-current portion of long-term incentive plan provision	36	43

A long-term incentive plan (the “**LTI Plan**”) was approved and adopted by ordinary resolution on 23 July 2007 at the annual general meeting of the Unitholders. The LTI Plan shall be valid and effective for 10 years commencing on the adoption date.

Under the LTI Plan, the Manager may grant three types of awards, the Restricted Unit Award (“**RUA**”), Unit Option and Conditional Cash Award (“**CCA**”) (collectively the “**Awards**”) to directors and key employees of the Manager. Awards are approved by the Remuneration Committee and, in the case of directors of the Manager, by the Board on recommendation of the Remuneration Committee. No Unit Option has been granted since the adoption date.

Upon the vesting of RUA, units are to be issued to the grantees on a sliding scale, depending on the scale of achievement against the total Unitholders return (“**TUR**”) or net property income (“**NPI**”), where appropriate, providing that the minimum criteria for the performance measure determined by the Remuneration Committee has been met.

During the year, certain directors and employees of the Manager were granted RUA and CCA at nil monetary consideration. The RUA granted under the LTI Plan, in general, will vest approximately two to three years from the date of grant.

The eventual numbers of units to be issued under RUA on vesting, which are linked to the performance of Link based on the TUR, NPI or certain vesting conditions, where appropriate, will range from 0% to 200% of RUA granted. CCA is granted in conjunction with the grant of RUA, bestowing upon the grantee a conditional right to receive a cash payment representing an amount equivalent to the aggregate of the distributions per unit to Unitholders during the vesting period, multiplied by the number of units that will eventually be issued to such grantee pursuant to RUA vested.

During the vesting period, a liability is recognised representing the estimated value of the Awards granted and the portion of the vesting period expired as at the reporting date. The value of the Awards was estimated at the reporting date by Towers Watson Hong Kong Limited, an independent external valuer based on valuation techniques and assumptions on unit prices, outstanding length of the Awards and distribution pay-out rates. The change in value of the outstanding Awards was charged to the consolidated income statement. In the event that the vesting conditions are not met, the amount previously accrued will be written back accordingly.

During the year, the Group issued 1,596,867 units (2015: 1,764,208 units) for RUA vested in accordance with the vesting conditions under the LTI Plan.

## 20 Long-term Incentive Plan Provision (Continued)

Movements in the number of RUA during the year and the maximum number of units to be issued upon vesting of RUA are as follows:

Date of grant	Vesting period	Outstanding as at 1 April 2015	Granted during the year	Vested during the year <sup>(i)</sup>	Cancelled during the year	Lapsed during the year	Outstanding as at 31 March 2016	Maximum to be issued on vesting date <sup>(ii)</sup>
16 July 2012	16 July 2012 to 30 June 2015	511,734	–	(486,994) <sup>(iii)</sup>	(8,441)	(16,299)	–	–
20 January 2014	20 January 2014 to 30 June 2015	502,418	–	(486,843) <sup>(iii)</sup>	(3,125)	(12,450)	–	–
	20 January 2014 to 30 June 2016	497,770	–	–	–	(41,875)	455,895	839,040
17 July 2014	17 July 2014 to 30 June 2016	487,500	–	–	–	(51,916)	435,584	820,668
	17 July 2014 to 30 June 2017	487,500	–	–	–	(53,465)	434,035	817,570
24 July 2015	24 July 2015 to 30 June 2017	–	475,000	–	–	(44,000)	431,000	822,750
	24 July 2015 to 30 June 2018	–	475,000	–	–	(44,000)	431,000	822,750
Subtotal		2,486,922	950,000	(973,837)	(11,566)	(264,005)	2,187,514	4,122,778
Additional units vested over 100% of RUA granted		–	–	(623,030) <sup>(iii)</sup>	–	–	–	–
Total		2,486,922	950,000	(1,596,867)	(11,566)	(264,005)	2,187,514	4,122,778

Notes:

(i) RUA vesting percentages during the year ranged from 130% to 200%.

(ii) If certain vesting conditions are met.

(iii) Additional units over 100% of RUA granted were vested pursuant to the relevant vesting conditions.

## 21 Interest bearing liabilities

	2016 HK\$'M	2015 HK\$'M
Bank borrowings	13,223	4,425
Medium term notes	13,701	11,645
Secured loan	–	1,000
	26,924	17,070
Less: current portion of interest bearing liabilities	(959)	(1,940)
Non-current portion of interest bearing liabilities	25,965	15,130

## Notes to the Consolidated Financial Statements continued

**21 Interest Bearing Liabilities (Continued)**

Interest bearing liabilities are repayable as follows:

	2016 HK\$'M	2015 HK\$'M
<b>Due in the first year</b>		
Bank borrowings	–	940
Medium term notes	959	–
Secured loan	–	1,000
	<b>959</b>	<b>1,940</b>
<b>Due in the second year</b>		
Bank borrowings	–	2,496
Medium term notes	300	958
	<b>300</b>	<b>3,454</b>
<b>Due in the third year</b>		
Bank borrowings	3,337	–
Medium term notes	1,101	300
	<b>4,438</b>	<b>300</b>
<b>Due in the fourth year</b>		
Bank borrowings	3,830	989
Medium term notes	1,365	1,103
	<b>5,195</b>	<b>2,092</b>
<b>Due in the fifth year</b>		
Bank borrowings	4,869	–
Medium term notes	349	1,375
	<b>5,218</b>	<b>1,375</b>
<b>Due beyond the fifth year</b>		
Bank borrowings	1,187	–
Medium term notes	9,627	7,909
	<b>10,814</b>	<b>7,909</b>
	<b>26,924</b>	<b>17,070</b>

Notes:

- (i) Except for medium term notes of HK\$148 million (2015: HK\$146 million) which are denominated in Australian Dollars and HK\$3,857 million (2015: HK\$3,905 million) which are denominated in United States Dollars, all the other interest bearing liabilities are denominated in Hong Kong Dollars.
- (ii) All of Link's foreign currencies borrowings are fully hedged into Hong Kong Dollars.
- (iii) The effective interest rate of the interest bearing liabilities (taking into account cross currency swap contracts and interest rate swap contracts) at the reporting date was 2.57% (2015: 2.66%). The carrying amounts of the interest bearing liabilities approximate their fair values.

## 22 Derivative Financial Instruments

	2016 HK\$'M	2015 HK\$'M
<b>Derivative assets</b>		
<b>Current item</b>		
Designated as fair value hedge		
– interest rate swap contract	1	–
<b>Non-current items</b>		
Designated as fair value hedge		
– cross currency swap contract	67	69
– interest rate swap contracts	91	93
	<b>158</b>	162
	<b>159</b>	162
<b>Derivative liabilities</b>		
<b>Current item</b>		
Designated as cash flow hedge		
– interest rate swap contracts	–	(17)
Designated as fair value hedge		
– cross currency swap contract	(60)	–
	<b>(60)</b>	(17)
<b>Non-current items</b>		
Designated as cash flow hedge		
– interest rate swap contracts	(350)	(34)
Designated as fair value hedge		
– cross currency swap contracts	(52)	(62)
	<b>(402)</b>	(96)
	<b>(462)</b>	(113)
	<b>(303)</b>	49

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2 of the fair value hierarchy.

The fair values of cross currency swap contracts and interest rate swap contracts are calculated by reference to the present values of the estimated future cash flows, taking into account market observable yield curves and forward exchange rates at each reporting date. Cross currency swap contracts and interest rate swap contracts are included in Level 2 (2015: Level 2) of the fair value hierarchy.

## Notes to the Consolidated Financial Statements continued

**22 Derivative Financial Instruments (Continued)**

Notes:

- (i) The Group uses cross currency swap contracts and interest rate swap contracts (swapping from foreign currencies to Hong Kong Dollars) to minimise its exposure to movements in foreign currency exchange rates and interest rates in relation to its interest bearing liabilities. The fair values of these cross currency swap contracts and interest rate swap contracts are classified as non-current items should the remaining maturities of the hedged items extend for more than 12 months. Any change in fair values of the effective portion of the cash flow hedges in relation to interest rate swap contracts is recognised in the hedging reserve. Any change in fair values of the fair value hedges in relation to interest rate swap contracts and any change in fair value of cross currency swap contracts are recognised directly in the consolidated income statement. A net amount of HK\$299 million has been debited (2015: HK\$17 million had been credited) to the hedging reserve during the year as further set out in Note 26.
- (ii) As at 31 March 2016, the derivative financial instruments qualifying as cash flow hedges have, in effect, provided the Group with an average fixed interest rate period of 6.1 years on HK\$7,400 million borrowings (2015: 1.9 years on HK\$1,950 million borrowings) from the reporting date. The notional principal amount and the weighted average fixed interest rate of the outstanding floating rates to fixed rates interest rate swap contracts as at 31 March 2016 were HK\$7,400 million (2015: HK\$1,950 million) and 1.86% (2015: 2.84%) respectively. The notional principal amount of the outstanding floating rates to floating rates interest rate swap contracts as at 31 March 2016 was HK\$6,000 million (2015: Nil).
- (iii) As at 31 March 2016, the derivative financial instruments qualifying as fair value hedges have, in effect, converted part of the Group borrowings into Hong Kong Dollars fixed rate and floating rates interest bearing liabilities. The notional principal amounts of the outstanding cross currency swap contracts and interest rate swap contracts qualifying as fair value hedges as at 31 March 2016 were HK\$4,083 million (2015: HK\$4,083 million) and HK\$2,220 million (2015: HK\$1,820 million) respectively.
- (iv) Gains and losses on interest rate swap contracts recognised in the hedging reserve (Note 26) as at 31 March 2016 will be released to the consolidated income statement.

**23 Deferred Tax Liabilities**

Deferred taxation is calculated in full on temporary differences under the liability method.

Analysis of net deferred tax liabilities:

	2016 HK\$'M	2015 HK\$'M
Deferred tax assets	(7)	–
Deferred tax liabilities	2,209	1,957
	<b>2,202</b>	<b>1,957</b>

The movements in deferred tax assets and liabilities during the year were as follows:

	Investment properties revaluation and accelerated depreciation allowance HK\$'M	Others HK\$'M	Total HK\$'M
At 1 April 2015	1,957	–	1,957
Acquisition of businesses (Note 28)	–	13	13
Recognised in the consolidated income statement	228	7	235
Adjustment in respect of prior year	–	(3)	(3)
<b>At 31 March 2016</b>	<b>2,185</b>	<b>17</b>	<b>2,202</b>
At 1 April 2014	1,754	–	1,754
Recognised in the consolidated income statement	203	–	203
At 31 March 2015	1,957	–	1,957



## 24 Other Non-current Liabilities

	2016 HK\$'M	2015 HK\$'M
Amount due to non-controlling interest	2,439	2,352
Non-controlling interest put option obligation	580	580
	<b>3,019</b>	2,932

Note:

On 23 February 2015, the Group through a non-wholly owned subsidiary (the "Project Company", in which Link has an indirect 60% interest and Nan Fung Development Limited ("Nan Fung") has an indirect 40% interest) acquired a piece of land for commercial development.

For the purpose of funding the commercial development, Nan Fung, a non-controlling interest of the Project Company has contributed cash in proportion to the shareholding ratio to the Project Company.

The amount due to non-controlling interest is unsecured, interest bearing at an effective interest rate of 2.6% (2015: 2.9%), has no fixed repayment term and is not repayable within one year. Such amount due to non-controlling interest including any accrued interest will be repaid from the Project Company's surplus cash after meeting its payment obligations.

Pursuant to the shareholders' agreement, Nan Fung has a right to exercise a put option to require Link to purchase all the issued shares Nan Fung holds in the Project Company at the then fair market value, after the second anniversary of the completion of the commercial property development and certain conditions have been satisfied.

The non-controlling interest put option obligation was recognised as a financial liability based on a valuation performed by Crowe Horwath (HK) Consulting & Valuation Limited, an independent firm of professional qualified valuers.

The valuer has used discounted cash flow as the valuation technique. The valuation is based on various assumptions and calculated by reference to a number of unobservable inputs, including the estimated fair value of the equity interests of the Project Company at the expected time of exercise of the put option, the expected time of exercise itself, the cash flow and the discount rate used.

The Manager held discussions with the valuer and reviewed all significant inputs used. Discussions of the valuation processes and results at each reporting date are held between the Manager and the valuer.

Fair value of the put option obligation is included in Level 3 (2015: Level 3) of the fair value hierarchy. If the estimated fair value of the equity interests of the Project Company at the time of exercise is higher, the fair value of the put option obligation would also be higher. If the expected time of exercise is later or if the discount rate is higher, then the fair value of the put option obligation would be lower.

## 25 Units in Issue

	2016 Number of units	2015 Number of units
At 1 April	2,291,770,269	2,310,889,561
Units bought back for cancellation	(50,219,000)	(20,883,500)
Units issued under long-term incentive plan	1,596,867	1,764,208
<b>At 31 March</b>	<b>2,243,148,136</b>	2,291,770,269

Pursuant to the general mandate granted to the Manager by the Unitholders, the Manager (on behalf of Link) bought back a total of 50,219,000 units (2015: 20,883,500 units) at an aggregate price of HK\$2,197 million (2015: HK\$956 million). All units bought back were cancelled during the year.

Closing price of the units as at 31 March 2016 was HK\$46.00 (2015: HK\$47.80) per unit. Based on 2,243,148,136 units in issue as at 31 March 2016 (2015: 2,291,770,269 units), market capitalisation was HK\$103,185 million (2015: HK\$109,547 million).

## Notes to the Consolidated Financial Statements continued

## 26 Reserves

	Other reserve HK\$'M	Hedging reserve HK\$'M	Exchange reserve HK\$'M	Earnings retained for cash flow hedge and foreign exchange translation adjustments HK\$'M	Total reserves HK\$'M
At 1 April 2015	(580)	(51)	–	51	(580)
Cash flow hedges:					
– Change in fair values	–	(386)	–	–	(386)
– Amount transferred to the consolidated income statement (Note)	–	87	–	–	87
	–	(299)	–	–	(299)
Exchange loss on translation of financial statements	–	–	(224)	–	(224)
Net assets attributable to Unitholders:					
– Amount arising from cash flow hedging reserve and exchange reserve movements	–	–	–	523	523
<b>At 31 March 2016</b>	<b>(580)</b>	<b>(350)</b>	<b>(224)</b>	<b>574</b>	<b>(580)</b>
At 1 April 2014	–	(68)	–	68	–
Non-controlling interest put option obligation	(580)	–	–	–	(580)
Cash flow hedges:					
– Change in fair values	–	(35)	–	–	(35)
– Amount transferred to the consolidated income statement (Note)	–	52	–	–	52
	–	17	–	–	17
Net assets attributable to Unitholders:					
– Amount arising from cash flow hedging reserve and exchange reserve movements	–	–	–	(17)	(17)
At 31 March 2015	(580)	(51)	–	51	(580)

Note: Amount transferred to the consolidated income statement in respect of cash flow hedges was included in "Finance costs" (Note 10).

## 27 Note to the Consolidated Statement of Cash Flows

### (a) NET CASH GENERATED FROM OPERATING ACTIVITIES

	2016 HK\$'M	2015 HK\$'M
Profit before taxation and transactions with Unitholders	17,302	28,049
Loss on disposal of property, plant and equipment	–	2
Long-term incentive plan awards	60	111
Depreciation charge	22	23
Gains on disposals of investment properties	(396)	(445)
Interest income	(6)	(32)
Finance costs	508	359
Change in fair values of investment properties	(11,263)	(22,699)
Increase in trade and other receivables, deposits and prepayments	(96)	(74)
Increase in trade payables, receipts in advance and accruals	179	80
Increase in security deposits	105	72
Long-term incentive plan paid	(7)	(9)
Income tax paid	(726)	(584)
Net cash generated from operating activities	5,682	4,853

### (b) MAJOR NON-CASH TRANSACTIONS

During the year, additional units of HK\$74 million (2015: HK\$74 million) were issued under the long-term incentive plan.

## 28 Acquisition of Businesses

On 24 March 2015, Link, through a wholly-owned subsidiary, entered into a sale and purchase agreement to acquire the entire issued share capital of China East Investment Limited and the shareholder loan at a cash consideration (after final adjustment) of US\$305 million (equivalent to HK\$2,362 million). The transaction was completed on 1 April 2015. China East Investment Limited owns the entire registered capital of 益颯美置業(天津)有限公司 (ECM Property Holding (Tianjin) Co., Ltd.), which is the sole owner of EC Mall located at Jia No. 1, Danling Street, Haidian District of Beijing, Mainland China.

On 23 July 2015, Link, through a wholly-owned subsidiary, entered into a sale and purchase agreement to acquire the entire issued share capital of Brixworth International Limited at a cash consideration (after final adjustment) of RMB 6,637 million (equivalent to HK\$7,990 million). The transaction was completed on 31 August 2015. Brixworth International Limited indirectly owns the entire registered capital of 上海興邦房地產有限公司 (Shanghai Xing Bang Properties Co., Ltd.), which is the sole registered owner of Corporate Avenue 1 & 2 located at 202 and 222 Hu Bin Road and 333 Huang Pi Nan Road, Huangpu District, Shanghai, Mainland China.

The acquisitions will benefit Link through adding quality income-producing properties with capital appreciation potential.

## Notes to the Consolidated Financial Statements continued

**28 Acquisition of Businesses (Continued)**

The fair values of the assets and liabilities and goodwill arising from the acquisitions are as follows:

	EC Mall HK\$'M	Corporate Avenue 1 & 2 HK\$'M	Total HK\$'M
Investment properties (Note 15) (Note)	3,077	7,897	10,974
Property, plant and equipment (Note 16)	1	–	1
Cash and cash equivalents	48	169	217
Other net current liabilities	(56)	(101)	(157)
Bank borrowings	(779)	–	(779)
Deferred tax liabilities (Note 23)	–	(13)	(13)
Net assets acquired	2,291	7,952	10,243
Goodwill (Note 14)	71	38	109
	<b>2,362</b>	<b>7,990</b>	<b>10,352</b>
Purchase consideration settled in cash	2,362	7,990	10,352
Cash and cash equivalents in subsidiaries acquired	(48)	(169)	(217)
Cash outflow on acquisitions	2,314	7,821	10,135
Deposits paid prior to 1 April 2015	(316)	–	(316)
Cash outflow on acquisitions during the year	<b>1,998</b>	<b>7,821</b>	<b>9,819</b>
Acquisition-related costs (included in "General and administrative expenses" in the consolidated income statement for the year ended 31 March 2016)	4	10	14

Note: EC Mall and Corporate Avenue 1 & 2 were revalued at 20 March 2015 and 22 July 2015 respectively by CBRE Limited, the principal valuer of Link. These approximate the fair values of the investment properties at their acquisition dates.

**29 Commitments****(a) CAPITAL COMMITMENTS**

	2016 HK\$'M	2015 HK\$'M
Capital expenditure of investment properties contracted but not provided for at the end of the year	<b>843</b>	860

**(b) OPERATING LEASE COMMITMENTS**

As at 31 March 2016, the analysis of the Group's aggregate future minimum lease rental payables under non-cancellable operating leases is as follows:

	2016 HK\$'M	2015 HK\$'M
Within one year	<b>27</b>	17
Between one and five years	<b>38</b>	5
	<b>65</b>	22

### 30 Connected Party Transactions and Significant Related Party Transactions and Balances

Information required to be disclosed concerning related party transactions is set out in this note unless disclosed elsewhere in these consolidated financial statements.

#### (a) NATURE OF RELATIONSHIP WITH CONNECTED/RELATED PARTIES

The table set forth below summarises the names of the connected/related parties, as defined in the REIT Code/HKAS 24 (Revised) "Related Party Disclosures", and nature of their relationship with the Group as at 31 March 2016:

Connected/related party	Relationship with the Group
HSBC Institutional Trust Services (Asia) Limited (the "Trustee")*	The Trustee of Link
The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) (the "HSBC Group")*	Associates <sup>#</sup> of the Trustee
CBRE Limited (the "Principal Valuer")	The Principal Valuer of Link
Aedas Limited*	Associate <sup>#</sup> of director
DBS Bank (Hong Kong) Limited	Associate <sup>#</sup> of director
Hong Kong Youth Arts Foundation	Associate <sup>#</sup> of directors
Industrial and Commercial Bank of China (Asia) Limited ("ICBC (Asia)")	Associate <sup>#</sup> of director
Standard Chartered Bank (Hong Kong) Limited ("SCBHK")	Associate <sup>#</sup> of director
The Chamber of Hong Kong Listed Companies	Associate <sup>#</sup> of director
The Hong Kong Institute of Directors Limited	Associate <sup>#</sup> of director

\* These connected parties are also considered as related parties of the Group.

<sup>#</sup> "Associate" has the meaning ascribed to it under the REIT Code.

#### (b) TRANSACTIONS WITH CONNECTED/RELATED PARTIES

The following transactions were carried out with connected/related parties:

	2016 HK\$'M	2015 HK\$'M
Trustee's fee paid and payable to the Trustee (Note (ii))	(13)	(9)
Transactions with the HSBC Group (Note (iii))		
Interest expense and various financing charges to the HSBC Group on interest bearing liabilities, cross currency swap contract and interest rate swap contracts	(69)	(11)
Rental income from the HSBC Group on leasing of retail units	32	30
Interest income from the HSBC Group on short-term bank deposits	1	1
Transactions with the Principal Valuer (Note (iii))		
Valuation fee	(4)	(3)
Consultancy services fees	(1)	(2)
Architectural/renovation consultancy services fees paid and payable to Aedas Limited (Note (iii))	(11)	(10)
Organising cultural activities project fee paid and payable to Hong Kong Youth Arts Foundation (Note (iii))	(1)	(1)
Transactions with ICBC (Asia) (Note (iii))		
Interest expense and various financing charges to ICBC (Asia) on interest bearing liabilities	(2)	–
Rental income from ICBC (Asia) on leasing of retail units	10	8
Interest income from ICBC (Asia) on short-term bank deposits	–	2
Transactions with SCBHK (Note (iii))		
Interest expense and various financing charges to SCBHK on interest bearing liabilities	–	(1)
Rental income from SCBHK on leasing of retail units	13	10
Interest income from SCBHK on short-term bank deposits	1	3

## Notes to the Consolidated Financial Statements continued

**30 Connected Party Transactions and Significant Related Party Transactions and Balances (Continued)****(b) TRANSACTIONS WITH CONNECTED/RELATED PARTIES (Continued)**

Notes:

- (i) All connected party transactions were carried out in accordance with the terms of the relevant agreements governing the transactions and in the ordinary course of business.
- (ii) The Trustee is entitled to receive an annual trustee's fee (calculated and paid monthly) at rates ranging from 0.008% per annum to 0.03% per annum of the latest property value as determined in the latest annual valuation report of an independent property valuer recommended by the Manager and appointed by the Trustee for and on behalf of Link from time to time, subject to a minimum of HK\$150,000 per month.
- (iii) The transactions were entered into at arm's length on normal commercial terms.

**(c) BALANCES WITH RELATED PARTIES**

Balances with related parties are set out below:

	2016 HK\$'M	2015 HK\$'M
Trustee's fee payable to the Trustee	(1)	(1)
Interest bearing liabilities with the HSBC Group	(3,689)	(1,650)
Net interest payable to the HSBC Group	(3)	–
Security deposits from the HSBC Group	(2)	(2)
Cross currency swap contract and interest rate swap contracts with the HSBC Group	(130)	22
Deposits placed with the HSBC Group	176	2,112

**(d) KEY MANAGEMENT COMPENSATION**

The aggregate amounts of emoluments of the key management staff of the Group are as follows:

	2016 HK\$'M	2015 HK\$'M
Fees	8	8
Basic salaries, allowances and other benefits	68	62
Long-term incentive plan awards	34	66
	110	136

**31 Future Minimum Rental Receivables**

As at 31 March 2016, the analysis of the Group's aggregate future minimum rental income receivables under non-cancellable operating leases is as follows:

	2016 HK\$'M	2015 HK\$'M
Within one year	4,782	3,968
Between one and five years	6,385	4,488
Beyond five years	538	252
	11,705	8,708

Most of the operating leases are on fixed terms and for terms of 3 years (2015: 3 years).



## 32 Subsidiaries

Link held the following subsidiaries as at 31 March 2016:

Name	Place of establishment and kind of legal entity/place of operations	Principal activities	Particulars of issued share capital/registered capital	Interest held
<i>Directly held:</i>				
The Link Holdings Limited	Cayman Islands, limited liability company/Hong Kong	Investment holding	US\$1	100%
Link Asset Management Limited	Hong Kong, limited liability company/Hong Kong	Asset management	HK\$5,000,001	100%
<i>Indirectly held:</i>				
Atlantic Best Limited	Hong Kong, limited liability company/Hong Kong	Investment holding	HK\$2	100%
Assets Guard Holdings Limited	British Virgin Islands, limited liability company/Hong Kong	Investment holding	US\$10	60%
Brixworth International Limited	British Virgin Islands, limited liability company/Hong Kong	Investment holding	US\$1	100%
Capital Gainer Limited	British Virgin Islands, limited liability company/Hong Kong	Investment holding	US\$1	100%
Captain Smart Investments Limited	British Virgin Islands, limited liability company/Hong Kong	Investment holding	US\$1	100%
Century Land Investment Limited	Hong Kong, limited liability company/Hong Kong	Property development	HK\$1	60%
China East Investment Limited	Hong Kong, limited liability company/Hong Kong	Investment holding	HK\$5,000	100%
益邨美置業(天津)有限公司 (ECM Property Holding (Tianjin) Co., Ltd.)	People's Republic of China, limited liability company/ People's Republic of China	Property holding and leasing	RMB1,242,300,418	100%
Great Land (HK) Limited	Hong Kong, limited liability company/Hong Kong	Property holding and leasing	HK\$1,000,000	100%
Link (LRM) Limited	Hong Kong, limited liability company/Hong Kong	Property holding and leasing	HK\$1	100%
Link Monte (BVI) Limited	British Virgin Islands, limited liability company/Hong Kong	Investment holding	US\$1	100%
Link Monte (HK) Limited	Hong Kong, limited liability company/Hong Kong	Property holding and leasing	HK\$1	100%
Link Properties Limited	Cayman Islands, limited liability company/Hong Kong	Property holding and leasing	US\$1	100%
Link Property Development Holdings Limited	British Virgin Islands, limited liability company/Hong Kong	Investment holding	US\$1	100%
Metro Pilot Limited	British Virgin Islands, limited liability company/Hong Kong	Investment holding	US\$1	100%
上海興邦房地產有限公司 (Shanghai Xing Bang Properties Co., Ltd.)	People's Republic of China, limited liability company/ People's Republic of China	Property holding and leasing	RMB287,595,000	100%
Sky Master Global Limited	British Virgin Islands, limited liability company/Hong Kong	Investment holding	US\$1	100%
The Link (PRC) Holdings Limited	British Virgin Islands, limited liability company/Hong Kong	Investment holding	US\$1	100%
The Link Finance (Cayman) 2006 Limited	Cayman Islands, limited liability company/Hong Kong	Dormant	US\$1	100%
The Link Finance (Cayman) 2009 Limited	Cayman Islands, limited liability company/Hong Kong	Financing	US\$1	100%
The Link Finance Limited	Hong Kong, limited liability company/Hong Kong	Financing	HK\$1	100%
The Link Management Limited	Hong Kong, limited liability company/Hong Kong	Dormant	HK\$1	100%

## Notes to the Consolidated Financial Statements continued

### 32 Subsidiaries (Continued)

The Manager considers the non-controlling interest in respect of Assets Guard Holdings Limited and Century Land Investment Limited are not material to the Group.

### 33 Event after the Reporting Date

- (a) On 19 February 2016, Link, through a wholly-owned subsidiary, agreed to acquire a commercial complex at 700 Nathan Road, Mong Kok, Kowloon, Hong Kong through a government tender at a consideration of HK\$5,910 million. The transaction was completed on 15 April 2016.
- (b) During the year, the Manager has put up certain properties of Link for tender. On 31 March 2016 and 11 April 2016, Link Properties Limited, a wholly-owned subsidiary of Link, has accepted the tender documents submitted by certain independent third parties, which constitute binding agreements in respect of the sale and purchase of nine properties for a cash consideration of HK\$3,652 million. The transactions were completed on 31 May 2016. Such properties are reclassified as investment properties held for sale as at 31 March 2016.

### 34 Approval of the Consolidated Financial Statements

The consolidated financial statements were authorised for issue by the Board and the Trustee on 8 June 2016.

# Valuation Report

## CBRE

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地產代理(公司)牌照號碼  
Estate Agent's Licence No: C-004065

30 May 2016

Our Ref: 16-CNHK-0010/DMO/JYA

The Board of Directors  
Link Asset Management Limited  
(For itself as manager of Link Real Estate Investment Trust  
("Link REIT"), and for and on behalf of Link REIT)  
33/F, AXA Tower, Landmark East  
100 How Ming Street  
Kwun Tong, Kowloon  
Hong Kong

Trustee  
HSBC Institutional Trust Services (Asia) Limited  
1 Queen's Road Central  
Hong Kong

Dear Sirs/Madams,

## Link REIT – Annual Valuation as at 31 March 2016

### INSTRUCTION

We refer to the instruction received from Link Asset Management Limited ("LAML"), in its capacity as the manager of Link Real Estate Investment Trust ("Link REIT") and HSBC Institutional Trust Services (Asia) Limited, in its capacity as the trustee of Link REIT (as "Trustee") (collectively known as the "Instructing Party") to provide our opinion of market values of 169 Retail and Car Parking Facilities in Hong Kong (the "Hong Kong Retail and Car Parking Facilities", with details stated in Schedule of Values), the market value of the site of New Kowloon Inland Lot No. 6512 (the "Property under Development", with details stated in Schedule of Values) and market values of 2 Retail, Office, and Car Parking Facilities in the People's Republic of China (the "PRC Properties", with details stated in Schedule of Values) of Link REIT as at 31 March 2016 for purpose of presentation in its 2015-2016 Annual Report. This valuation report has been prepared in compliance with the relevant requirements set out in the Code on Real Estate Investment Trusts ("REIT Code") issued by the Securities and Futures Commission of Hong Kong ("SFC"), the trust deed of Link REIT dated 6 September 2005 as supplemented from time to time by the supplemental deeds and, where applicable, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK").

## Valuation Report continued

### VALUER'S INTEREST

We hereby certify that the valuer(s) is/are suitably qualified and authorised to practise as a valuer; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Hong Kong Retail and Car Parking Facilities, the Property under Development and the PRC Properties (including the parties with whom our client is dealing, including the lender or selling agent, if any); accepts instructions to value the Hong Kong Retail and Car Parking Facilities, the Property under Development and the PRC Properties only from the Instructing Party.

### VALUATION PRINCIPLES

This valuation is prepared in accordance with the "HKIS Valuation Standards (2012 Edition)" published by the Hong Kong Institute of Surveyors ("HKIS"), the RICS Valuation – Professional Standards of the Royal Institution of Chartered Surveyors and the International Valuation Standards ("IVS") published by the International Valuation Standards Councils. In addition to the above, this valuation has been prepared in accordance with the REIT Code issued by the SFC.

We have adopted the Market Value as defined by HKIS and IVS, namely:

*"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".*

### VALUATION METHODOLOGIES

In arriving at our opinion of value, we have considered relevant general and economic factors. We have primarily carried out the valuation of the Hong Kong Retail and Car Parking Facilities by using Income Capitalisation Approach and Discounted Cash Flow Analysis. Cross reference has been made to Direct Comparison Approach. For the Property under Development, we have carried out the valuation by using the Residual Approach. For the PRC properties, we have primarily carried out the valuation by using Income Capitalisation Approach and Discounted Cash Flow Analysis, and cross-checked with Direct Comparison Approach. From the outcomes of these analyses and calculations, final value conclusions are reached.

#### Income Capitalisation Approach

The income capitalisation approach involves the capitalisation of the current passing income and potential reversionary income to arrive at the capital value. This approach is typically applied through the application of appropriate capitalisation rate. The adopted capitalisation rate reflects the nature, location and tenancy profile of the Hong Kong Retail and Car Parking Facilities and the PRC Properties together with the current market investment criteria, as supported by the market evidence. The prevailing market rentals have been obtained through our analysis of recent lettings and achievable rentals of the Hong Kong Retail and Car Parking Facilities and the PRC Properties and other similar developments in the locality. Adjustments are made according to date of tenancy, location, size, floor level, grading of the shopping mall, facilities, etc.

The ranges of capitalisation rates for the Hong Kong Retail and Car Parking Facilities adopted are shown as below.

- Retail: 3.40% to 5.20%
- Car Park: 3.80% to 6.00%
- Blended: 3.40% to 5.60%

The ranges of capitalisation rates for the PRC Properties adopted are shown as below.

- Retail: 4.50% to 5.00%
- Office: 4.00%
- Car Park: 4.00%
- Blended: 4.08% to 5.00%

### Discounted Cash Flow Analysis

Discounted Cash Flow Analysis allows an investor or owner to make an assessment of the longer term return that is likely to be derived from a property with a combination of both income and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, net property income, income growth, potential capital expenditure, costs associated with the initial purchase of the Hong Kong Retail and Car Parking Facilities and the PRC Properties and also its disposal at the end of the investment period.

### Direct Comparison Approach

Direct Comparison Method involves an analysis of sales transactions of comparable properties with similar type and characteristics of the Hong Kong Retail and Car Parking Facilities and the PRC Properties within the neighbourhood areas. Adjustments are made to reflect the differences in various aspects including date of transaction, location, size, floor level, grading and quality, building age, facilities, tenancy mix and any other relevant factors which are considered to be essential in determining the property values.

### Residual Approach

Residual Approach involves the assessment of the Gross Development Value by reference to its development potential, from which the outstanding development costs, such as the construction costs, professional fees, and finance costs that will be expended to complete the development, as well as allowances for risk and profit are deducted, to arrive at a "residual" sum which represents the Market Value of the Property under Development. The Gross Development Value is arrived at by making reference to sales transactions of comparable properties as available in the market with adjustment made to reflect the differences and where appropriate. The adopted development costs and allowance for risks and profits are mainly based on the current economic condition, commodity price trends, complexity of the proposed development and common market practice. The construction cost and professional fee spent as at 31 March 2016 (the "Date of Valuation") are provided by the Instructing Party.

### Valuation Reconciliation

The results of the valuation methods will be reconciled and the assessed value will be analysed in terms of initial passing yield, internal rate of return and on a dollar per square foot or per square meter basis.

## ASSUMPTIONS, DISCLAIMERS, LIMITATIONS & QUALIFICATIONS

### Acknowledgement of Information

We have relied to a considerable extent on the information provided by LAML and have accepted advice given to us on such matters as identification of the Hong Kong Retail and Car Parking Facilities, the Property under Development and the PRC Properties, planning approvals, statutory notices, easements, tenure, occupation, floor plans, floor areas, tenancy schedule and all other relevant matters.

In the course of our valuation, we have made reference to inter alia, the following information provided by the Instructing Party:-

For the Hong Kong Properties,

- Copy of Tenancy Schedule as at 31 March 2016 and subsequent updates;
- Copy of Retail Actual Income from March 2015 to February 2016;
- Copy of Other Retail and Car Park Incomes from March 2015 to February 2016;
- Copy of Operating Expenses from March 2015 to February 2016;
- Copy of CAPEX schedules as at 31 March 2016 and subsequent updates;
- Copy of Asset Enhancement Plans & layout plans of the Hong Kong Retail and Car Parking Facilities; and
- Copy of Approved Building Plans for the proposed commercial development at New Kowloon Inland Lot No. 6512 dated 2 October 2015.

## Valuation Report continued

For the PRC Properties,

- Copy of Tenancy Schedule as at 31 March 2016 and subsequent updates;
- Copy of Retail Actual Income from April 2015 to February 2016;
- Copy of Office Actual Income from April 2015 to February 2016 (Corporate Avenue 1 & 2, Shanghai);
- Copy of Other Retail and Car Park Incomes from April 2015 to February 2016; and
- Copy of Operating Expenses from April 2015 to February 2016.

Dimensions, measurements and areas included in the report are based on information contained in copies of documents provided to us and are therefore only approximations. No on site measurements have been taken. Should these prove to be incorrect or inadequate, the accuracy of the valuation may be affected.

### Property Title

For the Hong Kong Retail and Car Parking Facilities and the Property under Development, we have conducted title searches from the Land Registry. For the PRC Properties, we have reviewed the title documents. We have not perused the original grant documentations. We have assumed that there are no further easements or encumbrances not disclosed by this title search which may affect market values.

### Our Investigations

The inspections of the Hong Kong Retail and Car Parking Facilities, the Property under Development and the PRC Properties were undertaken in the period between January to April 2016. However, we have not carried out a structural survey nor tested any of the services or facilities and are therefore unable to state that the buildings are free from defect. We have not inspected unexposed or inaccessible portions of the building and are therefore unable to state that these are free from rot, infestation, asbestos or other hazardous and/or contaminated material. Unless otherwise stated in the valuation report, our valuation is based upon the assumption that the buildings do not have any defects requiring any significant expenditure.

We are not engaged to carry out all possible investigations in relation to the Hong Kong Retail and Car Parking Facilities, the Property under Development and the PRC Properties. Unless otherwise stated in the valuation report, the valuation assumes that the building complies with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.

### Limitation of Liability

Our findings and conclusion of values of the Hong Kong Retail and Car Parking Facilities, the Property under Development and the PRC Properties in this report are valid only for the stated purpose and only for the Valuation Date, and for the sole use of the Instructing Party. The liability of CBRE and its directors and employees is limited to the Addressee of this report only. No accountability, obligation or liability to any third parties is accepted. Use by, or reliance upon this valuation report by anyone other than the Instructing Party is not authorised by CBRE and CBRE will not be liable for any loss arising from such unauthorised use or reliance.

## SUMMARY OF VALUES

A summary of i) retail Internal Floor Area ("IFA"), number of car parking spaces, assessed market values, initial yield and indicated internal rate of return of the Hong Kong Retail and Car Parking Facilities, ii) site area, maximum gross floor area and assessed market value of the Property under Development, and iii) Gross Floor Area ("GFA"), number of car parking spaces, assessed market values, initial yield and indicated internal rate of return of the PRC Properties are shown in the attached Schedule of Values.

## VALUATION

### Hong Kong Retail and Car Parking Facilities

We are of the opinion that the market value of the unencumbered leasehold interests of the Hong Kong Retail and Car Parking Facilities, subject to the existing tenancies, as at 31 March 2016, was in the sum of HK\$143,380,100,000 (HONG KONG DOLLARS ONE HUNDRED FORTY THREE BILLION THREE HUNDRED EIGHTY MILLION ONE HUNDRED THOUSAND).

- Initial Yield of 4.74%



The notional apportionment of the Hong Kong Retail Facilities and Car Parking Facilities was as follows:-

**Retail Facilities**

- Retail value was HK\$114,492,500,000 (Hong Kong Dollars One Hundred Fourteen Billion Four Hundred Ninety Two Million Five Hundred Thousand)
- Initial Yield of 4.69%

**Car Parking Facilities**

- Car Park value was HK\$28,887,600,000 (Hong Kong Dollars Twenty Eight Billion Eight Hundred Eighty Seven Million Six Hundred Thousand)
- Initial Yield of 4.93%

**Property under Development**

We are of the opinion that the market value of the unencumbered leasehold interests of the Property under Development, based on prevailing market conditions, the assumptions and the factors stated in the Full Valuation Report, as at 31 March 2016 was in the sum of HK\$6,300,000,000 (HONG KONG DOLLARS SIX BILLION THREE HUNDRED MILLION).

**PRC Properties**

We are of the opinion that the market value of the unencumbered leasehold interests of the PRC Properties subject to the existing tenancies, as at 31 March 2016, was in the sum of RMB 9,160,000,000 (RENMINBI NINE BILLION ONE HUNDRED SIXTY MILLION).

**Corporate Avenue 1 & 2, Shanghai**

- Market value was RMB 6,630,000,000 (Renminbi Six Billion Six Hundred Thirty Million)
- Initial Yield of 4.35%

**EC Mall, Beijing**

- Market value was RMB 2,530,000,000 (Renminbi Two Billion Five Hundred Thirty Million)
- Initial Yield of 4.82%

Yours faithfully  
For and on behalf of  
**CBRE Limited**

**Daniel Mohr** AAPI, MRICS

Executive Director  
Head of Valuation and Advisory Services, Greater China

Mr Mohr is a member of Royal Institution of Chartered Surveyors. He has over 10 years of experience in valuation of properties in China.

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## Valuation Report continued

## SCHEDULE OF VALUES

This valuation comprises the following properties.

## Hong Kong Retail and Car Parking Facilities

No.	Property	No.	Property
16	Butterfly Plaza	7	Choi Yuen Plaza
149	Car Park within Ching Wang Court	21	Chuk Yuen Plaza
167	Car Park within Chuk Yuen (North) Estate	87	Chun Shek Shopping Centre
161	Car Park within Fung Lai Court	2	Chung Fu Plaza
162	Car Park within Hong Keung Court	29	Chung On Shopping Centre
125	Car Park within Ka Tin Court	114	Fortune Shopping Centre
152	Car Park within Kam On Court	73	Fu Cheong Shopping Centre
107	Car Park within Kin Ming Estate	67	Fu Heng Shopping Centre
157	Car Park within King Lai Court	45	Fu Shin Shopping Centre
164	Car Park within Kwai Hong Court	60	Fu Tai Shopping Centre
143	Car Park within Lai On Estate	24	Fu Tung Plaza
168	Car Park within Lower Wong Tai Sin (I) Estate	47	Fung Tak Shopping Centre
148	Car Park within Ming Nga Court	3	Hau Tak (II) Shopping Centre
138	Car Park within Ning Fung Court	36	Heng On Commercial Centre
166	Car Park within Pang Ching Court	41	Hin Keng Shopping Centre
131	Car Park within Po Pui Court	136	Hing Man Commercial Centre
155	Car Park within San Wai Court	94	Hing Tung Shopping Centre
154	Car Park within Sau Mau Ping (I) Estate	49	Hing Wah Plaza
130	Car Park within Tin King Estate	74	Hiu Lai Shopping Centre
158	Car Park within Tin Yau Court	69	Hoi Fu Shopping Centre
126	Car Park within Tin Yuet Estate	42	Homantin Plaza
135	Car Park within Tsui Ping South Estate	9	Kai Tin Shopping Centre
128	Car Park within Tsz Man Estate	79	Kai Yip Commercial Centre
151	Car Park within Upper Ngau Tau Kok Estate	68	Kam Tai Shopping Centre
120	Car Park within Wah Lai Estate	98	Kam Ying Court Shopping Centre
134	Car Park within Wang Fuk Court	102	Kin Sang Shopping Centre
147	Car Park within Yee Kok Court	85	King Lam Shopping Centre
156	Car Park within Yee Nga Court	66	Kwai Fong Plaza
137	Car Park within Ying Ming Court	62	Kwai Shing East Shopping Centre
139	Car Park within Yue On Court	70	Kwong Fuk Commercial Centre
11	Cheung Fat Plaza	38	Kwong Yuen Shopping Centre
92	Cheung Hang Shopping Centre	104	Lai Kok Shopping Centre
50	Cheung Hong Commercial Centre	75	Lee On Shopping Centre
84	Cheung Wah Shopping Centre	88	Lei Cheng Uk Shopping Centre
15	Choi Ming Shopping Centre	59	Lei Tung Commercial Centre
28	Choi Wan Commercial Complex	39	Lek Yuen Plaza

No.	Property	No.	Property
12	Leung King Plaza	127	Retail and Car Park within Tong Ming Court
34	Lions Rise Mall	129	Retail and Car Park within Tsui Wan Estate
1	Lok Fu Plaza	144	Retail and Car Park within Tsz Oi Court
77	Lok Wah Commercial Centre	106	Retail and Car Park within Tung Tau Estate
57	Long Ping Commercial Centre	122	Retail and Car Park within Wo Ming Court
65	Lung Hang Commercial Centre	141	Retail and Car Park within Yan Ming Court
64	Maritime Bay	133	Retail and Car Park within Yan Shing Court
55	Mei Lam Commercial Centre	146	Retail and Car Park within Ying Fuk Court
97	Ming Tak Shopping Centre	86	Sam Shing Commercial Centre
25	Nan Fung Plaza	10	Sau Mau Ping Shopping Centre
26	Oi Man Plaza	30	Sha Kok Commercial Centre
51	Oi Tung Shopping Centre	46	Shan King Commercial Centre
33	On Ting Commercial Complex	91	Shek Lei Shopping Centre Phase I
99	On Yam Shopping Centre	58	Shek Lei Shopping Centre Phase II
103	Ping Tin Shopping Centre	81	Shek Wai Kok Commercial Centre
115	Po Hei Court Commercial Centre	76	Shek Yam Shopping Centre
48	Po Lam Shopping Centre	8	Sheung Tak Plaza
44	Po Tat Shopping Centre	43	Shun Lee Commercial Centre
105	Po Tin Shopping Centre	116	Shun On Commercial Centre
83	Retail and Car Park within Ap Lei Chau Estate	117	Siu Hei Commercial Centre
108	Retail and Car Park within Cheung On Estate	22	Siu Sai Wan Plaza
110	Retail and Car Park within Cheung Wang Estate	32	Stanley Plaza
124	Retail and Car Park within Ching Wah Court	90	Sui Wo Court Commercial Centre
111	Retail and Car Park within Hong Pak Court	53	Sun Chui Shopping Centre
163	Retail and Car Park within Hong Shui Court	112	Sun Tin Wai Commercial Centre
123	Retail and Car Park within Hong Yat Court	54	Tai Hing Commercial Centre
159	Retail and Car Park within Hung Hom Estate	71	Tai Wo Hau Commercial Centre
119	Retail and Car Park within Ko Chun Court	13	Tai Wo Plaza
169	Retail and Car Park within Ko Yee Estate	37	Tai Yuen Commercial Centre
153	Retail and Car Park within Lok Nga Court	27	Tak Tin Plaza
118	Retail and Car Park within Lok Wah (South) Estate	5	Temple Mall North
121	Retail and Car Park within Mei Chung Court	6	Temple Mall South
145	Retail and Car Park within Nam Cheong Estate	17	Tin Chak Shopping Centre
142	Retail and Car Park within Po Nga Court	113	Tin Ma Court Commercial Centre
150	Retail and Car Park within Sau Mau Ping (III) Estate	23	Tin Shing Shopping Centre
93	Retail and Car Park within Shun Tin Estate	31	Tin Shui Shopping Centre
160	Retail and Car Park within Tai Ping Estate	96	Tin Tsz Shopping Centre
140	Retail and Car Park within Tin Wah Estate	20	Tin Yiu Plaza
165	Retail and Car Park within Tin Wang Court	89	Tsing Yi Commercial Complex
132	Retail and Car Park within Tin Yat Estate	52	Tsui Ping North Shopping Circuit

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No.	Property	No.	Property
78	Tsz Ching Shopping Centre (I) & (II)	19	Yat Tung Shopping Centre
4	Tsz Wan Shan Shopping Centre	18	Yau Mei & Ko Cheung (Lei Yue Mun Plaza)
56	Un Chau Shopping Centre	40	Yau Oi Commercial Centre
61	Wah Ming Shopping Centre	109	Yin Lai Court Shopping Centre
95	Wah Sum Shopping Centre	63	Yiu On Shopping Centre
72	Wan Tau Tong Shopping Centre	100	Yiu Tung Shopping Centre
82	Wan Tsui Commercial Complex	35	Yu Chui Shopping Centre
101	Wang Tau Hom (Wang Fai Centre)	80	Yung Shing Shopping Centre
14	Wo Che Plaza		

**Property under Development**

No.	Property
1	New Kowloon Inland Lot No. 6512

**PRC Properties**

No.	Property	No.	Property
1	Corporate Avenue 1 & 2, Shanghai	2	EC Mall, Beijing

## Hong Kong Retail and Car Parking Facilities

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>1</b>	<b>Lok Fu Plaza</b>	<b>389,518</b>	<b>793</b>	<b>252.3</b>	<b>4.41%</b>	<b>5,880.0</b>	<b>7.50%</b>	<b>5,456.0</b>	<b>5,668.0</b>	<b>4.45%</b>	<b>7.68%</b>
	Brief Description:	Lok Fu Plaza comprises a 6-storey with basement level retail building (Commercial Centre I), a 4-storey car park building (Car Park I), a 7-storey with basement level retail building (Commercial Centre II) and a 2-storey car park building (Car Park II), some Integrated Commercial/Car Park Accommodation in Wang Shun House, Wang Tat House and Wang Yat House as well as Associated Areas in Lok Fu Estate. The property was completed between 1983 and 1991. A total of 793 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 107,428/335,530 equal and undivided shares of and in New Kowloon Inland Lot No. 6451 and is held under Government Lease for a term of 50 years from 31 December 2007.									
<b>2</b>	<b>Chung Fu Plaza</b>	<b>204,133</b>	<b>1,177</b>	<b>197.2</b>	<b>4.38%</b>	<b>3,980.0</b>	<b>7.50%</b>	<b>3,660.0</b>	<b>3,820.0</b>	<b>5.16%</b>	<b>7.62%</b>
	Brief Description:	Chung Fu Plaza comprises a 9-storey commercial/car park building (Chung Fu Plaza Phase 1) and a 3-storey commercial building (Chung Fu Plaza Phase 2) linked by a footbridge on the first floor. In addition, the property includes a kindergarten and a day nursery respectively located on the ground and first floors of the Ancillary Facilities Block in Tin Chung Court. Phase 1 and Phase 2 were completed in 1999 and 2000 respectively. A total of 1,177 parking spaces are provided in the property. Chung Fu Plaza is currently under Asset Enhancement. The IFA as at 31 March 2016 was approximately 212,279 sqft.									
	Title Details:	The property is held by Link Properties Limited. Chung Fu Plaza Phase I comprises all that piece or parcel of ground in Section A of Tin Shui Wai Town Lot No. 18 and 2,021/363,535 equal and undivided shares of and in the Remaining Portion of Tin Shui Wai Town Lot No. 18 and is held under Government Lease for a term of 50 years from 8 January 1999. Chung Fu Plaza Phase 2 comprises portion of 50,802/297,568 equal and undivided shares of and in Tin Shui Wai Town Lot No. 41 and is held under Government Lease for a term of 50 years from 8 June 2010.									
<b>3</b>	<b>Hau Tak (II) Shopping Centre</b>	<b>168,994</b>	<b>623</b>	<b>129.9</b>	<b>4.27%</b>	<b>3,954.0</b>	<b>7.50%</b>	<b>3,581.0</b>	<b>3,768.0</b>	<b>3.45%</b>	<b>7.52%</b>
	Brief Description:	Hau Tak (II) Shopping Centre, completed in 1993, comprises two 5-storey Commercial/Car Park Blocks (East Wing & West Wing), various Open Car Parks and Associated Areas in Hau Tak Estate. A total of 623 car parking spaces are provided in the property. Hau Tak (II) Shopping Centre is currently under Asset Enhancement. The IFA as at 31 March 2016 was approximately 122,956 sqft.									
	Title Details:	The property is held by Link Properties Limited. It comprises 49,962/324,918 equal and undivided shares of and in Tseung Kwan O Town Lot No. 99 and is held under Government Lease for a term of 50 years from 14 October 2005.									
<b>4</b>	<b>Tsz Wan Shan Shopping Centre</b>	<b>202,188</b>	<b>940</b>	<b>177.2</b>	<b>4.62%</b>	<b>3,694.0</b>	<b>7.50%</b>	<b>3,474.0</b>	<b>3,584.0</b>	<b>4.94%</b>	<b>7.78%</b>
	Brief Description:	Tsz Wan Shan Shopping Centre comprises an 8-storey commercial building and an adjoining car park building (Commercial/Car Park Block), a 3-storey car park building (Multi-storey Car Park), a 3-storey car park building (Car Park Block A) and another split-level 4-storey car park building (Car Park Block B), a lift tower, some facilities in Integrated Commercial/Car Park Accommodation in Ancillary Facilities Block, various Open Car Parks and Associated Areas in Tsz Lok Estate (Open Car Parks). The property was completed in 1997. A total of 940 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 81,055/481,546 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6442 and is held under Government Lease for a term of 50 years from 8 October 2007.									
<b>5</b>	<b>Temple Mall North</b>	<b>140,336</b>	<b>473</b>	<b>141.6</b>	<b>4.21%</b>	<b>3,477.0</b>	<b>7.50%</b>	<b>3,154.0</b>	<b>3,316.0</b>	<b>4.27%</b>	<b>7.53%</b>
	Brief Description:	Temple Mall North (formerly known as Lung Cheung Plaza) comprises a 5-storey including a basement level Commercial/Car Park Accommodation and Associated Areas in Upper Wong Tai Sin Estate. The property was completed in 2001. A total of 473 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 53,974/311,854 equal and undivided shares of and in New Kowloon Inland Lot No. 6439 and is held under Government Lease for a term of 50 years from 23 February 2007.									

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Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Analysis		
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2016 (HK\$M)	Initial Yield	Indicated IRR
<b>6</b>	<b>Temple Mall South</b>	<b>145,716</b>	<b>688</b>	<b>154.1</b>	<b>4.42%</b>	<b>3,248.0</b>	<b>7.50%</b>	<b>3,005.0</b>	<b>3,127.0</b>	<b>4.93%</b>	<b>7.66%</b>
Brief Description:	Temple Mall South (formerly known as Wong Tai Sin Plaza) comprises a 4-storey commercial/car park building (Multi-storey Commercial/Car Park Accommodation), a 5-storey commercial/car park building (Commercial/Car Park Block), a single-storey car park building (Car Park Block) and various cooked food stalls (Commercial Blocks). In addition, it includes Integrated Commercial/Car Park Accommodations located within the residential blocks of Lung Kwong House, Lung Fai House, Lung Lok House and Lung On House, various Open Car Parks and Associated Areas in Lower Wong Tai Sin II Estate. The property was built in phases from 1982 to 1983. A total of 688 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 51,200/323,235 equal and undivided shares of and in New Kowloon Inland Lot No. 6438 and is held under Government Lease for a term of 50 years from 17 May 2007.										
<b>7</b>	<b>Choi Yuen Plaza</b>	<b>127,908</b>	<b>536</b>	<b>142.9</b>	<b>4.53%</b>	<b>3,082.0</b>	<b>7.50%</b>	<b>2,871.0</b>	<b>2,977.0</b>	<b>4.80%</b>	<b>7.71%</b>
Brief Description:	Choi Yuen Plaza comprises a 6-storey (including a basement level) commercial/car park building (Commercial/Car Park Block). In addition, the property includes Open Car Parks, Associated Areas and various shop units located within the residential blocks of Choi Chu House, Choi Yuk House, Choi Ping House and Choi Wah House (Integrated Commercial/Car Park Accommodation). The property was completed in 1982. A total of 536 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 34,746/286,392 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 230 and is held under Government Lease for a term of 50 years from 17 September 2005.										
<b>8</b>	<b>Sheung Tak Plaza</b>	<b>131,302</b>	<b>1,280</b>	<b>153.0</b>	<b>4.60%</b>	<b>3,062.0</b>	<b>7.50%</b>	<b>2,879.0</b>	<b>2,971.0</b>	<b>5.15%</b>	<b>7.77%</b>
Brief Description:	Sheung Tak Plaza comprises a 4-storey commercial/car park building (Commercial/Car Park Block), three 5-storey car park buildings (Car Parks A, B and C), Integrated Commercial/Car Park Accommodation on the ground floor of Sheung Mei House, various open car parks and Associated Areas in Sheung Tak Estate. The property was completed in 1998. A total of 1,280 car parking spaces are provided in the property. Sheung Tak Shopping Centre has been renamed as Sheung Tak Plaza and Car Parks A, B and C of Sheung Tak Estate have also been renamed as Sheung Tak Car Park 1, Sheung Tak Car Park 2 and Sheung Tak Car Park 3 effective from 1 April 2013.										
Title Details:	The property is held by Link Properties Limited. It comprises 95,092/467,545 equal and undivided shares of and in Tseung Kwan O Town Lot No. 98 and is held under Government Lease for a term of 50 years from 26 March 2007.										
<b>9</b>	<b>Kai Tin Shopping Centre</b>	<b>184,175</b>	<b>461</b>	<b>150.4</b>	<b>4.61%</b>	<b>3,046.0</b>	<b>7.50%</b>	<b>2,864.0</b>	<b>2,955.0</b>	<b>5.09%</b>	<b>7.77%</b>
Brief Description:	Kai Tin Shopping Centre comprises a 7-storey Commercial/Car Park Block, a 5-storey Multi-storey Commercial/Car Park Accommodation and various Associated Areas and Car Parks in Kai Tin Estate. The property was completed by two phases in 1999 and 2003. A total number of 461 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 65,207/256,946 equal and undivided shares of and in New Kowloon Inland Lot No. 6481 and is held under Government Lease for a term of 50 years from 29 September 2009.										
<b>10</b>	<b>Sau Mau Ping Shopping Centre</b>	<b>155,480</b>	<b>611</b>	<b>132.5</b>	<b>4.42%</b>	<b>2,903.0</b>	<b>7.50%</b>	<b>2,680.0</b>	<b>2,792.0</b>	<b>4.74%</b>	<b>7.64%</b>
Brief Description:	Sau Mau Ping Shopping Centre comprises a 4-storey Commercial/Car Park Block, a 5-storey car park podium of the Ancillary Facilities Building (Multi-storey Car Park A) and some Associated Areas in Sau Mau Ping Estate. The property was completed in 2002. A total of 611 car parking spaces are provided in the property. Sau Mau Ping Shopping Centre is currently under Asset Enhancement. The IFA as at 31 March 2016 was approximately 153,429 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 57,670/833,450 equal and undivided shares of and portion of 10/833,450 equal and undivided shares of and in New Kowloon Inland Lot No. 6453 and is held under Government Lease for a term of 50 years from 23 February 2007.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>11</b>	<b>Cheung Fat Plaza</b>	<b>166,488</b>	<b>590</b>	<b>138.2</b>	<b>4.60%</b>	<b>2,789.0</b>	<b>7.50%</b>	<b>2,628.0</b>	<b>2,709.0</b>	<b>5.10%</b>	<b>7.78%</b>
	Brief Description:	Cheung Fat Plaza comprises a 7-storey (including a basement) Shopping Centre and an Electricity Substation in Cheung Fat Estate completed in 1987. A total of 590 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 49,331/171,904 equal and undivided shares of and in Tsing Yi Town Lot No. 172 and is held under Government Lease for a term of 50 years from 22 December 2005.									
<b>12</b>	<b>Leung King Plaza</b>	<b>178,643</b>	<b>616</b>	<b>122.8</b>	<b>4.57%</b>	<b>2,639.0</b>	<b>7.50%</b>	<b>2,488.0</b>	<b>2,564.0</b>	<b>4.79%</b>	<b>7.79%</b>
	Brief Description:	Leung King Plaza, completed in 1988, comprises a 4-storey commercial/car park building (Commercial/Car Park Block), HA Open Car Parks and HA Road in Leung King Estate. A total of 616 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 54,922/426,295 equal and undivided shares of and in Tuen Mun Town Lot No. 458 and is held under Government Lease for a term of 50 years from 8 February 2001.									
<b>13</b>	<b>Tai Wo Plaza</b>	<b>126,621</b>	<b>454</b>	<b>133.0</b>	<b>4.45%</b>	<b>2,654.0</b>	<b>7.50%</b>	<b>2,444.0</b>	<b>2,549.0</b>	<b>5.22%</b>	<b>7.63%</b>
	Brief Description:	Tai Wo Plaza comprises a 3-storey plus a Basement level Commercial/Car Park Block (Phase 1) and a 2-storey plus a Basement level Commercial/Car Park Block (Phase 2) linked by a footbridge across the MTR East Rail Tai Wo Station. In addition, the property includes a single-storey Cooked Food Centre and portions of the Integrated HA Accommodation comprising various shop units, stores, offices and clinics on the ground, second and third floors of Oi Wo House and shops, offices and clinics on the ground, second and third floors of On Wo House and the entrance access on the ground floor of Hei Wo House that leads to the ground floor of Phase 1 Commercial Block in Tai Wo Estate. The property was completed in 1989. A total of 454 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 40,117/414,930 equal and undivided shares of and in Tai Po Town Lot No. 176 and is held under Government Lease for a term of 50 years from 10 February 2000.									
<b>14</b>	<b>Wo Che Plaza</b>	<b>180,881</b>	<b>828</b>	<b>118.5</b>	<b>4.24%</b>	<b>2,596.0</b>	<b>7.50%</b>	<b>2,366.0</b>	<b>2,481.0</b>	<b>4.78%</b>	<b>7.56%</b>
	Brief Description:	Wo Che Plaza, completed in 1977, comprises a 4-storey Commercial/Car Park Block, various retail units on the ground floors of Tai Wo House, Foo Wo House, Hau Wo House, Chi Wo House and King Wo House (Integrated Commercial/Car Park Accommodation), Associated Areas and Open Car Parks in Wo Che Estate. A total of 828 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 55,437/474,742 equal and undivided shares of and in Sha Tin Town Lot No. 549 and is held under Government Lease for a term of 50 years from 23 February 2007.									
<b>15</b>	<b>Choi Ming Shopping Centre</b>	<b>98,645</b>	<b>765</b>	<b>109.5</b>	<b>4.43%</b>	<b>2,458.0</b>	<b>7.50%</b>	<b>2,265.0</b>	<b>2,362.0</b>	<b>4.64%</b>	<b>7.63%</b>
	Brief Description:	Choi Ming Shopping Centre comprises a 5-storey (including the basement) commercial/car park building (Commercial/Car Park Block), an 8-storey car park building (Carport Building) and all those Covered Parking Spaces on the ground floor of Choi Ming Court, and the ground floor of a 6-storey commercial/car park building, Kin Ming Estate (known as Extension Block). Choi Ming Shopping Centre was completed in 2001, and the Extension Block was completed in 2003. A total of 765 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 44,614/346,996 equal and undivided shares of Tseung Kwan O Town Lot No. 82 and portion of 39,133/420,644 equal and undivided shares of Tseung Kwan O Town Lot No. 109. It is held under Government Lease for a term of 50 years from 4 May 2001 (Tseung Kwan O Town Lot No. 82) and 15 March 2010 (Tseung Kwan O Town Lot No. 109).									



## Valuation Report continued

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Analysis		
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2016 (HK\$M)	Initial Yield	Indicated IRR
<b>16 Butterfly Plaza</b>											
		<b>172,338</b>	<b>313</b>	<b>78.6</b>	<b>4.83%</b>	<b>2,329.0</b>	<b>7.50%</b>	<b>2,213.3</b>	<b>2,271.2</b>	<b>3.46%</b>	<b>7.84%</b>
Brief Description:	Butterfly Plaza comprises a 3-storey retail building with market (Commercial Complex), a 4-storey car park building (Multi-storey Car Park) and various cooked food stalls at the Commercial Area near Block 6. In addition, the property includes various shop units located at the ground and first floors within the residential blocks of Tip Ling House and Tip Sum House (Integrated Commercial/Car Park Accommodation), Open Car Parks, Open Loading and Unloading Spaces and Associated Areas in Butterfly Estate. The property was completed in 1983. A total of 313 car parking spaces are provided in the property. Butterfly Plaza is currently under Asset Enhancement. The IFA as at 31 March 2016 was approximately 142,369 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 38,316/248,783 equal and undivided shares of and in Tuen Mun Town Lot No. 473 and is held under Government Lease for a term of 50 years from 14 October 2005.										
<b>17 Tin Chak Shopping Centre</b>											
		<b>131,591</b>	<b>302</b>	<b>110.6</b>	<b>4.41%</b>	<b>2,351.6</b>	<b>7.50%</b>	<b>2,164.1</b>	<b>2,257.9</b>	<b>4.90%</b>	<b>7.63%</b>
Brief Description:	Tin Chak Shopping Centre comprises a 4-storey commercial building (Commercial Block) and a 4-storey car park building. In addition, it includes kiosk at the entrance of the commercial block and Associated Areas in Tin Chak Estate. The property was completed in 2001. A total of 302 car parking spaces are provided in the property. Tin Chak Shopping Centre is currently under Asset Enhancement. The IFA as at 31 March 2016 was approximately 129,085 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 38,810/272,897 equal and undivided shares of and in Tin Shui Wai Town Lot No. 37 and is held under Government Lease for a term of 50 years from 14 October 2005.										
<b>18 Yau Mei &amp; Ko Cheung (Lei Yue Mun Plaza)</b>											
		<b>100,543</b>	<b>0</b>	<b>101.5</b>	<b>4.60%</b>	<b>2,111.0</b>	<b>7.50%</b>	<b>1,981.0</b>	<b>2,046.0</b>	<b>4.96%</b>	<b>7.76%</b>
Brief Description:	Lei Yue Mun Plaza comprises a 4-storey commercial podium underneath Blocks J, K and L of Yau Mei Court (Commercial Accommodation). The property was completed in 2001.										
Title Details:	The property is held by Link Properties Limited. It comprises 19,357/392,161 equal and undivided shares of and in New Kowloon Inland Lot No. 6459 and is held under Government Lease for a term of 50 years from 3 June 2005.										
<b>19 Yat Tung Shopping Centre</b>											
		<b>193,118</b>	<b>1,900</b>	<b>100.2</b>	<b>4.70%</b>	<b>2,063.0</b>	<b>7.50%</b>	<b>1,959.0</b>	<b>2,011.0</b>	<b>4.98%</b>	<b>7.84%</b>
Brief Description:	Yat Tung Shopping Centre comprises a 3-storey Commercial Centre 1 (Commercial Blocks) and a 4-storey Commercial Centre 2 (Commercial Blocks), two 6-storey car park buildings (Multi-storey Car Park 1 and Car Park 3), a 6-storey commercial/car park block (Commercial/Car Park Block), various open car parks and Associated Areas in Yat Tung Estate. The property was built in phases from 2001 to 2003. A total of 1,900 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 107,811/930,819 equal and undivided shares of and in Tung Chung Town Lot No. 30 and is held under Government Lease for a term of 50 years from 5 February 2009.										
<b>20 Tin Yiu Plaza</b>											
		<b>92,395</b>	<b>480</b>	<b>80.4</b>	<b>4.45%</b>	<b>2,051.0</b>	<b>7.50%</b>	<b>1,896.0</b>	<b>1,974.0</b>	<b>4.07%</b>	<b>7.65%</b>
Brief Description:	Tin Yiu Plaza comprises a 4-storey commercial/car park building (Commercial/Car Park Block), Open Car Parks and Associated Areas in Tin Yiu Estate. The property was completed in 1992. A total of 480 car parking spaces are provided in the property. Tin Yiu Plaza is currently under Asset Enhancement. The IFA as at 31 March 2016 was approximately 76,266 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 31,581/574,611 equal and undivided shares of and in Tin Shui Wai Town Lot No. 38 and is held under Government Lease for a term of 50 years from 17 September 2005.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>21</b>	<b>Chuk Yuen Plaza</b>	<b>137,329</b>	<b>1,103</b>	<b>94.2</b>	<b>4.80%</b>	<b>1,967.0</b>	<b>7.50%</b>	<b>1,876.0</b>	<b>1,922.0</b>	<b>4.90%</b>	<b>7.87%</b>
	Brief Description:	Chuk Yuen Plaza comprises a 5-storey commercial building with basement car park (Commercial/Car Park Block), a 4-storey car park podium of Chui Yuen House (Multi-storey Car Park Accommodation) and various free-standing cooked food stalls (Cooked Food Stalls). In addition, the property includes various shop units on the ground and second floors of Sau Yuen House, Open Car Parking spaces (Open Car Parks) and Associated Areas within Chuk Yuen (South) Estate. The property was completed in 1984. A total of 1,103 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 62,198/354,665 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6452 and is held under Government Lease for a term of 50 years from 16 August 2007.									
<b>22</b>	<b>Siu Sai Wan Plaza</b>	<b>100,680</b>	<b>558</b>	<b>94.2</b>	<b>4.69%</b>	<b>1,901.0</b>	<b>7.50%</b>	<b>1,792.0</b>	<b>1,847.0</b>	<b>5.10%</b>	<b>7.79%</b>
	Brief Description:	Siu Sai Wan Plaza comprises a 5-storey Shopping Centre interconnected with a 12-level car park block, a 2-storey car park block (Siu Sai Wan Estate Phase 3 Car Park), a post office (the Integrated Commercial Accommodation) on the ground floor of Sui Yick House and various car parking spaces in Siu Sai Wan Estate. The property was completed in 1989. A total of 558 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 34,606/418,894 equal and undivided shares of and in Chai Wan Inland Lot No. 176 and is held under Government Lease for a term of 50 years from 26 March 2007.									
<b>23</b>	<b>Tin Shing Shopping Centre</b>	<b>75,718</b>	<b>1,458</b>	<b>94.5</b>	<b>4.60%</b>	<b>1,890.0</b>	<b>7.50%</b>	<b>1,764.0</b>	<b>1,827.0</b>	<b>5.17%</b>	<b>7.73%</b>
	Brief Description:	Tin Shing Shopping Centre comprises an 8-storey commercial/car park building (Tin Shing Commercial Centre), a 3-storey Kindergarten and Play Areas and a Nursery (Ancillary Facilities Block) in Tin Shing Court. The property was completed in 2000. A total of 1,458 car parking spaces are provided with the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises whole share of Section A of Tin Shui Wai Town Lot No. 17 and 1,480/357,800 equal and undivided shares of the Remaining Portion of Tin Shui Wai Town Lot No. 17 and is held under Government Lease for a term of 50 years from 28 November 1997.									
<b>24</b>	<b>Fu Tung Plaza</b>	<b>106,438</b>	<b>537</b>	<b>85.9</b>	<b>4.65%</b>	<b>1,736.0</b>	<b>7.50%</b>	<b>1,632.0</b>	<b>1,684.0</b>	<b>5.10%</b>	<b>7.77%</b>
	Brief Description:	Fu Tung Plaza comprises a 4-storey commercial/car park building (Commercial/Car Park Block), a 3-storey car park building (Car Park Block), various open car parks (Open Car Parks) and Associated Areas in Fu Tung Estate. The property was completed in 1997. A total of 537 car parking spaces are provided in the property. Fu Tung Plaza is currently under Asset Enhancement. The IFA as at 31 March 2016 was approximately 105,095 sqft.									
	Title Details:	The property is held by Link Properties Limited. It comprises 44,218/209,377 equal and undivided shares of and in Tung Chung Town Lot No. 40 and is held under Government Lease for a term of 50 years from 30 April 2008.									
<b>25</b>	<b>Nan Fung Plaza</b>	<b>81,434</b>	<b>0</b>	<b>77.5</b>	<b>4.20%</b>	<b>1,696.0</b>	<b>7.50%</b>	<b>1,562.0</b>	<b>1,629.0</b>	<b>4.76%</b>	<b>7.64%</b>
	Brief Description:	Nan Fung Plaza, completed in 1999, comprises various commercial units, a Kindergarten on ground floor and podium level 1 and various External Wall Advertising Spaces of the commercial podium in Nan Fung Plaza.									
	Title Details:	The property is held by Link Properties Limited. It comprises 154,634/1,485,995 equal and undivided shares of and in Tseung Kwan O Town Lot No. 23 and is held under New Grant No. 8648 for a term commencing from 21 November 1995 to 30 June 2047.									

## Valuation Report continued

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Analysis		
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2016 (HK\$M)	Initial Yield	Indicated IRR
<b>26</b>	<b>Oi Man Plaza</b>	<b>192,762</b>	<b>808</b>	<b>76.5</b>	<b>4.72%</b>	<b>1,665.0</b>	<b>7.50%</b>	<b>1,585.0</b>	<b>1,625.0</b>	<b>4.70%</b>	<b>7.86%</b>
Brief Description:	Oi Man Plaza comprises a 3-storey commercial building with an adjoining four 3-storey garage buildings namely Garages A to D (Multi-storey Commercial/Car Park Accommodation), a single-storey wet market building (Commercial Block 2) and various cooked food stalls (Commercial Block 1). In addition, the property includes various shop units located on the ground floors within the residential blocks of Chiu Man House, Hong Man House and Chung Man House, various Open Car Parks and the Associated Areas within Oi Man Estate. The property was completed in 1975. There are a total of 808 car parking spaces in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 54,395/204,983 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 9826 and is held under Government Lease for a term of 75 years commencing from 1 April 1968.										
<b>27</b>	<b>Tak Tin Plaza</b>	<b>98,302</b>	<b>754</b>	<b>77.5</b>	<b>4.64%</b>	<b>1,596.0</b>	<b>7.50%</b>	<b>1,506.0</b>	<b>1,551.0</b>	<b>4.99%</b>	<b>7.80%</b>
Brief Description:	Tak Tin Plaza comprises a 4-storey commercial building (Commercial Block), a 7-storey (14 split-levels) car park building (Car Park Block A), a 6-storey (10 split-levels) car park building (Car Park Block B) and a single-storey car park podium (Car Park Block C) located within the residential block of Tak Hong House. In addition, the property includes Portions of the Integrated HA Accommodation on the 2nd floor of Tak King House and Open Car Parks near to Tak Shing House. The property was completed in 1991. There are a total of 754 car parking spaces in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 25,782/308,756 equal and undivided shares of and in New Kowloon Inland Lot No. 6326 and is held under Government Lease for a term of 50 years from 18 March 1999.										
<b>28</b>	<b>Choi Wan Commercial Complex</b>	<b>168,280</b>	<b>859</b>	<b>72.4</b>	<b>4.80%</b>	<b>1,558.0</b>	<b>7.50%</b>	<b>1,482.0</b>	<b>1,520.0</b>	<b>4.76%</b>	<b>7.85%</b>
Brief Description:	Choi Wan Commercial Complex comprises a 5-storey (with split-levels on lower ground, ground and first floors) commercial/car park building standing beside Block 6 (Commercial/Car Park Block 1), a 7-storey commercial/car park building beside Block 15 (Commercial/Car Park Block 2), a 2-storey building (Commercial Block 1), various shops units on the ground and first floors of Fei Fung House and various cooked food stalls (Commercial Block 2). In addition, it includes various Open Car Parks, Associated Areas and Integrated Accommodation in Choi Wan Estate. The property was completed in 1980. A total of 859 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 61,003/394,552 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6461 and is held under Government Lease for a term of 50 years from 29 December 2008.										
<b>29</b>	<b>Chung On Shopping Centre</b>	<b>82,160</b>	<b>995</b>	<b>76.9</b>	<b>4.82%</b>	<b>1,540.0</b>	<b>7.50%</b>	<b>1,473.0</b>	<b>1,507.0</b>	<b>5.10%</b>	<b>7.89%</b>
Brief Description:	Chung On Shopping Centre comprises a 5-storey commercial/car park building with roof (Commercial/Car Park Block), Associated Areas, covered car parking spaces on the ground floor of Chung Ping House (Integrated Commercial/Car Park Accommodation) and all the Open Car Parks in Chung On Estate. The property was completed in 1996. A total of 995 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 41,385/223,886 equal and undivided shares of and in Sha Tin Town Lot No. 544 and is held under Government Lease for a term of 50 years from 14 October 2005.										
<b>30</b>	<b>Sha Kok Commercial Centre</b>	<b>92,279</b>	<b>662</b>	<b>73.7</b>	<b>4.66%</b>	<b>1,545.0</b>	<b>7.50%</b>	<b>1,455.0</b>	<b>1,500.0</b>	<b>4.92%</b>	<b>7.78%</b>
Brief Description:	Sha Kok Commercial Centre comprises a 4-storey commercial/car park building (Commercial Block) and several isolated cooked food stalls. In addition, the property includes various shop units located on the ground floors within the residential blocks of Osprey House and Sand Martin House (Integrated Commercial/Car Park Accommodation) and Open Car Parks in Sha Kok Estate. The property was completed in 1980. A total of 662 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 32,438/340,309 equal and undivided shares of and in Sha Tin Town Lot No. 552 and is held under Government Lease for a term of 50 years from 3 July 2008.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>31</b>	<b>Tin Shui Shopping Centre</b>	<b>73,470</b>	<b>577</b>	<b>71.7</b>	<b>4.43%</b>	<b>1,514.0</b>	<b>7.50%</b>	<b>1,400.0</b>	<b>1,457.0</b>	<b>4.92%</b>	<b>7.66%</b>
Brief Description:	Tin Shui Shopping Centre comprises a 2-storey commercial building and adjoining 4-storey commercial/car park block (connected internally and together known as Commercial/Car Park Block), various Open Car Parks and Associated Areas in Tin Shui Estate. The property was completed in 1992. A total of 577 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 34,646/599,404 equal and undivided shares of and in Tin Shui Wai Town Lot No. 39 and is held under Government Lease for a term of 50 years from 5 September 2007.										
<b>32</b>	<b>Stanley Plaza</b>	<b>98,549</b>	<b>411</b>	<b>61.6</b>	<b>4.39%</b>	<b>1,506.0</b>	<b>7.50%</b>	<b>1,394.0</b>	<b>1,450.0</b>	<b>4.25%</b>	<b>7.67%</b>
Brief Description:	Stanley Plaza, completed in phases from 1999 to 2000, consists of three portions. Portion 1 comprises a 6-storey commercial/car park building (Commercial/Car Park Block), a 3-storey commercial building (Murray House) and three single-storey shop stalls/kiosks at the Village Square together with the open venue thereof. Portion 2 comprises various Open Car Parks near Lung Tak Court with Ma Hang Estate. Portion 3 comprises two shop units on the ground floor of Leung Ma House and the 2-storey basement car park building (Basement Car Park Block) situated adjacent to Leung Ma House of Ma Hang Estate. A total of 411 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 37,045/116,974 equal and undivided shares of and in Stanley Inland Lot No. 98 and is held under Government Lease for a term of 50 years from 11 June 2009.										
<b>33</b>	<b>On Ting Commercial Complex</b>	<b>107,828</b>	<b>546</b>	<b>71.2</b>	<b>4.60%</b>	<b>1,492.1</b>	<b>7.50%</b>	<b>1,399.9</b>	<b>1,446.0</b>	<b>4.93%</b>	<b>7.76%</b>
Brief Description:	On Ting Commercial Complex comprises a 5-storey (including a Mezzanine Floor) car park and market building (Car Park and Market Building), another 3-storey retail building (New Annex Block) and a Restaurant Block. In addition, the property includes 6-storey Commercial Accommodation located within the residential block of Ting Cheung House, various Open Car Parks and Associated Areas in On Ting Estate. The property was completed in 1980. A total of 546 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 41,242/323,574 equal and undivided shares of and in the Remaining Portion of Tuen Mun Town Lot No. 476 and is held under Government Lease for a term of 50 years from 29 September 2009.										
<b>34</b>	<b>Lions Rise Mall</b>	<b>66,511</b>	<b>61</b>	<b>40.6</b>	<b>3.80%</b>	<b>1,452.5</b>	<b>7.50%</b>	<b>1,276.3</b>	<b>1,364.4</b>	<b>2.98%</b>	<b>7.32%</b>
Brief Description:	Lions Rise Mall, completed in 2012, comprises 3 storeys within the commercial podium and portion of the Car Parking Spaces on basement level of the development named Lions Rise. A total of 55 private car parking spaces and 6 motor cycle parking spaces are provided in the property.										
Title Details:	The property is held by Link (LRM) Limited. It comprises 12,551/81,133 equal and undivided shares of and in New Kowloon Inland Lot No. 6309 and is held under Conditions of Sale No. 20045 for a term of 50 years from 31 July 2007.										
<b>35</b>	<b>Yu Chui Shopping Centre</b>	<b>105,873</b>	<b>1,175</b>	<b>61.2</b>	<b>4.40%</b>	<b>1,345.0</b>	<b>7.50%</b>	<b>1,243.0</b>	<b>1,294.0</b>	<b>4.73%</b>	<b>7.65%</b>
Brief Description:	Yu Chui Shopping Centre comprises a 7-storey commercial building including mezzanine floor (Commercial Complex) and a free-standing 4-storey ancillary facilities building (Car Park and Ancillary Facilities Block) and various Open Loading and Unloading Spaces in Yu Chui Court. The property was completed in 2001. A total of 1,175 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 48,967/361,200 equal and undivided shares of and in Sha Tin Town Lot No. 462 and is held under Government Lease for a term of 50 years from 18 May 2001.										

## Valuation Report continued

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>36 Heng On Commercial Centre</b>											
		<b>116,043</b>	<b>585</b>	<b>65.8</b>	<b>4.74%</b>	<b>1,293.0</b>	<b>7.50%</b>	<b>1,226.0</b>	<b>1,260.0</b>	<b>5.23%</b>	<b>7.83%</b>
Brief Description:	Heng On Commercial Centre comprises a 5-storey commercial/car park building (Commercial/Car Park Block) completed in 1987. In addition, it includes Associated Areas and Lorry Parking Spaces along the Estate Road in Heng On Estate. A total of 585 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 39,206/40,831 equal and undivided shares of and in Section C of Sha Tin Town Lot No. 500 and 812/247,314 equal and undivided shares of and in the Remaining Portion of Sha Tin Town Lot No. 500, and is held under Government Lease for a term of 50 years from 8 April 1998.										
<b>37 Tai Yuen Commercial Centre</b>											
		<b>137,205</b>	<b>594</b>	<b>61.8</b>	<b>4.66%</b>	<b>1,267.0</b>	<b>7.50%</b>	<b>1,206.0</b>	<b>1,237.0</b>	<b>5.00%</b>	<b>7.85%</b>
Brief Description:	Tai Yuen Commercial Centre comprises a 4-storey commercial building (Commercial Block B), a 3-storey (including a basement) retail building (Commercial Block A) as well as a stand-alone 4-storey car park building (Car Park Block). In addition, it includes various shop units located within the residential blocks of Tai Man House, Tai Tak House and Tai Wing House, various Associated Areas, a Pump Room and various Open Car Parks in Tai Yuen Estate. The property was completed in 1980. A total of 594 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 38,718/353,530 equal and undivided shares of and in Tai Po Town Lot No. 192 and is held under Government Lease for a term of 50 years from 29 June 2007.										
<b>38 Kwong Yuen Shopping Centre</b>											
		<b>80,678</b>	<b>736</b>	<b>61.2</b>	<b>4.95%</b>	<b>1,207.0</b>	<b>7.50%</b>	<b>1,165.0</b>	<b>1,186.0</b>	<b>5.16%</b>	<b>7.96%</b>
Brief Description:	Kwong Yuen Shopping Centre comprises five 2-storey to 3-storey commercial buildings (Commercial Complex-Commercial Block Nos. 1 to 5) with Associated Area, a 5-storey car park building with a wet market on Floor 5 (Car Park Block No. 1) and a 6-storey car park building (Car Park Block No. 2) and Open Car Park in Kwong Yuen Estate. The property was completed in 1991. A total of 736 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 29,929/279,026 equal and undivided shares of and in Sha Tin Town Lot No. 506 and is held under Government Lease for a term of 50 years from 8 February 2001.										
<b>39 Lek Yuen Plaza</b>											
		<b>106,017</b>	<b>438</b>	<b>59.9</b>	<b>4.63%</b>	<b>1,208.0</b>	<b>7.50%</b>	<b>1,136.0</b>	<b>1,172.0</b>	<b>5.11%</b>	<b>7.78%</b>
Brief Description:	Lek Yuen Plaza comprises a 3-storey commercial/car park building (Commercial/Car Park Block), various shop units located on the ground to second floor within the residential blocks of Wing Shui House, Wah Fung House, Fu Yu House, Fook Hoi House and Kwai Wo House (Integrated Commercial/Car Park Accommodation) as well as Open Car Parks and Associated Areas in Lek Yuen Estate. The property was completed in 1976. A total of 438 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 28,600/199,774 equal and undivided shares of and in Sha Tin Town Lot No. 550 and is held under Government Lease for a term of 50 years from 7 May 2007.										
<b>40 Yau Oi Commercial Centre</b>											
		<b>84,971</b>	<b>780</b>	<b>62.3</b>	<b>4.73%</b>	<b>1,157.0</b>	<b>7.50%</b>	<b>1,096.0</b>	<b>1,127.0</b>	<b>5.53%</b>	<b>7.82%</b>
Brief Description:	Yau Oi Commercial Centre comprises a 3-storey commercial complex composing the restaurant block and portions of Oi Yung House, an adjoining single-storey commercial podium, a 6-storey car park building with market including mezzanine floor, another 4-storey car park building, various cooked food stalls and Open Car Parks in Yau Oi Estate. The property was completed in 1980. A total of 780 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 41,037/551,040 equal and undivided shares of and in Tuen Mun Town Lot No. 479 and is held under Government Lease for a term of 50 years from 14 July 2010.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2016 (HK\$M)	Initial Yield	Indicated IRR
<b>41</b>	<b>Hin Keng Shopping Centre</b>	<b>95,699</b>	<b>636</b>	<b>55.1</b>	<b>4.69%</b>	<b>1,156.0</b>	<b>7.50%</b>	<b>1,093.0</b>	<b>1,125.0</b>	<b>4.90%</b>	<b>7.81%</b>
	Brief Description:	Hin Keng Shopping Centre comprises a 6-storey commercial/car parking building with basement floor (Commercial/Car Park Complex), several isolated Cooked Food Stalls, Open Car Parks and HA roads in Hin Keng Estate. The property was completed in 1987. A total of 636 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 37,320/396,392 equal and undivided shares of and in Sha Tin Town Lot No. 503 and is held under Government Lease for a term of 50 years from 10 February 2000.									
<b>42</b>	<b>Homantin Plaza</b>	<b>101,903</b>	<b>299</b>	<b>49.9</b>	<b>4.90%</b>	<b>1,137.0</b>	<b>7.50%</b>	<b>1,096.0</b>	<b>1,117.0</b>	<b>4.47%</b>	<b>7.94%</b>
	Brief Description:	Homantin Plaza comprises a 4-storey commercial/car park building and an adjoining 3-storey car park building in Ho Man Tin Estate. The property was completed in 2001. A total of 299 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 3,411/57,202 equal and undivided shares of Section A of Kowloon Inland Lot No. 11119 and 20,327/214,270 equal and undivided shares of the Remaining Portion of Kowloon Inland Lot No. 11119 and is held under Government Lease for a term of 50 years from 20 November 1998.									
<b>43</b>	<b>Shun Lee Commercial Centre</b>	<b>214,578</b>	<b>731</b>	<b>58.2</b>	<b>4.90%</b>	<b>1,125.0</b>	<b>7.50%</b>	<b>1,085.0</b>	<b>1,105.0</b>	<b>5.26%</b>	<b>7.94%</b>
	Brief Description:	Shun Lee Commercial Centre comprises a 4-storey commercial building (Commercial Complex I), a 3-storey retail building (Commercial Complex II), two 3-storey car park buildings (Car Park Blocks A and C) and a single-storey car park building (Car Park Block B). In addition, the property includes various shops units located within the residential blocks of Lee Foo House, Lee Hong House, Lee Yat House and Lee Yip House, as well as Open Car Parks in Shun Lee Estate. The property was completed in 1978. A total of 731 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 56,354/295,872 equal and undivided shares of and in New Kowloon Inland Lot No. 6465 and is held under Government Lease for a term of 50 years from 31 March 2010.									
<b>44</b>	<b>Po Tat Shopping Centre</b>	<b>83,133</b>	<b>1,083</b>	<b>53.0</b>	<b>4.56%</b>	<b>1,116.0</b>	<b>7.50%</b>	<b>1,047.0</b>	<b>1,082.0</b>	<b>4.90%</b>	<b>7.75%</b>
	Brief Description:	Po Tat Shopping Centre comprises a 7-storey commercial and car park building (Commercial Centre) and two 3-storey car park podiums underneath Blocks A to C (Car Park Podium I) and Blocks D to F (Car Park Podium II), Integrated Commercial/Car Park Accommodation in Tat Cheung House and various Associated Areas in Po Tat Estate. The property was completed in 2002. A total of 1,083 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 75,195/546,029 equal and undivided shares of and in New Kowloon Inland Lot No. 6470 and is held under Government Lease for a term of 50 years from 9 April 2009.									
<b>45</b>	<b>Fu Shin Shopping Centre</b>	<b>97,601</b>	<b>525</b>	<b>49.0</b>	<b>4.88%</b>	<b>1,077.0</b>	<b>7.50%</b>	<b>1,034.0</b>	<b>1,056.0</b>	<b>4.64%</b>	<b>7.91%</b>
	Brief Description:	Fu Shin Shopping Centre comprises a 8-storey Commercial/Car Park Building, a single-storey Cooked Food Stalls, various Associated Areas and open car parking spaces in Fu Shin Estate. It was completed in 1986. A total of 525 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 33,761/330,620 equal and undivided shares of and in Tai Po Town Lot No. 189 and is held under Government Lease for a term of 50 years from 14 October 2005.									



## Valuation Report continued

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Analysis		
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2016 (HK\$M)	Initial Yield	Indicated IRR
<b>46 Shan King Commercial Centre</b>											
		<b>129,084</b>	<b>638</b>	<b>43.7</b>	<b>4.69%</b>	<b>1,062.0</b>	<b>7.50%</b>	<b>1,005.0</b>	<b>1,034.0</b>	<b>4.22%</b>	<b>7.81%</b>
Brief Description:	Shan King Commercial Centre comprises 5-storey commercial/car park building (Car Park/Commercial Complex), a 4-storey car park building (Car Park/Community Block), Portions of the Integrated HA Accommodation on the ground floor and second floor of King Wah House, various Cooked Food Stalls on ground floor and Open Car Parks in Shan King Estate. The property was completed in 1983. A total of 638 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 41,369/477,867 equal and undivided shares of and in Tuen Mun Town Lot No. 469 and is held under Government Lease for a term of 50 years from 20 August 2004.										
<b>47 Fung Tak Shopping Centre</b>											
		<b>72,018</b>	<b>487</b>	<b>44.6</b>	<b>4.60%</b>	<b>1,042.0</b>	<b>7.50%</b>	<b>977.0</b>	<b>1,010.0</b>	<b>4.42%</b>	<b>7.75%</b>
Brief Description:	Fung Tak Shopping Centre comprises a 4-storey commercial building (Commercial Centre) and an adjoining 6-storey car park building. It also includes various shop units at Ban Fung House and Ngan Fung House. The property was completed in 1991. A total of 487 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises whole of Sections A and C of New Kowloon Inland Lot No. 6318 and 1,070/202,138 equal and undivided shares of the Remaining Portion of New Kowloon Inland Lot No. 6318 and is held under Government Lease for a term of 50 years from 8 April 1998.										
<b>48 Po Lam Shopping Centre</b>											
		<b>70,862</b>	<b>398</b>	<b>44.5</b>	<b>4.87%</b>	<b>1,023.0</b>	<b>7.50%</b>	<b>979.0</b>	<b>1,001.0</b>	<b>4.44%</b>	<b>7.90%</b>
Brief Description:	Po Lam Shopping Centre comprises a 4-storey commercial building (Commercial Complex I), a 3-storey retail building (Commercial Complex II) and a 3-storey car park building (Car Park Block). In addition, the property includes various shop units located within the residential block of Po Ning House and Po Kan House (Integrated HA Accommodation), various Open Car Parks as well as the electricity sub-station in Po Lam Estate. The property was completed in 1989. A total of 398 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 25,495/341,494 equal and undivided shares of and in Tseung Kwan O Town Lot No. 88 and is held under Government Lease for a term of 50 years from 19 October 2004.										
<b>49 Hing Wah Plaza</b>											
		<b>82,011</b>	<b>268</b>	<b>47.5</b>	<b>4.65%</b>	<b>1,019.9</b>	<b>7.50%</b>	<b>971.8</b>	<b>995.9</b>	<b>4.77%</b>	<b>7.86%</b>
Brief Description:	Hing Wah Plaza comprises a 2-storey commercial building (Commercial Centre), a 9-storey car park building (Car Park Block), the Integrated Commercial/Car Park Accommodation on the ground floor of May Wah House and Associated Areas in Hing Wah Estate. The property was completed in 2000. A total of 268 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 27,675/160,197 equal and undivided shares of and in Chai Wan Inland Lot No. 177 and is held under Government Lease for a term of 50 years from 28 February 2007.										
<b>50 Cheung Hong Commercial Centre</b>											
		<b>133,256</b>	<b>709</b>	<b>45.4</b>	<b>4.90%</b>	<b>1,010.0</b>	<b>7.50%</b>	<b>974.0</b>	<b>992.0</b>	<b>4.58%</b>	<b>7.94%</b>
Brief Description:	Cheung Hong Commercial Centre comprises a 5-storey commercial/car park building including lower ground floor (Commercial Centre No. 1) in Phase I, a 4-storey retail building (Commercial Centre No. 2), a 3-storey car park building known as Car Park Block No. 1, a 3-storey car park/market/games area complex known as Car Park Block No. 2 and a 2-storey restaurant block. In addition, the property includes various isolated cooked food stalls and various shop units located within the residential blocks of Hong Kwai House, Hong Tai House, Hong Fu House, Hong Shun House and Hong Mei House, various shops stalls and welfare units located on the ground floor and first floor within the residential block of Hong Wo House, Open Car Parks and Associated Areas within Cheung Hong Estate. The property was completed in 1980. A total of 709 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 48,055/467,365 equal and undivided shares of and in Tsing Yi Town Lot No. 175 and is held under Government Lease for a term of 50 years from 10 September 2009.										



Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2016 (HK\$M)	Initial Yield	Indicated IRR
<b>51</b>	<b>Oi Tung Shopping Centre</b>	<b>81,184</b>	<b>634</b>	<b>47.6</b>	<b>4.80%</b>	<b>1,015.0</b>	<b>7.50%</b>	<b>969.0</b>	<b>992.0</b>	<b>4.80%</b>	<b>7.88%</b>
	Brief Description:	Oi Tung Shopping Centre comprises a 3-storey commercial building (Commercial Centre) and a 6-storey car park podium accommodating various welfare units and car parking spaces located within the residential block of Oi Sin House (Multi-storey Commercial/Car Park Accommodation and the Integrated Commercial/Car Park Accommodation) and various Associated Areas in Oi Tung Estate. The property was completed in 2000. A total of 634 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 34,910/194,191 equal and undivided shares of and in Shau Kei Wan Inland Lot No. 849 and is held under Government Lease for a term of 50 years from 17 September 2005.									
<b>52</b>	<b>Tsui Ping North Shopping Circuit</b>	<b>109,067</b>	<b>421</b>	<b>44.5</b>	<b>4.61%</b>	<b>1,011.0</b>	<b>7.50%</b>	<b>950.0</b>	<b>981.0</b>	<b>4.54%</b>	<b>7.76%</b>
	Brief Description:	Tsui Ping North Shopping Circuit comprises a 2-storey commercial podium located within various interlinked residential blocks (Commercial Complex), a 4-storey car park building with Associated Areas and external walls (Car Park Block), portions of the Integrated HA Accommodation in Tsui Tsz House, Tsui Lau House, Tsui Pak House, Tsui On House, Tsui Yue House and Tsui To House as well as various Open Car Parks in Tsui Ping (North) Estate. The property was completed in 1990. A total of 421 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 31,542/345,220 equal and undivided shares of and in Kwun Tong Inland Lot No. 754 and is held under Government Lease for a term of 50 years from 24 January 2002.									
<b>53</b>	<b>Sun Chui Shopping Centre</b>	<b>74,092</b>	<b>620</b>	<b>46.8</b>	<b>4.60%</b>	<b>983.0</b>	<b>7.50%</b>	<b>922.0</b>	<b>953.0</b>	<b>4.91%</b>	<b>7.75%</b>
	Brief Description:	Sun Chui Shopping Centre comprises a 2-storey commercial building (Commercial Centre) linked with a single-storey wet market building (Market), a 3-storey car park building (Car Park 1), two single-storey car park buildings (Car Parks 2 & 3) and several isolated cooked food stalls. In addition, the property includes the premises on the ground floor and second floor of Sun Yee House (Portions of Integrated HA Accommodation) and Open Car Parks in Sun Chui Estate. The property was completed in 1983. A total of 620 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 27,934/395,903 equal and undivided shares of and in Sha Tin Town Lot No. 554 and is held under Government Lease for a term of 50 years from 25 May 2009.									
<b>54</b>	<b>Tai Hing Commercial Centre</b>	<b>113,357</b>	<b>672</b>	<b>34.6</b>	<b>4.87%</b>	<b>968.0</b>	<b>7.50%</b>	<b>929.0</b>	<b>949.0</b>	<b>3.65%</b>	<b>7.89%</b>
	Brief Description:	Tai Hing Commercial Centre comprises two 2-storey retail buildings (Commercial Blocks 1 & 2) were completed in 1977. It also includes various Open Car Parks and Associated Areas in Tai Hing Estate. Commercial Block 1 is intersected by Tai Fong Street into two parts and connected via a footbridge on the first floor. A total of 672 car parking spaces are provided in the property. Tai Hing Commercial Centre is currently under Asset Enhancement. The IFA as at 31 March 2016 was approximately 82,826 sqft.									
	Title Details:	The property is held by Link Properties Limited. It comprises 27,288/474,882 equal and undivided shares of and in the Remaining Portion of Tuen Mun Town Lot No. 484 and is held under Government Lease for a term of 50 years from 18 March 2009.									
<b>55</b>	<b>Mei Lam Commercial Centre</b>	<b>75,814</b>	<b>375</b>	<b>46.2</b>	<b>4.51%</b>	<b>975.6</b>	<b>7.50%</b>	<b>909.2</b>	<b>942.4</b>	<b>4.90%</b>	<b>7.71%</b>
	Brief Description:	Mei Lam Commercial Centre comprises a 3-storey commercial building (Commercial Complex), an adjoining 4-storey car park building with a wet market on the ground floor (Multi-storey Car Park) and various cooked food stalls (Commercial Block). In addition, the property includes a shop unit located within the residential block of Mei Fung House (Portions of the Integrated HA Accommodation). The property was completed in 1981. A total of 375 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 29,125/273,313 equal and undivided shares of and in Sha Tin Town Lot No. 558 and is held under Government Lease for a term of 50 years from 22 March 2010.									

## Valuation Report continued

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Analysis		
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2016 (HK\$M)	Initial Yield	Indicated IRR
<b>56 Un Chau Shopping Centre</b>											
		<b>50,805</b>	<b>213</b>	<b>43.4</b>	<b>4.05%</b>	<b>988.8</b>	<b>7.50%</b>	<b>887.7</b>	<b>938.3</b>	<b>4.62%</b>	<b>7.46%</b>
Brief Description:	Un Chau Shopping Centre comprises a 2-storey commercial building (Commercial Podium), a 2-storey car park building, a single-storey car park podium under Un Hong House (Car Park Podium) in Un Chau Estate. The property was completed in 1999. A total of 213 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 17,388/355,830 equal and undivided shares of and in New Kowloon Inland Lot No. 6478 and is held under Government Lease for a term of 50 years from 11 March 2010.										
<b>57 Long Ping Commercial Centre</b>											
		<b>89,031</b>	<b>564</b>	<b>45.6</b>	<b>4.48%</b>	<b>974.0</b>	<b>7.50%</b>	<b>893.0</b>	<b>934.0</b>	<b>4.89%</b>	<b>7.60%</b>
Brief Description:	Long Ping Commercial Centre, completed in 1987, comprises a 6-storey (including mezzanine floor) Commercial/Car Park Block and a 2-storey Car Park/Community Centre Block. In addition, it includes various shop units located within the residential blocks of Yuk Ping House, Shek Ping House and Kang Ping House as well as some areas in Blocks 4, 5 & 6 and Open Car Parks in Long Ping Estate. A total of 564 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 32,958/498,969 equal and undivided shares of and in Yuen Long Town Lot No. 521 and is held under Government Lease for a term of 50 years from 15 March 2006.										
<b>58 Shek Lei Shopping Centre Phase II</b>											
		<b>79,057</b>	<b>179</b>	<b>42.6</b>	<b>4.69%</b>	<b>942.0</b>	<b>7.50%</b>	<b>893.5</b>	<b>917.8</b>	<b>4.65%</b>	<b>7.83%</b>
Brief Description:	Shek Lei Shopping Centre Phase II comprises a 6-storey commercial/car park building (Commercial/Car Park Block). The property was completed in 1999. A total of 179 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 28,398/655,826 equal and undivided shares of and in the Remaining Portion of Kwai Chung Town Lot No. 505 and is held under Government Lease for a term of 50 years from 31 March 2010.										
<b>59 Lei Tung Commercial Centre</b>											
		<b>89,182</b>	<b>687</b>	<b>38.1</b>	<b>5.04%</b>	<b>891.0</b>	<b>7.50%</b>	<b>900.0</b>	<b>896.0</b>	<b>4.26%</b>	<b>8.21%</b>
Brief Description:	Lei Tung Commercial Centre comprises a 4-storey commercial building (Commercial Complex 1) and a 7-storey (including 3 basement levels) commercial/car park building (Commercial Complex 2), which are linked by 2 footbridges across the Lei Tung Estate Bus Terminus. In addition, it includes a 4 level car park/market building (Car Park/Market Block), a 3-storey car park/community hall building (Car Park/Community Hall Block), various ancillary units and car parking spaces on ground, second & third floors of Tung Hing House, ground floor of Tung Mau House, basement, ground & second floors of Tung Sing House, second to fourth floors of Tung On House (Portions of the Integrated HA Accommodation) and various Associated Areas within Commercial Complex 1, Car Park/Market Block and Car Park/Community Hall (Associated Areas to the Detached HA Accommodation) within Lei Tung Estate. The property was completed in 1988. A total of 687 car parking spaces are provided in the property. Lei Tung Commercial Centre is currently under Asset Enhancement. The IFA as at 31 March 2016 was approximately 86,685 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 45,424/451,716 equal and undivided shares of and in Ap Lei Chau Inland Lot No. 133 and is held under Government Lease for a term of 50 years from 20 December 2004.										
<b>60 Fu Tai Shopping Centre</b>											
		<b>60,866</b>	<b>635</b>	<b>41.5</b>	<b>4.80%</b>	<b>910.0</b>	<b>7.50%</b>	<b>872.0</b>	<b>891.0</b>	<b>4.66%</b>	<b>7.90%</b>
Brief Description:	Fu Tai Shopping Centre comprises a 6-storey commercial/car park building (Commercial/Car Park Accommodation), various Open Car Parks and Associated Areas in Fu Tai Estate. The property was completed in 2000. A total of 635 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 38,769/382,833 equal and undivided shares of and in Tuen Mun Town Lot No. 418 and is held under Government Lease for a term of 50 years from 12 March 2001.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>61</b>	<b>Wah Ming Shopping Centre</b>	<b>69,994</b>	<b>295</b>	<b>37.0</b>	<b>4.49%</b>	<b>900.2</b>	<b>7.50%</b>	<b>834.1</b>	<b>867.2</b>	<b>4.26%</b>	<b>7.66%</b>
	Brief Description:	Wah Ming Shopping Centre comprises a 3-storey commercial building and an adjoining 3-storey commercial/car park building (Commercial/Car Park Blocks) are linked by a footbridge on second floor. It also includes Portions of the Parking Areas within Wah Ming Estate. The property was completed in 1990. A total of 295 car parking spaces are provided in the property. Wah Ming Shopping Centre is currently under Asset Enhancement. The IFA as at 31 March 2016 was approximately 58,551 sqft.									
	Title Details:	The property is held by Link Properties Limited. It comprises 22,726/324,858 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 204 and is held under Government Lease for a term of 50 years from 18 March 1999.									
<b>62</b>	<b>Kwai Shing East Shopping Centre</b>	<b>111,161</b>	<b>583</b>	<b>38.8</b>	<b>4.69%</b>	<b>865.0</b>	<b>7.50%</b>	<b>821.0</b>	<b>843.0</b>	<b>4.60%</b>	<b>7.84%</b>
	Brief Description:	Kwai Shing East Shopping Centre comprises a 5-storey commercial building (Commercial/Car Park Block), another 5-storey commercial block (Multi-storey Commercial/Car Park Accommodation), a standalone single-storey retail building (Commercial Block) and a single-storey car park podium under Shing Ka House. The property was completed in 1999. A total of 583 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 50,672/426,967 equal and undivided shares of and in Kwai Chung Town Lot No. 498 and is held under Government Lease for a term of 50 years from 13 October 2009.									
<b>63</b>	<b>Yiu On Shopping Centre</b>	<b>47,684</b>	<b>547</b>	<b>42.0</b>	<b>4.60%</b>	<b>862.0</b>	<b>7.50%</b>	<b>810.0</b>	<b>836.0</b>	<b>5.03%</b>	<b>7.77%</b>
	Brief Description:	Yiu On Shopping Centre comprises a 7-storey multi-purpose complex with retail shops, market and parking spaces completed in 1989. It also comprises Open Car Parks within Yiu On Estate. A total of 547 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 12,616/306,501 equal and undivided shares of and in Sha Tin Town Lot No. 505 and is held under Government Lease for a term of 50 years from 18 March 1999.									
<b>64</b>	<b>Maritime Bay</b>	<b>41,017</b>	<b>0</b>	<b>38.6</b>	<b>4.20%</b>	<b>872.0</b>	<b>7.50%</b>	<b>793.0</b>	<b>833.0</b>	<b>4.63%</b>	<b>7.54%</b>
	Brief Description:	Maritime Bay, completed in 1998, comprises various commercial units on ground floor and upper ground floor of the commercial accommodation of Maritime Bay.									
	Title Details:	The property is held by Great Land (HK) Limited. It comprises 573/5,411 equal and undivided shares of and in Tseung Kwan O Town Lot No. 49 and is held under New Grant No. SK 8530 for a term commencing from 27 March 1995 and expiring on 30 June 2047.									
<b>65</b>	<b>Lung Hang Commercial Centre</b>	<b>63,707</b>	<b>440</b>	<b>35.9</b>	<b>4.60%</b>	<b>855.0</b>	<b>7.50%</b>	<b>803.0</b>	<b>829.0</b>	<b>4.33%</b>	<b>7.75%</b>
	Brief Description:	Lung Hang Commercial Centre comprises a 3-storey commercial/car park building (Commercial Complex), a single-storey market building (Market), a separate single-storey car park building (Car Park Block), three cooked food stalls and Open Car Parks in Lung Hang Estate. The property was completed in 1983. A total of 440 car parking spaces are provided in the property. Lung Hang Commercial Centre is currently under Asset Enhancement. The IFA as at 31 March 2016 was approximately 68,180 sqft.									
	Title Details:	The property is held by Link Properties Limited. It comprises 23,047/289,255 equal and undivided shares of and in Sha Tin Town Lot No. 557 and is held under Government Lease for a term of 50 years from 31 March 2010.									

## Valuation Report continued

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Analysis		
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2016 (HK\$M)	Initial Yield	Indicated IRR
<b>66</b>	<b>Kwai Fong Plaza</b>	<b>57,304</b>	<b>483</b>	<b>41.2</b>	<b>4.71%</b>	<b>843.0</b>	<b>7.50%</b>	<b>801.0</b>	<b>822.0</b>	<b>5.02%</b>	<b>7.85%</b>
Brief Description:	Kwai Fong Plaza comprises a 6-storey car park building (Car Park Block 1), the roof and upper roof of Car Park Block 2, a 2-storey commercial/car park building (Commercial/Car Park Block), the Integrated Commercial/Car Park Accommodation in Kwai Oi House and Kwai Kin House, the Multi-storey Commercial/Car Park Accommodation, Open Car Parks and Associated Areas in Kwai Fong Estate. The property was built in phases from 1995 to 2000. A total of 483 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 24,107/408,730 equal and undivided shares of and in Kwai Chung Town Lot No. 500 and is held under Government Lease for a term of 50 years from 27 March 2009.										
<b>67</b>	<b>Fu Heng Shopping Centre</b>	<b>55,030</b>	<b>517</b>	<b>42.8</b>	<b>5.00%</b>	<b>807.0</b>	<b>7.50%</b>	<b>784.0</b>	<b>796.0</b>	<b>5.38%</b>	<b>7.99%</b>
Brief Description:	Fu Heng Shopping Centre comprises a 3-storey (including semi-basement level) commercial/car park building with a 2-storey car park/indoor recreational centre annexed thereto (Multi-purpose Complex), a 3-storey Car Park Block and various Open Car Parks in Fu Heng Estate. The indoor recreational centre does not form part of Fu Heng Shopping Centre. The property was completed in 1990. A total of 517 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 22,900/358,013 equal and undivided shares of and in Tai Po Town Lot No. 178 and is held under Government Lease for a term of 50 years from 10 February 2000.										
<b>68</b>	<b>Kam Tai Shopping Centre</b>	<b>45,709</b>	<b>758</b>	<b>39.5</b>	<b>4.50%</b>	<b>808.0</b>	<b>7.50%</b>	<b>755.0</b>	<b>782.0</b>	<b>5.05%</b>	<b>7.72%</b>
Brief Description:	Kam Tai Shopping Centre comprises a 7-storey commercial/car park building completed in 2000. A total of 758 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 31,347/32,708 equal and undivided shares of and in Section A of Sha Tin Town Lot No. 447 and is held under Government Lease for a term of 50 years from 29 June 1998.										
<b>69</b>	<b>Hoi Fu Shopping Centre</b>	<b>40,360</b>	<b>225</b>	<b>38.3</b>	<b>4.40%</b>	<b>803.0</b>	<b>7.50%</b>	<b>741.0</b>	<b>772.0</b>	<b>4.95%</b>	<b>7.64%</b>
Brief Description:	Hoi Fu Shopping Centre comprises portions of a 2-storey commercial building (Block E) and portions of a 6-storey car parking/elderly housing/care attention home building (Block D) in Hoi Fu Court completed in 1999. A total of 225 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 9,413/204,120 equal and undivided shares of and in New Kowloon Inland Lot No. 11141 and is held under Government Lease for a term of 50 years from 16 July 1999.										
<b>70</b>	<b>Kwong Fuk Commercial Centre</b>	<b>68,595</b>	<b>461</b>	<b>36.9</b>	<b>4.77%</b>	<b>778.0</b>	<b>7.50%</b>	<b>740.0</b>	<b>759.0</b>	<b>4.86%</b>	<b>7.86%</b>
Brief Description:	Kwong Fuk Commercial Centre comprises a 3-storey commercial complex erected over a 2-storey car park and market complex, various shop units located within the residential block of Kwong Yan House and various Cooked Food Stalls. It also includes Associated Areas and Open Car Parks within Kwong Fuk Estate. The property was completed in 1983. A total of 461 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 23,946/351,384 equal and undivided shares of and in Tai Po Town Lot No. 196 and is held under Government Lease for a term of 50 years from 17 March 2010.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>71 Tai Wo Hau Commercial Centre</b>											
		<b>76,910</b>	<b>609</b>	<b>40.3</b>	<b>5.26%</b>	<b>761.0</b>	<b>7.50%</b>	<b>753.0</b>	<b>757.0</b>	<b>5.32%</b>	<b>8.13%</b>
Brief Description:	Tai Wo Hau Commercial Centre comprises a 4-storey commercial/car park block (Commercial/Car Park Block), a single-storey retail building (Commercial Block), a 4-storey car park (Car Park Block), car parks on Levels 1 and 2 of the Multi-storey Car Park (Multi-storey Car Park Accommodation). In addition, the property includes various floors located within the residential blocks of Fu Pik House, Fu Man House, Fu Pong House, Fu Tak House, Fu On House and the Indoor Recreation Centre (Integrated Commercial/Car Park Accommodation), various Open Car Parks and Associated Areas in Tai Wo Hau Estate. The property was built in phases in 1984 and 1993. A total of 609 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 32,793/475,099 equal and undivided shares of and in the Remaining Portion of Kwai Chung Town Lot No. 503 and is held under Government Lease for a term of 50 years from 29 December 2008.										
<b>72 Wan Tau Tong Shopping Centre</b>											
		<b>54,464</b>	<b>438</b>	<b>37.3</b>	<b>4.46%</b>	<b>774.0</b>	<b>7.50%</b>	<b>717.0</b>	<b>746.0</b>	<b>5.00%</b>	<b>7.66%</b>
Brief Description:	Wan Tau Tong Shopping Centre, completed in 1991, comprises a 2-storey Commercial Centre, a 4-storey Car Park Block, a shop unit located at the ground floor of Wan Loi House and various Open Car Parks in Wan Tau Tong Estate. A total of 438 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Sections A, E and F of Tai Po Town Lot No. 172 and 135/104,741 equal and undivided shares of and in the Remaining Portion of Tai Po Town Lot No. 172, and is held under Government Lease for a term of 50 years from 8 April 1998.										
<b>73 Fu Cheong Shopping Centre</b>											
		<b>63,801</b>	<b>547</b>	<b>36.3</b>	<b>4.72%</b>	<b>759.0</b>	<b>7.50%</b>	<b>723.0</b>	<b>741.0</b>	<b>4.90%</b>	<b>7.86%</b>
Brief Description:	Fu Cheong Shopping Centre comprises a 3-storey commercial building (Multi-storey Commercial Accommodation and Integrated Commercial/Car Park Accommodation, Fu Yun House (Ancillary Facilities Block)) and a 4-storey car park building (Multi-storey Car Park Accommodation) beneath Fu Hoi House and Fu Yee House. The property was completed in 2002. A total of 547 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 31,469/355,647 equal and undivided shares of and in New Kowloon Inland Lot No. 6437 and is held under Government Lease for a term of 50 years from 17 September 2005.										
<b>74 Hiu Lai Shopping Centre</b>											
		<b>34,560</b>	<b>637</b>	<b>38.3</b>	<b>4.70%</b>	<b>753.0</b>	<b>7.50%</b>	<b>714.0</b>	<b>734.0</b>	<b>5.22%</b>	<b>7.82%</b>
Brief Description:	Hiu Lai Shopping Centre comprises a 9-storey (split-levels from Levels 2 to 8) Commercial/Car Park Block together with two Kindergarten units on the ground floor of Hiu Tin House and Hiu On House respectively completed in 1996. A total of 637 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises whole of Section A of New Kowloon Inland Lot No. 6205 and 1,000/249,375 equal and undivided shares of the Remaining Portion of New Kowloon Inland Lot No. 6205 and is held under Government Lease for a term commencing from 11 November 1994 to 30 June 2047.										
<b>75 Lee On Shopping Centre</b>											
		<b>47,709</b>	<b>390</b>	<b>37.1</b>	<b>4.77%</b>	<b>751.0</b>	<b>7.50%</b>	<b>713.0</b>	<b>732.0</b>	<b>5.07%</b>	<b>7.85%</b>
Brief Description:	Lee On Shopping Centre, completed in 1993, comprises a 4-storey commercial centre with retail, market and car parking spaces therein. In addition, it includes various Associated Areas and Open Car Parks scattered over Lee On Estate. A total of 390 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 21,025/258,612 equal and undivided shares of and in Sha Tin Town Lot No. 553 and is held under Government Lease for a term of 50 years from 26 February 2008.										

## Valuation Report continued

Property No.	Property Name	Car Park IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>76 Shek Yam Shopping Centre</b>											
		<b>75,270</b>	<b>424</b>	<b>35.4</b>	<b>4.82%</b>	<b>735.0</b>	<b>7.50%</b>	<b>703.0</b>	<b>719.0</b>	<b>4.92%</b>	<b>7.89%</b>
Brief Description:	Shek Yam Shopping Centre comprises a 7-storey commercial/car park building (Multi-storey Commercial/Car Park Accommodation), Integrated Commercial Accommodation at Yan Shek House and Chi Shek House and Associated Areas in Shek Yam Estate. The property was completed in 2000. A total of 424 car parking spaces are provided in Shek Yam Estate.										
Title Details:	The property is held by Link Properties Limited. It comprises 45,184/191,130 equal and undivided shares of and in the Remaining Portion of Kwai Chung Town Lot No. 506 and is held under Government Lease for a term of 50 years from 11 January 2010.										
<b>77 Lok Wah Commercial Centre</b>											
		<b>108,510</b>	<b>650</b>	<b>32.6</b>	<b>4.74%</b>	<b>686.9</b>	<b>7.50%</b>	<b>652.6</b>	<b>669.8</b>	<b>4.86%</b>	<b>7.84%</b>
Brief Description:	Lok Wah Commercial Centre comprises a 4-storey Commercial/Car Park Complex. In addition, the property includes various Integrated Commercial/Car Park Accommodations located within the residential block of Po Wah House, Kan Wah House, Lap Wah House, Tat Wah House, Ning Wah House and Shun Wah House, Open Car Parks and Associated Areas within Lok Wah (North) Estate. The property was completed in 1985. A total of 650 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 38,134/513,788 and portion of 667/513,788 equal and undivided shares of and in New Kowloon Inland Lot No. 6460 and is held under Government Lease for a term of 50 years from 9 September 2008.										
<b>78 Tsz Ching Shopping Centre (I) &amp; (II)</b>											
		<b>18,125</b>	<b>882</b>	<b>30.9</b>	<b>4.98%</b>	<b>603.0</b>	<b>7.50%</b>	<b>585.0</b>	<b>594.0</b>	<b>5.21%</b>	<b>8.00%</b>
Brief Description:	Tsz Ching Shopping Centre (I) & (II) comprises a 3-storey commercial/car park building (Commercial/Car Park I Block), a 4-storey commercial/car park building including basement commercial/car park building (Multi-storey Commercial/Car Park II Accommodation) and a stand-alone 5-storey plus a mezzanine floor car park building (Car Park III Block). In addition, it includes various shop units on the ground floor of Ching Wo House (Integrated Commercial/Car Park Accommodation of Ching Wo House), Open Commercial Loading/Unloading Space and Associated Areas in Tsz Ching Estate. The property was built in phases from 1996 to 2001. A total of 882 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 32,549/507,335 equal and undivided shares of and in New Kowloon Inland Lot No. 6444 and is held under Government Lease for a term of 50 years from 28 February 2007.										
<b>79 Kai Yip Commercial Centre</b>											
		<b>76,265</b>	<b>383</b>	<b>26.2</b>	<b>4.70%</b>	<b>602.3</b>	<b>7.50%</b>	<b>570.6</b>	<b>586.5</b>	<b>4.47%</b>	<b>7.82%</b>
Brief Description:	Kai Yip Commercial Centre comprises a 4-storey commercial/car park building (Commercial Centre) and various cooked food stalls (Commercial Blocks) and shop units in Kai Yip Community Hall. In addition, the property includes various shop units on ground floor located within residential block of Kai Yin House and Kai Lok House, Open Car Parks and Associated Areas in Kai Yip Estate. The property was completed in 1981. A total of 383 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 26,955/211,867 equal and undivided shares of and in New Kowloon Inland Lot No. 6466 and is held under Government Lease for a term of 50 years from 3 July 2008.										
<b>80 Yung Shing Shopping Centre</b>											
		<b>58,230</b>	<b>283</b>	<b>28.5</b>	<b>4.54%</b>	<b>596.5</b>	<b>7.50%</b>	<b>559.3</b>	<b>577.9</b>	<b>4.94%</b>	<b>7.75%</b>
Brief Description:	Yung Shing Shopping Centre comprises a 3-storey commercial building and the car park podium of an adjoining 7-storey ancillary facilities block (Portions of the Composite Block) completed in 1999. A total of 283 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 12,641/161,475 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 207 and is held under Government Lease for a term of 50 years from 16 July 1999.										



Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Analysis		
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2016 (HK\$M)	Initial Yield	Indicated IRR
<b>81</b>	<b>Shek Wai Kok Commercial Centre</b>	<b>129,855</b>	<b>578</b>	<b>25.7</b>	<b>4.80%</b>	<b>587.9</b>	<b>7.50%</b>	<b>562.4</b>	<b>575.2</b>	<b>4.47%</b>	<b>7.89%</b>
	Brief Description:	Shek Wai Kok Commercial Centre comprises a 4-storey commercial building (Shopping Centre 1), with an adjoining 3-storey car park building (including podium) (Car Park Building A) and a 5-storey car park building (Car Park Building B). In addition, the property includes various shop units on the ground, first and second floors located within the residential blocks of Shek Fong House and Shek Ho House, as well as various Open Car Parks and Associated Areas in Shek Wai Kok Estate completed in 1980. A total of 578 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 33,098/393,762 equal and undivided shares of and in Tsuen Wan Town Lot No. 411 and is held under Government Lease for a term of 50 years from 29 April 2009.									
<b>82</b>	<b>Wan Tsui Commercial Complex</b>	<b>79,726</b>	<b>359</b>	<b>28.3</b>	<b>4.91%</b>	<b>574.5</b>	<b>7.50%</b>	<b>554.2</b>	<b>564.4</b>	<b>5.02%</b>	<b>7.95%</b>
	Brief Description:	Wan Tsui Commercial Complex comprises a 5-storey commercial building (Commercial Block), another 2-storey (including a basement) commercial building (Market/Car Park Block), a single-storey car park building adjacent to Hei Tsui House (Car Park Block) and a 2-storey car park podium located within the residential blocks of Chak Tsui House (Car Park Podium). The property includes various shop units located within the residential blocks of Yee Tsui House and Shing Tsui House, a Government clinic on the ground floor of Lee Tsui House, Associated Area and various Open Car Parks along the estate roads (Open Car Parks) in Wan Tsui Estate. The property was completed in 1979. A total of 359 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 26,208/222,534 equal and undivided shares of and in the Remaining Portion of Chai Wan Inland Lot No. 180 and is held under Government Lease for a term of 50 years from 31 March 2010.									
<b>83</b>	<b>Retail and Car Park within Ap Lei Chau Estate</b>	<b>46,779</b>	<b>325</b>	<b>29.4</b>	<b>5.21%</b>	<b>567.6</b>	<b>7.50%</b>	<b>558.8</b>	<b>563.2</b>	<b>5.22%</b>	<b>8.09%</b>
	Brief Description:	Retail and Car Park within Ap Lei Chau Estate comprises a 2-storey market/office building (Market/Office Block) and a 6-storey commercial/car park building (Commercial/Car Park Block). The property also includes various shop units located on the ground floor within the residential blocks of Lei Chak House, Lei Fook House, Lei Moon House, Lei Ning House, Lei Tim House and Lei Yee House as well as Associated Areas and Open Car Parks scattered within Ap Lei Chau Estate. The property was completed in 1980. A total of 325 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 18,111/246,593 equal and undivided shares of and in Ap Lei Chau Inland Lot No. 134 and is held under Government Lease for a term of 50 years from 4 May 2010.									
<b>84</b>	<b>Cheung Wah Shopping Centre</b>	<b>65,441</b>	<b>353</b>	<b>23.4</b>	<b>4.60%</b>	<b>567.5</b>	<b>7.50%</b>	<b>533.2</b>	<b>550.4</b>	<b>4.26%</b>	<b>7.77%</b>
	Brief Description:	Cheung Wah Shopping Centre comprises a 4-storey commercial building (Commercial Centre), a 4-storey car park building (Car Park 1), a 2-storey car park building (Car Park 2) with cooked food stalls on the roof, an adjoining 3-storey market building (Market). In addition, it includes various shop units located within the residential blocks of Cheung Lai House and Cheung Chung House and Open Car Parks in Cheung Wah Estate. The property was completed in 1984. A total of 353 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 26,310/299,811 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 226 and is held under Government Lease for a term of 50 years from 16 June 2004.									
<b>85</b>	<b>King Lam Shopping Centre</b>	<b>51,919</b>	<b>418</b>	<b>23.6</b>	<b>5.07%</b>	<b>548.0</b>	<b>7.50%</b>	<b>534.0</b>	<b>541.0</b>	<b>4.36%</b>	<b>8.02%</b>
	Brief Description:	King Lam Shopping Centre comprises a 4-storey commercial/car park building, various shop units on the ground floors located within the residential block of King Chung House and King Lui House and various Open Car Parks in King Lam Estate. The property was completed in 1990. A total of 418 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 18,412/278,433 equal and undivided shares of and in Tseung Kwan O Town Lot No. 83 and is held under Government Lease for a term of 50 years from 8 February 2001.									



## Valuation Report continued

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Analysis		
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2016 (HK\$M)	Initial Yield	Indicated IRR
<b>86 Sam Shing Commercial Centre</b>											
		<b>75,258</b>	<b>176</b>	<b>25.8</b>	<b>4.66%</b>	<b>543.7</b>	<b>7.50%</b>	<b>512.6</b>	<b>528.2</b>	<b>4.88%</b>	<b>7.79%</b>
Brief Description:	Sam Shing Commercial Centre comprises a 3-storey commercial/car park building (Commercial Complex) an adjoining single-storey market building (Market), various cooked food stalls and shop stalls. In addition, the property includes integrated commercial/car park accommodation located within the residential blocks of Chun Yu House (Block 1), Moon Yu House (Block 2) and Fung Yu House (Block 3) in Sam Shing Estate. The property was completed in 1980. A total of 176 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 14,434/115,271 equal and undivided shares of and in Tuen Mun Town Lot No. 481 and is held under Government Lease for a term of 50 years from 22 March 2010.										
<b>87 Chun Shek Shopping Centre</b>											
		<b>61,210</b>	<b>583</b>	<b>24.7</b>	<b>4.71%</b>	<b>526.3</b>	<b>7.50%</b>	<b>499.8</b>	<b>513.1</b>	<b>4.81%</b>	<b>7.84%</b>
Brief Description:	Chun Shek Shopping Centre comprises a 4-storey commercial building (Commercial Complex), an adjoining 4-storey car park building (Car Park Block 1), a separate 2-storey car park building (Car Park Block 2). In addition, the property includes various shop units located within the Shek Jing House (Portions of the Integrated HA Accommodation) as well as Open Car Parks and Associated Areas in Chun Shek Estate. The property was completed in 1984. A total of 583 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 26,567/155,467 equal and undivided shares of and in Sha Tin Town Lot No. 555 and is held under Government Lease for a term of 50 years from 30 September 2009.										
<b>88 Lei Cheng Uk Shopping Centre</b>											
		<b>73,919</b>	<b>461</b>	<b>22.6</b>	<b>4.47%</b>	<b>529.0</b>	<b>7.50%</b>	<b>491.0</b>	<b>510.0</b>	<b>4.44%</b>	<b>7.68%</b>
Brief Description:	Lei Cheng Uk Shopping Centre comprises a 4-storey commercial/car parking podium (Commercial/Car Park Areas), a single-storey car park building near Lai Yeung House (Car Park Block). In addition, it includes various shop units and portions in Yan Oi House, Chung Hou House, Wo Ping House and Shun Yee House (Portions of the Integrated HA Accommodation) and Open Car Parks in Lei Cheng Uk Estate. The property was completed in 1984. A total of 461 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 21,862/264,258 equal and undivided shares of and in New Kowloon Inland Lot No. 6416 and is held under Government Lease for a term of 50 years from 24 January 2002.										
<b>89 Tsing Yi Commercial Complex</b>											
		<b>55,400</b>	<b>344</b>	<b>26.3</b>	<b>4.73%</b>	<b>522.0</b>	<b>7.50%</b>	<b>495.0</b>	<b>509.0</b>	<b>5.16%</b>	<b>7.83%</b>
Brief Description:	Tsing Yi Commercial Complex, completed in 1986, comprises 4-storey Commercial Complex including various cooked food stalls on the first floor (Commercial Complex), a 4-storey car park building (Car Park Block 1) and a 3-storey car park building (Car Park Block 2). In addition, it includes HA Parking Area, various Open Car Parks and Associated Areas in Tsing Yi Estate. A total of 344 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 20,014/222,251 equal and undivided shares of and in Tsing Yi Town Lot No. 167 and is held under Government Lease for a term of 50 years from 8 February 2001.										
<b>90 Sui Wo Court Commercial Centre</b>											
		<b>61,204</b>	<b>980</b>	<b>24.4</b>	<b>4.36%</b>	<b>526.0</b>	<b>7.50%</b>	<b>487.0</b>	<b>507.0</b>	<b>4.81%</b>	<b>7.66%</b>
Brief Description:	Sui Wo Court Commercial Centre comprises a 2-storey commercial/car park building with basement floor (Commercial/Car Park Block), two separate 3 storey car park buildings (Multi-storey Car Parks A and C) and another 6-storey car park building (Multi-storey Car Park B). In addition, it includes Associated Areas and Open Car Parks. The property was completed in 1980. A total of 980 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 26,994/32,808 equal and undivided shares of and in Section A of Sha Tin Town Lot No. 43 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended until 30 June 2047.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>91</b>	<b>Shek Lei Shopping Centre Phase I</b>	<b>38,989</b>	<b>459</b>	<b>23.5</b>	<b>5.18%</b>	<b>504.0</b>	<b>7.50%</b>	<b>497.0</b>	<b>501.0</b>	<b>4.69%</b>	<b>8.07%</b>
	Brief Description:	Shek Lei Shopping Centre Phase I comprises a 4-storey commercial/car park building (Commercial/Car Park Block) and a 2-storey car park building with retail shop on the ground floor. In addition, the property includes various shop units located within the residential blocks of Shek Ning House and Shek Sau House as well as Open Car Parks in Shek Lei Estate. The property was completed in 1993. A total of 459 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 23,677/655,826 equal and undivided shares of and in the Remaining Portion of Kwai Chung Town Lot No. 505 and is held under Government Lease for a term of 50 years from 31 March 2010.									
<b>92</b>	<b>Cheung Hang Shopping Centre</b>	<b>60,543</b>	<b>327</b>	<b>24.1</b>	<b>4.93%</b>	<b>510.1</b>	<b>7.50%</b>	<b>491.7</b>	<b>500.9</b>	<b>4.81%</b>	<b>7.94%</b>
	Brief Description:	Cheung Hang Shopping Centre comprises a 5-storey commercial centre and a 5-storey car park building. In addition, it includes Associated Areas in Cheung Hang Estate. The property was completed in 1990. A total of 327 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 26,593/289,056 equal and undivided shares of and in Tsing Yi Town Lot No. 177 and is held under Government Lease for a term of 50 years from 29 December 2008.									
<b>93</b>	<b>Retail and Car Park within Shun Tin Estate</b>	<b>68,608</b>	<b>581</b>	<b>25.5</b>	<b>5.00%</b>	<b>475.9</b>	<b>7.50%</b>	<b>463.2</b>	<b>469.6</b>	<b>5.44%</b>	<b>8.01%</b>
	Brief Description:	Retail and Car Park within Shun Tin Estate comprises a 4-storey car park building (Car Park A), another 3-storey car park building (Car Park B), Commercial Blocks A, B and C. In addition, the property includes Integrated Commercial/Car Park Accommodations located within the residential blocks of Tin Kam House, Tin Wing House, Tin Yiu House, Tin Kei House and Tin Kuen House. The property was completed in 1981. A total of 581 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 24,566/378,187 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6474 and is held under Government Lease for a term of 50 years from 9 February 2009.									
<b>94</b>	<b>Hing Tung Shopping Centre</b>	<b>53,034</b>	<b>420</b>	<b>20.3</b>	<b>4.77%</b>	<b>468.0</b>	<b>7.50%</b>	<b>447.0</b>	<b>458.0</b>	<b>4.42%</b>	<b>7.85%</b>
	Brief Description:	Hing Tung Shopping Centre comprises a 7-storey commercial/car park building (Commercial/Car Park Block) as well as Associated Areas and a shop unit at the 2-storey stand-alone lift tower (i.e. Lift Tower No. 1 that is linked to the Commercial/Car Park Block by a footbridge across Yiu Hing Road) in Hing Tung Estate. The property was completed in 1995. A total of 420 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 23,786/155,258 equal and undivided shares of and in Shau Kei Wan Inland Lot No. 851 and is held under Government Lease for a term of 50 years from 8 February 2010.									
<b>95</b>	<b>Wah Sum Shopping Centre</b>	<b>24,934</b>	<b>356</b>	<b>22.5</b>	<b>5.00%</b>	<b>460.0</b>	<b>7.50%</b>	<b>448.0</b>	<b>454.0</b>	<b>4.95%</b>	<b>8.03%</b>
	Brief Description:	Wah Sum Shopping Centre comprises a 2-storey commercial building (Commercial Centre) and an adjoining 4-storey car park building (Car Park Block) interconnected with the Commercial Centre on the first floor as well as Associated Areas and Open Car Parks in Wah Sum Estate completed in 1995. A total of 356 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 16,753/109,515 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 236 and is held under Government Lease for a term of 50 years from 16 January 2009.									

## Valuation Report continued

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>96</b>	<b>Tin Tsz Shopping Centre</b>	<b>38,522</b>	<b>289</b>	<b>21.7</b>	<b>4.64%</b>	<b>453.5</b>	<b>7.50%</b>	<b>427.6</b>	<b>440.6</b>	<b>4.93%</b>	<b>7.79%</b>
Brief Description:	Tin Tsz Shopping Centre comprises 2-storey commercial building (Commercial/Car Park Block), an adjoining 4-storey car park building (Car Park Block) and various shop units located within the residential blocks of Tsz Ping House completed in 1997. In addition, it includes Associated Areas and Open Car Park in Tin Tsz Estate. A total of 289 parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 17,511/202,482 equal and undivided shares of and in Tin Shui Wai Town Lot No. 40 and is held under Government Lease for a term of 50 years from 29 June 2007.										
<b>97</b>	<b>Ming Tak Shopping Centre</b>	<b>38,643</b>	<b>383</b>	<b>22.4</b>	<b>4.95%</b>	<b>442.0</b>	<b>7.50%</b>	<b>427.0</b>	<b>435.0</b>	<b>5.15%</b>	<b>7.96%</b>
Brief Description:	Ming Tak Shopping Centre, completed in 1999, comprises a 4-storey commercial/car park building (Commercial/Car Park Block) as well as Associated Areas, Open Car Parks and Guard Kiosks in Ming Tak Estate. A total of 383 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 20,354/108,489 equal and undivided shares of and in Tseung Kwan O Town Lot No. 108 and is held under Government Lease for a term of 50 years from 28 July 2008.										
<b>98</b>	<b>Kam Ying Court Shopping Centre</b>	<b>37,260</b>	<b>492</b>	<b>20.8</b>	<b>4.58%</b>	<b>425.0</b>	<b>7.50%</b>	<b>397.0</b>	<b>411.0</b>	<b>5.05%</b>	<b>7.74%</b>
Brief Description:	Kam Ying Court Shopping Centre, completed in 1991, comprises a 3-storey commercial/car park building (Commercial/Car Park Block) as well as Associated Areas in Kam Ying Court. A total of 492 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 17,433/22,627 equal and undivided shares of and in the Remaining Portion of Sha Tin Town Lot No. 305 and is held under Government Lease for a term of Commencing from 16 May 1990 to 30 June 2047.										
<b>99</b>	<b>On Yam Shopping Centre</b>	<b>40,781</b>	<b>347</b>	<b>20.7</b>	<b>5.19%</b>	<b>396.0</b>	<b>7.50%</b>	<b>392.0</b>	<b>394.0</b>	<b>5.25%</b>	<b>8.13%</b>
Brief Description:	On Yam Shopping Centre, completed in 1994, comprises a 7-storey (excluding cockloft) commercial/car park building (Commercial/Car Park Block) as well as Open Car Parks and Associated Areas in On Yam Estate. A total of 347 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 17,323/369,270 equal and undivided shares of and in Kwai Chung Town Lot No. 497 and is held under Government Lease for a term of 50 years from 14 October 2005.										
<b>100</b>	<b>Yiu Tung Shopping Centre</b>	<b>67,768</b>	<b>685</b>	<b>16.9</b>	<b>5.11%</b>	<b>386.0</b>	<b>7.50%</b>	<b>392.0</b>	<b>389.0</b>	<b>4.35%</b>	<b>8.29%</b>
Brief Description:	Yiu Tung Shopping Centre, completed in 1994, comprises a 3-storey commercial building (Commercial Centre), a 2-storey car park building (Car Park Block No. 1) and an 8-storey car park building (Car Park Block No. 2) and a ground floor unit in Yiu Tung Estate. Escalators and footbridges in Yiu Tung Estate provide direct access to the bottom of Yiu Hing Road and Nam Hong Street. A total of 685 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 35,548/381,831 equal and undivided shares of and in Shau Kei Wan Inland Lot No. 852 and is held under Government Lease for a term of 50 years from 29 March 2010.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>101 Wang Tau Hom (Wang Fai Centre)</b>											
		<b>27,157</b>	<b>290</b>	<b>16.6</b>	<b>5.06%</b>	<b>392.4</b>	<b>7.50%</b>	<b>382.7</b>	<b>387.6</b>	<b>4.28%</b>	<b>8.02%</b>
Brief Description:	Wang Tau Hom (Wang Fai Centre), completed in 1982, comprises a 3-storey commercial building (Wang Fai Centre), a single-storey wet market (Fu Mou Street Market) and a 5-storey split-level car park building (Car Park Block). In addition, it includes Associated Areas and Open Car Parks in Wang Tau Hom Estate. A total of 290 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 12,507/373,309 equal and undivided shares of and in New Kowloon Inland Lot No. 6462 and is held under Government Lease for a term of 50 years from 16 July 2008.										
<b>102 Kin Sang Shopping Centre</b>											
		<b>36,363</b>	<b>273</b>	<b>19.3</b>	<b>4.49%</b>	<b>397.0</b>	<b>7.50%</b>	<b>371.4</b>	<b>384.2</b>	<b>5.03%</b>	<b>7.74%</b>
Brief Description:	Kin Sang Shopping Centre, completed in 1990, comprises a 3-storey commercial building (Commercial Block) and a 4-storey car park building (Car Park Block) as well as Associated Areas in Kin Sang Estate. A total of 273 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 14,100/28,621 equal and undivided shares of and in Section A of Tuen Mun Town Lot No. 441 and is held under Government Lease for a term of 50 years from 8 April 1998.										
<b>103 Ping Tin Shopping Centre</b>											
		<b>24,212</b>	<b>406</b>	<b>17.2</b>	<b>4.88%</b>	<b>386.0</b>	<b>7.50%</b>	<b>372.0</b>	<b>379.0</b>	<b>4.53%</b>	<b>7.95%</b>
Brief Description:	Ping Tin Shopping Centre comprises a 3-storey commercial building (Commercial Centre), a split-level 4-storey annexed car park building (Car Park Block) and the ground floor and first floor of a 4-storey ancillary facilities building (Ancillary Facilities Block) as well as Open Car Parks near to the ingress of the car park building in Ping Tin Estate. The property was completed in 1997. A total of 406 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 16,966/362,174 equal and undivided shares of and in New Kowloon Inland Lot No. 6446 and is held under Government Lease for a term of 50 years from 30 March 2009.										
<b>104 Lai Kok Shopping Centre</b>											
		<b>81,133</b>	<b>140</b>	<b>14.9</b>	<b>4.63%</b>	<b>372.8</b>	<b>7.50%</b>	<b>352.2</b>	<b>362.5</b>	<b>4.11%</b>	<b>7.81%</b>
Brief Description:	Lai Kok Shopping Centre comprises a 3-storey commercial building, a 3-storey car park building and a single-storey wet market. In addition, the property includes various ground level shop units opposite to Lai Ho House, and various shop units on the ground floors Lai Lan House, Lai Huen House & Lai Mei House as well as Associated Area, Open Car Parks and Generator Room in Lai Kok Estate. The property was completed in 1981. A total of 140 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 17,339/164,134 equal and undivided shares of and in New Kowloon Inland Lot No. 6475 and is held under Government Lease for a term of 50 years from 30 October 2009.										
<b>105 Po Tin Shopping Centre</b>											
		<b>63,505</b>	<b>62</b>	<b>18.6</b>	<b>4.86%</b>	<b>368.3</b>	<b>7.50%</b>	<b>352.2</b>	<b>360.3</b>	<b>5.17%</b>	<b>7.89%</b>
Brief Description:	Po Tin Shopping Centre, completed in 2000, comprises a 4-storey commercial building, Associated Areas and Open Car Parks. A total of 62 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 12,479/240,980 equal and undivided shares of and in Tuen Mun Town Lot No. 485 and is held under Government Lease for a term of 50 years from 17 February 2010.										

## Valuation Report continued

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>106 Retail and Car Park within Tung Tau Estate</b>											
		<b>38,578</b>	<b>493</b>	<b>15.2</b>	<b>4.58%</b>	<b>369.0</b>	<b>7.50%</b>	<b>348.0</b>	<b>359.0</b>	<b>4.22%</b>	<b>7.76%</b>
Brief Description:	Retail and Car Park within Tung Tau Estate comprises a split-level single-storey commercial building with car park at basement level (Commercial Complex) and a 3-storey car park building (Car Park Block). In addition, it includes shop units on the ground floor in front of the Commercial Complex, various shop units within the residential blocks on the ground floor of Cheung Tung House, Hong Tung House, On Tung House, Yue Tung House and Wong Tung House as well as Open Car Parks in Tung Tau (II) Estate. The property was completed in 1982. A total of 493 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 16,942/349,186 equal and undivided shares of and in New Kowloon Inland Lot No. 6413 and is held under Government Lease for a term of 50 years from 24 January 2002.										
<b>107 Car Park within Kin Ming Estate</b>											
		<b>0</b>	<b>763</b>	<b>18.3</b>	<b>5.60%</b>	<b>318.0</b>	<b>7.50%</b>	<b>324.0</b>	<b>321.0</b>	<b>5.71%</b>	<b>8.33%</b>
Brief Description:	Car Park within Kin Ming Estate comprises a 6-storey commercial/car park building. In addition, it includes various car parking spaces within Kin Ming Estate. The property was completed in 2003. A total of 763 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises portion of 39,133/420,644 equal and undivided shares of and in Tseung Kwan O Town Lot No. 109 and is held under Government Lease for a term of 50 years from 15 March 2010.										
<b>108 Retail and Car Park within Cheung On Estate</b>											
		<b>3,915</b>	<b>484</b>	<b>15.1</b>	<b>4.78%</b>	<b>303.6</b>	<b>7.50%</b>	<b>290.3</b>	<b>297.0</b>	<b>5.08%</b>	<b>7.89%</b>
Brief Description:	Retail and Car Park within Cheung On Estate comprises a 4-storey car park building (Car Park 1), a 2-storey split-level car park building (Car Park 2) and various shop units and Medical Centre on the ground floor of On Tao House in Cheung On Estate. The property was completed in 1988. A total of 484 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Sections D & F of Tsing Yi Town Lot No. 160 and 403/293,522 equal and undivided shares of and in the Remaining Portion of Tsing Yi Town Lot No. 160, and is held under Government Lease for a term of 50 years from 8 April 1998.										
<b>109 Yin Lai Court Shopping Centre</b>											
		<b>16,300</b>	<b>150</b>	<b>15.1</b>	<b>4.53%</b>	<b>310.5</b>	<b>7.50%</b>	<b>281.1</b>	<b>295.8</b>	<b>5.09%</b>	<b>7.52%</b>
Brief Description:	Yin Lai Court Shopping Centre comprises a 4-storey commercial/car park building completed in 1991. There is direct access to Lai King Station at LG2. A total of 150 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Kwai Chung Town Lot No. 389 and is held under Government Lease for a term commencing from 21 September 1990 to 30 June 2047.										
<b>110 Retail and Car Park within Cheung Wang Estate</b>											
		<b>11,532</b>	<b>333</b>	<b>15.2</b>	<b>5.02%</b>	<b>298.6</b>	<b>7.50%</b>	<b>289.7</b>	<b>294.2</b>	<b>5.15%</b>	<b>7.99%</b>
Brief Description:	Retail and Car Park within Cheung Wang Estate, completed in 2001, comprises a 2-storey Multi-storey Car Park Accommodation and a single-storey commercial/car park block (Commercial/Car Park Block). In addition, it includes Associated Areas and Open Car Parks in Cheung Wang Estate. A total of 333 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 13,010/259,640 equal and undivided shares of and in Tsing Yi Town Lot No. 178 and is held under Government Lease for a term of 50 years from 25 March 2009.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>111 Retail and Car Park within Hong Pak Court</b>											
		<b>17,956</b>	<b>549</b>	<b>12.7</b>	<b>4.36%</b>	<b>300.2</b>	<b>7.50%</b>	<b>277.5</b>	<b>288.9</b>	<b>4.39%</b>	<b>7.66%</b>
Brief Description:	Retail and Car Park within Hong Pak Court, completed in 1993, comprises a 7-storey car park building with two kindergarten units located on the Level 7. A total of 549 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6095 and is held under Government Lease for a term commencing from 25 September 1991 to 30 June 2047.										
<b>112 Sun Tin Wai Commercial Centre</b>											
		<b>55,099</b>	<b>320</b>	<b>13.2</b>	<b>4.91%</b>	<b>279.8</b>	<b>7.50%</b>	<b>269.8</b>	<b>274.8</b>	<b>4.79%</b>	<b>7.95%</b>
Brief Description:	Sun Tin Wai Commercial Centre comprises a 6-storey commercial/car park building (Sun Tin Wai Commercial Centre) as well as Open Car Parks and various isolated cooked food stalls in Sun Tin Wai Estate. The property was completed in 1981. A total of 320 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 22,891/213,346 equal and undivided shares of and in Sha Tin Town Lot No. 551 and is held under Government Lease for a term of 50 years from 26 February 2008.										
<b>113 Tin Ma Court Commercial Centre</b>											
		<b>37,900</b>	<b>585</b>	<b>10.1</b>	<b>4.32%</b>	<b>275.3</b>	<b>7.50%</b>	<b>253.0</b>	<b>264.2</b>	<b>3.84%</b>	<b>7.61%</b>
Brief Description:	Tin Ma Court Commercial Centre comprises a 3-storey commercial centre (Commercial Centre) and an adjoining 5-storey car park building (Car Park Block) in Tin Ma Court. The property was completed in 1986. A total of 585 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 5994 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										
<b>114 Fortune Shopping Centre</b>											
		<b>24,298</b>	<b>153</b>	<b>13.1</b>	<b>4.64%</b>	<b>266.9</b>	<b>7.50%</b>	<b>253.0</b>	<b>260.0</b>	<b>5.03%</b>	<b>7.82%</b>
Brief Description:	Fortune Shopping Centre comprises a 2-storey commercial/car park building (Multi-storey Commercial/Car Park Accommodation) and a 5-storey car park building (Car Park Block). In addition, it includes Associated Areas, Covered Areas, Guard Kiosk and portion of Multi-purpose HA Accommodation (the Integrated Commercial/Car Park Accommodation on 2/F of Fook Ming House). The property was completed in 2000. A total of 153 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 11,807/115,133 equal and undivided shares of and in New Kowloon Inland Lot No. 6484 and is held under Government Lease for a term of 50 years from 27 April 2009.										
<b>115 Po Hei Court Commercial Centre</b>											
		<b>13,686</b>	<b>0</b>	<b>5.7</b>	<b>3.40%</b>	<b>269.0</b>	<b>7.50%</b>	<b>228.0</b>	<b>249.0</b>	<b>2.28%</b>	<b>7.05%</b>
Brief Description:	Po Hei Court Commercial Centre comprises retail units on the ground floor of Block A and Block B in Po Hei Court completed in 1993.										
Title Details:	The property is held by Link Properties Limited. It comprises 1,354/20,256 equal and undivided shares of and in New Kowloon Inland Lot No. 6117 and is held under Government Lease for a term of commencing from 17 July 1992 to 30 June 2047.										
<b>116 Shun On Commercial Centre</b>											
		<b>81,963</b>	<b>459</b>	<b>12.7</b>	<b>4.80%</b>	<b>243.2</b>	<b>7.50%</b>	<b>232.7</b>	<b>238.0</b>	<b>5.34%</b>	<b>7.89%</b>
Brief Description:	Shun On Commercial Centre comprises portions of the two Commercial Blocks 1 & 2, a 2-storey retail building with an adjoining 4-storey car park building (Commercial/Car Park Block), the Integrated Commercial/Car Park Accommodations in On Kwan House, On Chung House and On Yat House, various Commercial Facilities, Associated Areas and Open Car Parks in Shun On Estate. The property was completed in 1978. A total of 459 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 20,130/179,429 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6472 and is held under Government Lease for a term of 50 years from 28 July 2008.										

## Valuation Report continued

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>117 Siu Hei Commercial Centre</b>											
		<b>23,439</b>	<b>560</b>	<b>11.1</b>	<b>4.37%</b>	<b>244.6</b>	<b>7.50%</b>	<b>226.9</b>	<b>235.8</b>	<b>4.69%</b>	<b>7.68%</b>
Brief Description:	Siu Hei Commercial Centre, completed in 1986, comprises a 3-storey commercial centre (including mezzanine floor) with retail, market, and welfare facilities therein and a 4-storey split level car park building. A total of 560 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tuen Mun Town Lot No. 255 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										
<b>118 Retail and Car Park within Lok Wah (South) Estate</b>											
		<b>16,239</b>	<b>226</b>	<b>9.1</b>	<b>5.20%</b>	<b>213.1</b>	<b>7.50%</b>	<b>209.5</b>	<b>211.3</b>	<b>4.29%</b>	<b>8.08%</b>
Brief Description:	Retail and Car Park within Lok Wah (South) Estate comprises market stalls at Chin Wah House, a 4-storey car park building (Car Park Block), three free-standing cooked food stalls near On Wah House and various shop units located on the ground floor of the residential block of On Wah House as well as Associated Areas and Open Car Parks in Lok Wah (South) Estate. The property was completed in 1982. A total of 226 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 13,231/513,788 and portion of 667/513,788 equal and undivided shares of and in New Kowloon Inland Lot No. 6460 and is held under Government Lease for a term of 50 years from 9 September 2008.										
<b>119 Retail and Car Park within Ko Chun Court</b>											
		<b>7,332</b>	<b>323</b>	<b>9.0</b>	<b>4.62%</b>	<b>194.7</b>	<b>7.50%</b>	<b>181.2</b>	<b>188.0</b>	<b>4.81%</b>	<b>7.89%</b>
Brief Description:	Retail and Car Park within Ko Chun Court, completed in 1993, comprises a 6-storey with 12 split-levels commercial/car park building and a kindergarten unit on the ground floor located within Chun Moon House (Block C) of Ko Chun Court. A total of 323 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6189 and 530/81,791 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6189, and is held under Government Lease for a term commencing from 3 June 1993 and expiring on 30 June 2047.										
<b>120 Car Park within Wah Lai Estate</b>											
		<b>0</b>	<b>411</b>	<b>9.4</b>	<b>4.80%</b>	<b>188.0</b>	<b>7.50%</b>	<b>180.0</b>	<b>184.0</b>	<b>5.10%</b>	<b>7.88%</b>
Brief Description:	Car Park within Wah Lai Estate comprises a 5-storey car park building completed in 2001. A total of 411 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 21,700/102,614 equal and undivided shares of and in the Remaining Portion of Section A of Kwai Chung Town Lot No. 445 and is held under Government Lease for a term of 50 years from 25 May 2001.										
<b>121 Retail and Car Park within Mei Chung Court</b>											
		<b>1,077</b>	<b>385</b>	<b>8.7</b>	<b>4.58%</b>	<b>184.3</b>	<b>7.50%</b>	<b>173.5</b>	<b>178.9</b>	<b>4.89%</b>	<b>7.78%</b>
Brief Description:	Retail and Car Park within Mei Chung Court comprises a 5-storey car park building with a retail shop on Level 2 completed in 1996. A total of 385 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Sha Tin Town Lot No. 396 and is held under Government Lease for a term commencing from 11 November 1994 and expiring on 30 June 2047.										



Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Analysis		
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2016 (HK\$M)	Initial Yield	Indicated IRR
<b>122 Retail and Car Park within Wo Ming Court</b>											
		<b>7,342</b>	<b>379</b>	<b>8.2</b>	<b>4.45%</b>	<b>184.2</b>	<b>7.50%</b>	<b>171.5</b>	<b>177.9</b>	<b>4.61%</b>	<b>7.70%</b>
Brief Description:	Retail and Car Park within Wo Ming Court, completed in 1999, comprises a 6-storey car park building and a Kindergarten unit located on the ground floor within the residential block of Wo Yat House (Block A). A total of 379 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tseung Kwan O Town Lot No. 52 and 728/82,796 equal and undivided shares of and in the Remaining Portion of Tseung Kwan O Town Lot No. 52, and is held under Government Lease for a term of 50 years from 28 November 1997.										
<b>123 Retail and Car Park within Hong Yat Court</b>											
		<b>7,040</b>	<b>355</b>	<b>8.3</b>	<b>4.42%</b>	<b>181.9</b>	<b>7.50%</b>	<b>169.0</b>	<b>175.5</b>	<b>4.74%</b>	<b>7.69%</b>
Brief Description:	Retail and Car Park within Hong Yat Court, completed in 1993, comprises a 7-storey car park building with a Kindergarten on the Level 13 (6th floor) in Hong Yat Court. A total of 355 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 4,582/99,200 equal and undivided shares of and in New Kowloon Inland Lot No. 6329 and is held under Government Lease for a term of 50 years from 5 February 2001.										
<b>124 Retail and Car Park within Ching Wah Court</b>											
		<b>11,863</b>	<b>348</b>	<b>8.1</b>	<b>4.65%</b>	<b>176.7</b>	<b>7.50%</b>	<b>167.1</b>	<b>171.9</b>	<b>4.74%</b>	<b>7.82%</b>
Brief Description:	Retail and Car Park within Ching Wah Court comprises a 3-storey commercial/car park building. The property was completed in 1984. A total of 348 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tsing Yi Town Lot No. 100 and is held under Government Lease for a term of 99 years less 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										
<b>125 Car Park within Ka Tin Court</b>											
		<b>0</b>	<b>348</b>	<b>7.6</b>	<b>4.30%</b>	<b>172.0</b>	<b>7.50%</b>	<b>158.0</b>	<b>165.0</b>	<b>4.63%</b>	<b>7.64%</b>
Brief Description:	Car Park within Ka Tin Court comprises a 3-storey car park building in Ka Tin Court completed in 1988. A total of 348 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Sha Tin Town Lot No. 290 and is held under Government Lease for a term of 99 years less 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										
<b>126 Car Park within Tin Yuet Estate</b>											
		<b>0</b>	<b>560</b>	<b>7.9</b>	<b>4.80%</b>	<b>166.0</b>	<b>7.50%</b>	<b>159.0</b>	<b>162.5</b>	<b>4.87%</b>	<b>7.94%</b>
Brief Description:	Car Park within Tin Yuet Estate comprises a 4-storey (including a mezzanine floor) car park building completed in 2000. A total of 560 parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises portion of 50,802/297,568 equal and undivided shares of and in Tin Shui Wai Town Lot No. 41 and is held under Government Lease for a term of 50 years from 8 June 2010.										
<b>127 Retail and Car Park within Tong Ming Court</b>											
		<b>21,283</b>	<b>291</b>	<b>6.7</b>	<b>4.41%</b>	<b>163.3</b>	<b>7.50%</b>	<b>151.5</b>	<b>157.4</b>	<b>4.26%</b>	<b>7.68%</b>
Brief Description:	Retail and Car Park within Tong Ming Court comprises a 5-storey car park building with various retail shop units and a children & youth centre on the ground floor, and a Day Nursery on the ground floor of Tong Wong House and a Kindergarten on the ground floor of Tong Fu House completed in 1999. A total of 291 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tseung Kwan O Town Lot No. 54 and 1,153/98,512 equal and undivided shares of and in the Remaining Portion of Tseung Kwan O Town Lot No. 54, and is held under Government Lease for a term commencing from 26 June 1997 to 30 June 2047.										

## Valuation Report continued

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>128 Car Park within Tsz Man Estate</b>											
		0	364	8.4	5.20%	155.0	7.50%	153.0	154.0	5.46%	8.13%
Brief Description:	Car Park within Tsz Man Estate comprises a 4-storey car park building as well as Associated Areas in Tsz Man Estate completed in 1994. A total of 364 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 9,121/139,291 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6441 and is held under Government Lease for a term of 50 years from 28 February 2008.										
<b>129 Retail and Car Park within Tsui Wan Estate</b>											
		8,561	182	6.1	4.40%	152.2	7.50%	140.8	146.5	4.14%	7.66%
Brief Description:	Retail and Car Park within Tsui Wan Estate, completed in 1993, comprises various self-standing single-storey retail units and a 3-storey retail/office building (Commercial Accommodation) and a single-storey car park building (Car Park Block) as well as Open Car Parks in Tsui Wan Estate. A total of 182 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 3,254/123,068 equal and undivided shares of and in Chai Wan Inland Lot No. 166 and is held under Government Lease for a term of 50 years from 18 March 1999.										
<b>130 Car Park within Tin King Estate</b>											
		0	380	6.3	4.30%	143.0	7.50%	132.0	137.5	4.55%	7.60%
Brief Description:	Car Park within Tin King Estate comprises the ground floor, second floor, third floor, portions of fourth floor and fifth floor, roof and upper roof of a 5-storey Car Park Block as well as Open Car Parks in Tin King Estate completed in 1989. A total of 380 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 4,036/197,161 equal and undivided shares of and in Tuen Mun Town Lot No. 444 and is held under Government Lease for a term of 50 years from 18 March 1999.										
<b>131 Car Park within Po Pui Court</b>											
		0	277	6.3	4.30%	143.0	7.50%	131.0	137.0	4.62%	7.61%
Brief Description:	Car Park within Po Pui Court comprises a 3-storey car park building completed in 1995. A total of 277 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Kwun Tong Inland Lot No. 728 and is held under Government Lease for a term commencing from 8 February 1994 to 30 June 2047.										
<b>132 Retail and Car Park within Tin Yat Estate</b>											
		8,784	446	6.8	4.83%	139.3	7.50%	133.8	136.6	4.98%	7.91%
Brief Description:	Retail and Car Park within Tin Yat Estate, completed in 2001, comprises a 7-storey car park building with a kindergarten on the ground floor as well as Open Car Parks in Tin Yat Estate. A total of 446 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 15,485/226,221 equal and undivided shares of and in Tin Shui Wai Town Lot No. 42 and is held under Government Lease for a term of 50 years from 28 October 2008.										
<b>133 Retail and Car Park within Yan Shing Court</b>											
		11,810	252	6.0	4.41%	140.6	7.50%	130.1	135.4	4.43%	7.66%
Brief Description:	Retail and Car Park within Yan Shing Court, completed in 1993, comprises a 6-storey car park building (Car Park Block) with a shop unit, estate office and kindergarten on the ground floor in Yan Shing Court. A total of 252 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Fanling Sheung Shui Town Lot No. 39 and is held under Government Lease for a term commencing from 10 September 1992 and expiring on 30 June 2047.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>134 Car Park within Wang Fuk Court</b>											
		0	408	5.8	4.30%	133.0	7.50%	123.0	128.0	4.52%	7.61%
Brief Description:	Car Park within Wang Fuk Court comprises a 5-storey with basement level car park completed in 1983. A total of 408 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tai Po Town Lot No. 27 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										
<b>135 Car Park within Tsui Ping South Estate</b>											
		5,275	229	6.6	5.35%	127.4	7.50%	126.9	127.2	5.18%	8.17%
Brief Description:	Car Park within Tsui Ping South Estate comprises a 3-storey car park building (Car Park Block) with estate management office on second floor as well as Open Car Park within Tsui Ping (South) Estate completed in 1990. A total of 229 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 6,785/291,576 equal and undivided shares of and in the Remaining Portion of Kwun Tong Inland Lot No. 755 and is held under Government Lease for a term of 50 years from 27 November 2009.										
<b>136 Hing Man Commercial Centre</b>											
		33,915	226	5.4	4.97%	127.4	7.50%	123.3	125.4	4.29%	7.96%
Brief Description:	Hing Man Commercial Centre comprises a 6-storey commercial/car park building (including roof but excluding the access lift tower at Chai Wan Road) (Commercial/Car Park Block) and Open Car Parks in Hing Man Estate. The property was completed in 1982. A total of 226 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 12,404/126,748 equal and undivided shares of and in Chai Wan Inland Lot No. 179 and is held under Government Lease for a term of 50 years from 29 March 2010.										
<b>137 Car Park within Ying Ming Court</b>											
		0	274	5.7	4.40%	129.0	7.50%	119.0	124.0	4.59%	7.68%
Brief Description:	Car Park within Ying Ming Court comprises a 2-storey carport building completed in 1989. A total of 274 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Junk Bay Town Lot No. 4 and is held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										
<b>138 Car Park within Ning Fung Court</b>											
		0	299	5.1	3.90%	131.0	7.50%	116.0	123.5	4.13%	7.39%
Brief Description:	Car Park within Ning Fung Court comprises a 3-storey car park building completed in 2001. A total of 299 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 3,072/78,707 equal and undivided shares of and in Kwai Chung Town Lot No. 477 and is held under Government Lease for a term of 50 years from 15 October 1999.										
<b>139 Car Park within Yue On Court</b>											
		1,323	296	5.5	4.31%	128.4	7.50%	118.3	123.4	4.44%	7.63%
Brief Description:	Car Park within Yue On Court comprises a 5-storey car park building with an office on the ground floor completed in 1988. A total of 296 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Ap Lei Chau Inland Lot No. 117 and is held under Government Lease for a term of 75 years commencing from 1 February 1982 and renewable for further 75 years.										

## Valuation Report continued

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>140 Retail and Car Park within Tin Wah Estate</b>											
		<b>1,476</b>	<b>287</b>	<b>6.0</b>	<b>4.65%</b>	<b>126.7</b>	<b>7.50%</b>	<b>119.8</b>	<b>123.3</b>	<b>4.88%</b>	<b>7.81%</b>
Brief Description:	Retail and Car Park within Tin Wah Estate, completed in 1999, comprises two retail shops on the ground floor and the car parking spaces on the ground to second floors of a 7-storey Ancillary Facilities Block in Tin Wah Estate. A total of 287 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 11,225/236,423 equal and undivided shares of and in Tin Shui Wai Town Lot No. 43 and is held under Government Lease for a term of 50 years from 12 May 2010.										
<b>141 Retail and Car Park within Yan Ming Court</b>											
		<b>7,019</b>	<b>262</b>	<b>5.4</b>	<b>4.48%</b>	<b>125.0</b>	<b>7.50%</b>	<b>116.7</b>	<b>120.9</b>	<b>4.44%</b>	<b>7.72%</b>
Brief Description:	Retail and Car Park within Yan Ming Court comprises a 3-storey commercial/car park centre completed in 1990. A total of 262 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Junk Bay Town Lot No. 9 and is held under Government Lease for a term commencing from 22 January 1987 to 30 June 2047.										
<b>142 Retail and Car Park within Po Nga Court</b>											
		<b>13,951</b>	<b>246</b>	<b>5.1</b>	<b>4.32%</b>	<b>124.9</b>	<b>7.50%</b>	<b>114.9</b>	<b>119.9</b>	<b>4.24%</b>	<b>7.62%</b>
Brief Description:	Retail and Car Park within Po Nga Court, completed in 1989, comprises a 3-storey car park building as well as a Kindergarten on the ground floor of Ka Wo House and a Nursery on the ground floor of Hing Wo House. A total of 246 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tai Po Town Lot No. 73 and 2/59,187 equal and undivided shares of and in the Remaining Portion of Tai Po Town Lot No. 73, and is held under Government Lease for a term commencing from 29 March 1988 to 30 June 2047.										
<b>143 Car Park within Lai On Estate</b>											
		<b>0</b>	<b>181</b>	<b>5.9</b>	<b>5.20%</b>	<b>114.0</b>	<b>7.50%</b>	<b>113.0</b>	<b>113.5</b>	<b>5.17%</b>	<b>8.16%</b>
Brief Description:	Car Park within Lai On Estate comprises a 3-storey car park building and Open Car Parks in Lai On Estate completed in 1993. A total of 181 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 5,099/90,111 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6482 and is held under Government Lease for a term of 50 years from 6 March 2009.										
<b>144 Retail and Car Park within Tsz Oi Court</b>											
		<b>13,306</b>	<b>199</b>	<b>5.5</b>	<b>5.00%</b>	<b>113.4</b>	<b>7.50%</b>	<b>110.5</b>	<b>112.0</b>	<b>4.87%</b>	<b>8.01%</b>
Brief Description:	Retail and Car Park within Tsz Oi Court comprises a 6-storey car park building with a kindergarten on the sixth floor and another free standing Kindergarten in Phase III of Tsz Oi Court. The property was built in phases from 1997 to 2000. A total of 199 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6211 that is held under a Government lease for a term from 9 June 1995 to 30 June 2047. It also comprises 699/113,761 equal and undivided shares of and in New Kowloon Inland Lot No. 6265, and is held under Government Lease for a term of 50 years from 7 May 1999.										
<b>145 Retail and Car Park within Nam Cheong Estate</b>											
		<b>8,112</b>	<b>156</b>	<b>4.6</b>	<b>4.50%</b>	<b>107.9</b>	<b>7.50%</b>	<b>100.8</b>	<b>104.4</b>	<b>4.42%</b>	<b>7.73%</b>
Brief Description:	Retail and Car Park within Nam Cheong Estate comprises a single-storey car park building (Car Park Block). In addition, the property includes various shop units located on the ground floor within the residential blocks of Cheong Shun House, Cheong Yat House, Cheong On House and Cheong Yin House and various Open Car Parks in Nam Cheong Estate. The property was completed in 1989. A total of 156 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 3,670/109,764 equal and undivided shares of and in New Kowloon Inland Lot No. 6427 and is held under Government Lease for a term of 50 years from 17 August 2005.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>146 Retail and Car Park within Ying Fuk Court</b>											
		<b>786</b>	<b>163</b>	<b>4.7</b>	<b>4.56%</b>	<b>107.1</b>	<b>7.50%</b>	<b>100.7</b>	<b>103.9</b>	<b>4.50%</b>	<b>7.77%</b>
Brief Description:	Retail and Car Park within Ying Fuk Court comprises a 4-storey split-level car park building with a shop unit located on the ground floor (Car Park Block) completed in 2001. A total of 163 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in the Remaining Portion of New Kowloon Inland Lot No. 6266 and is held under Government Lease for a term of 50 years from 7 May 1999.										
<b>147 Car Park within Yee Kok Court</b>											
		<b>0</b>	<b>240</b>	<b>4.3</b>	<b>4.10%</b>	<b>108.0</b>	<b>7.50%</b>	<b>98.0</b>	<b>103.0</b>	<b>4.20%</b>	<b>7.50%</b>
Brief Description:	Car Park within Yee Kok Court comprises a 5-storey with basement level car park building completed in 1981. A total of 240 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 5911 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										
<b>148 Car Park within Ming Nga Court</b>											
		<b>0</b>	<b>345</b>	<b>3.9</b>	<b>3.90%</b>	<b>99.0</b>	<b>7.50%</b>	<b>88.0</b>	<b>93.5</b>	<b>4.14%</b>	<b>7.38%</b>
Brief Description:	Car Park within Ming Nga Court comprises a 3-storey (including basement level) car park building completed in 1985. A total of 345 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tai Po Town Lot No. 36 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended until 30 June 2047.										
<b>149 Car Park within Ching Wang Court</b>											
		<b>0</b>	<b>179</b>	<b>4.2</b>	<b>4.40%</b>	<b>94.0</b>	<b>7.50%</b>	<b>88.0</b>	<b>91.0</b>	<b>4.57%</b>	<b>7.68%</b>
Brief Description:	Car Park within Ching Wang Court comprises a 2-storey car park building in Ching Wang Court completed in 2001. A total of 179 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 2,516/36,665 equal and undivided shares of and in Tsing Yi Town Lot No. 137 and is held under Government Lease for a term of 50 years from 20 April 1999.										
<b>150 Retail and Car Park within Sau Mau Ping (III) Estate</b>											
		<b>1,507</b>	<b>205</b>	<b>4.6</b>	<b>4.72%</b>	<b>93.2</b>	<b>7.50%</b>	<b>88.6</b>	<b>90.9</b>	<b>5.01%</b>	<b>7.85%</b>
Brief Description:	Retail and Car Park within Sau Mau Ping (III) Estate, completed in 1996, comprises a 4-storey car park (Car Park Block) with a retail unit located on the ground floor of Sau Mau Ping (III) Estate. A total of 205 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 7,222/833,450 equal and undivided shares of and in New Kowloon Inland Lot No. 6453 and is held under Government Lease for a term of 50 years from 23 February 2007.										
<b>151 Car Park within Upper Ngau Tau Kok Estate</b>											
		<b>0</b>	<b>228</b>	<b>4.2</b>	<b>5.00%</b>	<b>86.0</b>	<b>7.50%</b>	<b>83.0</b>	<b>84.5</b>	<b>5.03%</b>	<b>8.02%</b>
Brief Description:	Car Park within Upper Ngau Tau Kok Estate comprises a 3-storey car park building as well as Associated Areas in Upper Ngau Tau Kok Estate completed in 2002. A total of 228 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 9,334/126,664 equal and undivided shares of and in New Kowloon Inland Lot No. 6471 and is held under Government Lease for a term of 50 years from 6 May 2008.										

## Valuation Report continued

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>152 Car Park within Kam On Court</b>											
		0	238	3.1	3.80%	83.0	7.50%	73.0	78.0	4.03%	7.30%
Brief Description:	Car Park within Kam On Court comprises a 3-storey car park building completed in 1987. A total of 238 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Sha Tin Town Lot No. 283 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended until 30 June 2047.										
<b>153 Retail and Car Park within Lok Nga Court</b>											
		12,616	265	3.2	4.34%	78.5	7.50%	72.4	75.5	4.22%	7.63%
Brief Description:	Retail and Car Park within Lok Nga Court comprises a 5-storey Car Park Block with an indoor sports hall on Level 6 as well as Open Car Parks located at the centre of Lok Nga Court completed in 1984. A total of 265 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 5969 and 1/28,952 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 5969, and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended until 30 June 2047.										
<b>154 Car Park within Sau Mau Ping (I) Estate</b>											
		0	395	2.8	3.90%	77.0	7.50%	68.0	72.5	3.84%	7.39%
Brief Description:	Car Park within Sau Mau Ping (I) Estate comprises a 3-storey car park (Multi-storey Car Park B) within the residential block of Sau Ming House as well as the Integrated Commercial/Car Park Accommodation on the ground floor and the roof of Sau Ming House and Associated Areas in Sau Mau Ping (I) Estate completed in 2002. A total of 395 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 14,364/833,450 and portion of 10/833,450 equal and undivided shares of and in New Kowloon Inland Lot No. 6453 and is held under Government Lease for a term of 50 years from 23 February 2007.										
<b>155 Car Park within San Wai Court</b>											
		0	185	3.2	4.20%	73.0	7.50%	67.0	70.0	4.57%	7.59%
Brief Description:	Car Park within San Wai Court comprises a 3-storey car park building (Multi-storey Car Park) completed in 1990. A total of 185 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tuen Mun Town Lot No. 326 and is held under Government Lease for a term commencing from 3 January 1989 to 30 June 2047.										
<b>156 Car Park within Yee Nga Court</b>											
		0	159	2.9	4.20%	73.0	7.50%	67.0	70.0	4.17%	7.58%
Brief Description:	Car Park within Yee Nga Court comprises a total of 159 car parking spaces on the ground floor of Yee Nga Court completed in 1993.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tai Po Town Lot No. 120 and is held under Government Lease for a term commencing from 22 May 1991 and expiring on 30 June 2047.										
<b>157 Car Park within King Lai Court</b>											
		0	158	2.8	4.20%	69.0	7.50%	63.0	66.0	4.17%	7.59%
Brief Description:	Car Park within King Lai Court comprises a 3-storey car park block and open car parks in King Lai Court completed in 1989. A total of 158 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 5943 and is held under Government Lease for a term commencing from 4 March 1985 to 30 June 2047.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Net Passing Income p.a. (HK\$M)	Income Capitalisation		DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
					Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>158 Car Park within Tin Yau Court</b>											
		0	192	2.9	4.40%	68.0	7.50%	63.0	65.5	4.36%	7.69%
Brief Description:	Car Park within Tin Yau Court comprises a 3-storey car park building (Carport) completed in 1992. A total of 192 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tin Shui Wai Town Lot No. 10 and is held under Government Lease for a term commencing from 23 January 1992 to 30 June 2047.										
<b>159 Retail and Car Park within Hung Hom Estate</b>											
		3,994	45	2.4	4.29%	63.9	7.50%	58.6	61.3	3.86%	7.59%
Brief Description:	Retail and Car Park within Hung Hom Estate comprises a single-storey car park building (Car Park Block). In addition, the property includes various shop units on the lower ground floor of Hung Fai House as well as Open Car Parks in Hung Hom Estate. The property was completed in 1999. A total of 45 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 1,573/51,548 equal and undivided shares of and in Hung Hom Inland Lot No. 554 and is held under Government Lease for a term of 50 years from 29 August 2008.										
<b>160 Retail and Car Park within Tai Ping Estate</b>											
		3,339	101	2.5	4.24%	63.9	7.50%	58.3	61.1	4.15%	7.57%
Brief Description:	Retail and Car Park within Tai Ping Estate, completed in 1989, comprises a 2-storey car park building (Car Park Block) with retail shops on the ground floor of Ping Hay House (Portions of the Integrated HA Accommodation). In addition, it includes Open Car Parks in Tai Ping Estate. A total of 101 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 2,787/86,121 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 223 and is held under Government Lease for a term of 50 years from 24 January 2002.										
<b>161 Car Park within Fung Lai Court</b>											
		0	134	2.5	4.20%	62.0	7.50%	57.0	59.5	4.13%	7.56%
Brief Description:	Car Park within Fung Lai Court comprises a 3-storey car park building and various open car parks in Fung Lai Court completed in 1997. A total of 134 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 1,512/33,911 equal and undivided shares of and in New Kowloon Inland Lot No. 6240 and is held under Government Lease for a term of commencing from 7 June 1996 to 30 June 2047.										
<b>162 Car Park within Hong Keung Court</b>											
		0	93	2.6	4.60%	60.9	7.50%	57.4	59.2	4.41%	7.78%
Brief Description:	Car Park within Hong Keung Court comprises a 2-storey Car Park Block and a self-use office in Hong Keung Court completed in 1999. A total of 93 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises the Remaining Portion of New Kowloon Inland Lot No. 6239 and is held under Government Lease for a term of 50 years from 8 January 1999.										
<b>163 Retail and Car Park within Hong Shui Court</b>											
		345	102	2.4	4.32%	53.8	7.50%	49.5	51.7	4.64%	7.62%
Brief Description:	Retail and Car Park within Hong Shui Court comprises a 2-storey Car Park Block with a commercial unit located on the Level 2 completed in 1999. A total of 102 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6227 and is held under Government Lease for a term of 50 years from 14 May 1998.										



## Valuation Report continued

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Value as at 31 March 2016 (HK\$M)	Analysis	
				Net Passing Income p.a. (HK\$M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)		Initial Yield	Indicated IRR
<b>164 Car Park within Kwai Hong Court</b>											
		0	88	1.8	4.60%	45.0	7.50%	42.0	43.5	4.22%	7.80%
Brief Description:	Car Park within Kwai Hong Court comprises a 3-storey car park building completed in 1993. A total of 88 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 1,100/35,351 equal and undivided shares of and in Kwai Chung Town Lot No. 420 and is held under Government Lease for a term of commencing from 1 March 1990 to 30 June 2047.										
<b>165 Retail and Car Park within Tin Wang Court</b>											
		9,946	79	1.7	4.42%	44.6	7.50%	41.4	43.0	4.06%	7.68%
Brief Description:	Retail and Car Park within Tin Wang Court comprises a 3-storey Car Park Block with a kindergarten located on the second floor completed in 1992. A total of 79 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in the Remaining Portion of New Kowloon Inland Lot No. 6131 and is held under Government Lease for a term commencing from 21 May 1991 to 30 June 2047.										
<b>166 Car Park within Pang Ching Court</b>											
		0	67	1.4	4.60%	31.0	7.50%	29.0	30.0	4.51%	7.67%
Brief Description:	Car Park within Pang Ching Court comprises various open car parks in Pang Ching Court completed in 1991. A total of 67 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6121 and is held under Government Lease for a term commencing from 21 September 1990 to 30 June 2047.										
<b>167 Car Park within Chuk Yuen (North) Estate</b>											
		0	61	1.3	5.00%	26.0	7.50%	26.0	26.0	5.12%	8.08%
Brief Description:	Car Park within Chuk Yuen (North) Estate comprises two open car parking areas in Chuk Yuen (North) Estate completed in 1987. A total of 61 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 687/364,071 equal and undivided shares of and in New Kowloon Inland Lot No. 6327 and is held under Government Lease for a term of 50 years from 18 March 1999.										
<b>168 Car Park within Lower Wong Tai Sin (I) Estate</b>											
		0	70	1.1	3.80%	27.0	7.50%	24.0	25.5	4.44%	7.31%
Brief Description:	Car Park within Lower Wong Tai Sin (I) Estate comprises two open car parking areas (Open Car Parks) next to Lung Wah House and Lung Chak House were completed in 1982. A total of 70 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 674/240,107 equal and undivided shares of and in New Kowloon Inland Lot No. 6373 and is held under Government Lease for a term of 50 years from 8 February 2001.										
<b>169 Retail and Car Park within Ko Yee Estate</b>											
		0	38	0.4	4.32%	7.1	7.50%	6.6	6.9	5.98%	7.39%
Brief Description:	Retail and Car Park within Ko Yee Estate comprises a single-storey car park building (Car Park Block) and a single-storey commercial building (Commercial Block) as well as Open Car Parks in Ko Yee Estate completed in 1994. A total of 38 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 1,518/80,343 equal and undivided shares of and in New Kowloon Inland Lot No. 6480 and is held under Government Lease for a term of 50 years from 8 January 2010.										

## Property under Development

No.	Address	Site Area (sqm)	Maximum Gross Floor Area (sqm)	Value as at 31 March 2016 (HK\$M)
<b>1</b>	<b>New Kowloon Inland Lot No. 6512</b>	<b>6,843</b>	<b>82,116</b>	<b>6,300.0</b>
Brief Description:	New Kowloon Inland Lot No. 6512 is located at the junction of Hung Yip Street, Wai Yip Street, Shun Yip Street and Hoi Bun Road in Kwun Tong, Kowloon. The property is currently under construction.			
Title Details:	The property is held by Century Land Investment Limited under Conditions of Sale No. 20240 with a term of 50 years commencing from 23 February 2015.			

## PRC Properties

Property No.	Property Name	Income Capitalisation			DCF Analysis			Analysis				
		Retail GFA (sqm)	Office GFA (sqm)	Car Park Spaces	Net Passing Income p.a. (RMB M)	Cap. Rate	Value (RMB M)	Discount Rate	Value (RMB M)	Value as at 31 March 2016 (RMB M)	Initial Yield	Indicated IRR
<b>1</b>	<b>Corporate Avenue 1 &amp; 2, Shanghai</b>	<b>7,375</b>	<b>75,780</b>	<b>226</b>	<b>288.4</b>	<b>4.08%</b>	<b>6,590.0</b>	<b>7.58%</b>	<b>6,660.0</b>	<b>6,630.0</b>	<b>4.35%</b>	<b>7.64%</b>
Brief Description:	The Property comprises two office towers, a connecting retail podium and pavilion, and basement car parking area with a GFA of 98,080 square meters. The GFA, excluding the car parking area, is 83,155 square meters. The Property was completed in late 2003.											
Title Details:	The property is held by 上海興邦房地產有限公司 (Shanghai Xing Bang Properties Co., Ltd.).											
<b>2</b>	<b>EC Mall, Beijing</b>	<b>55,423</b>	<b>–</b>	<b>251</b>	<b>121.9</b>	<b>5.00%</b>	<b>2,550.0</b>	<b>9.00%</b>	<b>2,510.0</b>	<b>2,530.0</b>	<b>4.82%</b>	<b>8.89%</b>
Brief Description:	The Property comprises a retail mall and 251 basement parking spaces with a GFA of 70,946 square meters. The GFA, excluding the car parking area, is 55,423 square meters. The Property was completed in 2009.											
Title Details:	The property is held by 益颯美置業(天津)有限公司 (ECM Property Holding (Tianjin) Co., Ltd.).											

The above Schedule of Values is a summary of the Full Valuation Report, a comprehensive version (in English) of which is available for inspection at the registered office of the Manager.

# HKQAA Assurance Statement



## VERIFICATION STATEMENT

### Scope and Objective

Hong Kong Quality Assurance Agency (HKQAA) has been commissioned by Link Asset Management Limited (“Link”) to conduct an independent verification of its 2015/2016 Strategic Report (herein referred to as “the Report”) as those non-sustainability performance data covered is not included. The Report stated Link’s sustainability performance and efforts towards sustainable development for the period from 1 April 2015 to 31 March 2016. The sustainability performance data covered the portfolio in Hong Kong.

The aim of this verification was to provide assurance on the completeness and accuracy of the information stated in the Report and the conformity of the Report to the International <IR> Framework. The Report’s coverage of the standard disclosures defined in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Version 4 (G4) was also assessed to confirm if the Comprehensive option was achieved.

### Methodology

The process used in this verification was based on current best practices. The Report was reviewed against the following criteria:

- The principles of completeness, accuracy, neutrality, comparability and responsiveness;
- The Global Reporting Initiative (GRI) G4 Guidelines and the Construction and Real Estate Sector Disclosures; and
- The International <IR> Framework

The verification procedure included reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the Report and verifying the selected representative sample of data and information consolidated in the Report. Raw data and supporting evidence of the selected samples were thoroughly examined.

### Conclusion

Based on the outcome of the verification process, it is opined that the Report is “in accordance” with the GRI G4 Guidelines – Comprehensive option and also follows the International <IR> Framework as issued by the International Integrated Reporting Council.

The information presented in the Report provided a structured, balanced and consistent representation of Link’s sustainability performance in the context of sustainable development. We are satisfied that the Report includes factual statements and the data contained within the Report is accurate and reliable. It is a fair and honest representation of Link’s initiatives, targets, progress and performance on its sustainable development achievements.

### Signed on behalf of Hong Kong Quality Assurance Agency

A handwritten signature in black ink, appearing to read 'Jorine', is written over a light grey circular background.

**Jorine Tam**

Director, Corporate Business

June 2016

# GRI Content Index – Comprehensive

## General Standard Disclosures

Section	General Standard Disclosures	Description	Reference
Strategy and Analysis	G4-1	Statement from the most senior decision-maker	Annual Report 2015/2016, Chief Executive Officer's Report
	G4-2	Description of key impacts, risks, and opportunities	Annual Report 2015/2016, Chief Executive Officer's Report
Organizational Profile	G4-3	Name of the organization	Annual Report 2015/2016, inside front cover page
	G4-4	Primary brands, products, and services	Annual Report 2015/2016, inside front cover page
	G4-5	Location of the organization's headquarters	Annual Report 2015/2016, inside front cover page
	G4-6	Number of countries where the organization operates	Annual Report 2015/2016, inside front cover page
	G4-7	Nature of ownership and legal form	Annual Report 2015/2016, Corporate Governance Report
	G4-8	Markets served	Annual Report 2015/2016, inside front cover page
	G4-9	Scale of the organization	Annual Report 2015/2016, Our Portfolio
	G4-10	Workforce	Annual Report 2015/2016, Developing a Strong Management Team
	G4-11	Percentage of total employees covered by collective bargaining agreements	Staff are not covered by collective bargaining agreements
	G4-12	Supply chain	Sustainability Website 2015/2016, Engaging Other Stakeholders
	G4-13	Significant changes during the reporting period	No significant changes from previous reporting period
	G4-14	Precautionary approach	Annual Report 2015/2016, Chairman's Statement
	G4-15	External charters, principles, or other initiatives	Sustainability Website 2015/2016, Memberships, Awards and Pledges
	G4-16	Memberships of associations	Sustainability Website 2015/2016, Memberships, Awards and Pledges

## GRI Content Index – Comprehensive continued

Section	General Standard Disclosures	Description	Reference
Identified Material Aspects and Boundaries	G4-17	Entities included in the organization's consolidated performance	Sustainability Website 2015/2016, About This Report
	G4-18	Process for defining the report content and the Aspect boundaries	Annual Report 2015/2016, Chief Executive Officer's Report, Stakeholder Engagement
	G4-19	Material Aspects	Sustainability Website 2015/2016, Stakeholder Engagement and Materiality Assessment
	G4-20	Aspect boundary within the organization	Sustainability Website 2015/2016, Aspect Boundary
	G4-21	Aspect boundary outside the organization	Sustainability Website 2015/2016, Aspect Boundary
	G4-22	Effect of any restatements	No restatements
	G4-23	Significant changes from previous reporting periods	No significant changes from previous reporting period
Stakeholder Engagement	G4-24	Stakeholder groups engaged by the organization	Sustainability Website 2015/2016, Stakeholder Engagement and Materiality Assessment
	G4-25	Basis for identification and selection of stakeholders with whom to engage	Sustainability Website 2015/2016, Stakeholder Engagement and Materiality Assessment
	G4-26	Approach to stakeholder engagement	Sustainability Website 2015/2016, Stakeholder Engagement and Materiality Assessment
	G4-27	Key topics and concerns raised by stakeholders	Sustainability Website 2015/2016, Stakeholder Engagement and Materiality Assessment
Report Profile	G4-28	Reporting period	Sustainability Website 2015/2016, About This Report
	G4-29	Date of most recent previous report	June 2015
	G4-30	Reporting cycle	Sustainability Website 2015/2016, About This Report
	G4-31	Contact point for questions regarding the report	Sustainability Website 2015/2016, About This Report
	G4-32	'In accordance' option chosen	Comprehensive, This table, Sustainability Website 2015/2016, About This Report
	G4-33	Assurance	Sustainability Website 2015/2016, Assurance Statement

Section	General Standard Disclosures	Description	Reference
Governance	G4-34	Governance structure of the organization	Annual Report 2015/2016, Corporate Governance Report
	G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Sustainability Website 2015/2016, Sustainability Framework and Approach
	G4-36	Executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Sustainability Website 2015/2016, Sustainability Framework and Approach
	G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	Sustainability Website 2015/2016, Sustainability Framework and Approach
	G4-38	Composition of the highest governance body and its committees	Sustainability Website 2015/2016, Sustainability Framework and Approach
	G4-39	The Chair of the highest governance body is also an executive officer	Annual Report 2015/2016, Corporate Governance Report
	G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	Annual Report 2015/2016, Corporate Governance Report
	G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	Annual Report 2015/2016, Corporate Governance Report
	G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	Annual Report 2015/2016, Corporate Governance Report
	G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	Annual Report 2015/2016, Corporate Governance Report

## GRI Content Index – Comprehensive continued

Section	General Standard Disclosures	Description	Reference
	G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice	Annual Report 2015/2016, Corporate Governance Report
	G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes	Annual Report 2015/2016, Corporate Governance Report
	G4-46	Highest governance body's roles in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	Annual Report 2015/2016, Corporate Governance Report
	G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	Annual Report 2015/2016, Corporate Governance Report
	G4-48	Highest committee or position that formally reviews and approves the organization's Sustainability Website and ensures that all material Aspects are covered	The Sustainability Committee meets quarterly to review performance of material aspects
	G4-49	Process for communicating critical concerns to the highest governance body	Sustainability Website 2015/2016, Sustainability Framework and Approach
	G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	No critical concerns identified
	G4-51	Remuneration policies for the highest governance body and senior executives, how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives	Annual Report 2015/2016, Corporate Governance Report



Section	General Standard Disclosures	Description	Reference
	G4-52	Process for determining remuneration	Annual Report 2015/2016, Corporate Governance Report
	G4-53	Stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals	Annual Report 2015/2016, Corporate Governance Report
	G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	Annual Report 2015/2016, Corporate Governance Report
	G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	Annual Report 2015/2016, Corporate Governance Report
Ethics and Integrity	G4-56	Organization's values, principles, standards and norms of behavior	Annual Report 2015/2016, Steering Our Business
	G4-57	Internal and external mechanisms for reporting on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	Annual Report 2015/2016, Corporate Governance Report
	G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Annual Report 2015/2016, Corporate Governance Report

## GRI Content Index – Comprehensive continued

## Specific Standard Disclosures for Construction and Real Estate Sector

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
Economic		G4-DMA	Disclosure of management approach	Annual Report 2015/2016, Operating Landscape
	Economic Performance	G4-EC1	Direct economic value generated and distributed	Annual Report 2015/2016, Financial Review
		G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
		G4-EC3	Coverage of the organization's defined benefit plan obligations	Annual Report 2015/2016, Corporate Governance Report
		G4-EC4	Financial assistance received from government	Not applicable, no material financial assistance received from government
		G4-EC5	Ratios of standard entry wage by gender compared to local minimum wage at significant locations of operation	We comply with the minimum wage ordinance and exceed regulatory requirements of minimum wage legislation by offering out-sourced workers paid lunch break and rest days
	Market Presence	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	Our senior management are all drawn from the local community
		G4-EC7	Development and Impact of Infrastructure Investments and Services Supported	Annual Report 2015/2016, inside front cover page
		G4-EC8	Significant indirect economic impacts, including the extent of impacts	Annual Report 2015/2016, Financial Review
	Procurement Practices	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Annual Report 2015/2016, Corporate Governance Report

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
Environmental		G4-DMA	Disclosure of management approach	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
	Materials	G4-EN1	Materials used by weight or volume	We procured HK\$316,907.9 of paper products, other materials used were included in concerned contracts
		G4-EN2	Percentage of materials used that are recycled input materials	N/A
	Energy	G4-EN3	Energy consumption within the organization	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
		G4-EN5	Energy intensity	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
		G4-EN6	Reduction of energy consumption	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
		G4-EN7	Reductions in energy requirements of products and services	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
		CRE1	Building energy intensity	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
	Water	G4-EN8	Total water withdrawal by source	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
		G4-EN10	Percentage and total volume of water recycled and reused	Treated recycled water from cooling towers is for non-potable purposes. Currently no water meters are installed to record the total volume of water recycled and reused
		CRE2	Building water intensity	Building water intensity is 0.08m <sup>3</sup> /sqf (water consumption/sqf)

## GRI Content Index – Comprehensive continued

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
	Emissions	G4-EN15	Direct Greenhouse Gas (GHG) emissions (Scope 1)	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
		G4-EN16	Energy indirect Greenhouse Gas (GHG) emissions (Scope 2)	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
		G4-EN17	Other indirect Greenhouse Gas (GHG) emissions (Scope 3)	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
		G4-EN18	Greenhouse gas (GHG) emissions intensity	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
		G4-EN19	Reduction of Greenhouse Gas (GHG) emissions	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
		CRE3	Greenhouse Gas emissions intensity from buildings	Greenhouse gas emissions intensity of buildings is 8.85kg CO <sub>2</sub> e/sqf (greenhouse gas emissions/sqf)
		CRE4	Greenhouse Gas emissions intensity from new construction and redevelopment activity	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
		G4-EN22	Total water discharge by quality and destination	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
		G4-EN23	Total weight of waste by type and disposal method	Sustainability Website 2015/2016, Data Tables
		G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
		G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
	Overall	G4-EN31	Total environmental protection expenditures and investments by type	We have recorded the below environmental protection expenditures and investment in FY2015/2016: Weigh-in Stations: HK\$266,000 RFID: HK\$31,000 Total expenditure: HK\$297,000 For cost of products and services procured by our service providers, it has been taken account into their contract sum
	Supplier Environmental Assessment	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	All new service providers were screened using relevant environmental criteria
		G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	No significant actual and potential negative environmental impacts in the supply chain
	Environmental Grievance Mechanisms	CRE5	Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations.	There was no land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designation
Social		G4-DMA	Disclosure of management approach	Sustainability Website 2015/2016, Nurturing a High Quality Team of Staff
Labour Practices and Decent Work	Employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Sustainability Website 2015/2016, Data Tables
		G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Sustainability Website 2015/2016, Nurturing a High Quality Team of Staff
		G4-LA3	Return to work and retention rates after parental leave, by gender	Sustainability Website 2015/2016, Data Tables
	Labor/ Management Relations	G4-LA4	Minimum notice period(s) regarding significant operational changes	We notify our employees regarding any significant managerial or operational changes as soon as possible

## GRI Content Index – Comprehensive continued

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
Occupational Health and Safety		G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Sustainability Website 2015/2016, Data Tables
		G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Sustainability Website 2015/2016, Data Tables
		CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system	There is health and safety management system in place but yet to be verified with internationally recognized standard
Training and Education		G4-LA9	Average hours of training per year per employee by gender, and by employee category	Sustainability Website 2015/2016, Data Tables
		G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Sustainability Website 2015/2016, Nurturing a High Quality Team of Staff
		G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	All employees have regular performance and career development plans and reviews
Diversity and Equal Opportunity		G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Sustainability Website 2015/2016, Data Tables
Equal Remuneration for Women and Men		G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	We provide equal opportunities and fair treatment for all employees when it comes to remuneration, benefits, promotion and compensation. We consider this ratio not relevant

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
	Supplier Assessment for Labor Practices	G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	All new suppliers were screened using labour practices criteria
		G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	No significant actual and potential negative impacts for labour practices in the supply chain has been identified
	Labor Practices Grievance Mechanisms	G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	No incident of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms reported
Human Rights		G4-DMA	Disclosure of management approach	Sustainability Website 2015/2016, Creating Value for Community
	Investment	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Human rights policies and procedures training are incorporated in staff orientation training which are organized periodically
	Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	No incidents of discrimination and corrective actions taken
	Freedom of Association and Collective Bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	No operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk
	Child Labour	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	No incidents of child labour identified
	Forced or Compulsory Labour	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	No operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor



## GRI Content Index – Comprehensive continued

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
	Security Practices	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	100% of our security personnel was trained in the organization's human rights policies and procedures relevant to our operations
	Supplier Human Rights Assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	100% of new suppliers were screened using human rights criteria
		G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	No actual and potential negative environmental impacts in the supply chain
	Human Rights Grievance Mechanisms	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	No incident of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms
Society		G4-DMA	Disclosure of management approach	Sustainability Website 2015/2016, Creating Value for Community
	Local Communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Sustainability Website 2015/2016, Creating Value for Community
		CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	No incidents of voluntary and involuntary displacement or resettlement by development
	Anti-corruption	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	No significant risk has been identified
		G4-SO4	Communication and training on anti-corruption policies and procedures	Communication and training on Link REIT's Code of Conduct is provided on a rolling basis to all employees and governance body members
		G4-SO5	Confirmed incidents of corruption and actions taken	No incidents of material corruption have been identified

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
	Public Policy	G4-SO6	Total value of political contributions by country and recipient/beneficiary	No political contributions by country and recipient/beneficiary
	Anti-competitive Behaviour	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	No incident of legal actions for anti-competitive behaviour have been identified
	Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No material non-compliances were identified.
	Supplier Assessment for Impacts on Society	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	All new suppliers were screened using criteria for impacts on society
		G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	No Significant actual and potential negative impacts on society in the supply chain
	Grievance Mechanisms for Impacts on Society	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	No incidents of grievances identified
Product Responsibility		G4-DMA	Disclosure of management approach	Sustainability Website 2015/2016, Enhancing Value in a Dynamic Business Environment
	Customer Health and Safety	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Sustainability Website 2015/2016, Enhancing Value in a Dynamic Business Environment
		G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	No incidents of non-compliance identified

## GRI Content Index – Comprehensive continued

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
	Product and Service Labeling	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Sustainability Website 2015/2016, Enhancing Value in a Dynamic Business Environment
		G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	No incidents of non-compliance identified
		G4-PR5	Results of surveys measuring customer satisfaction	Annual Report 2015/2016, 2015/2016 Performance Highlights
		G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	No incident of non-compliance identified in relation to marketing communication practices
	Customer Privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No incident of substantiated complaints identified in relation to customer privacy
	Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No significant fines received concerning the provision and use of products and services
		CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	Sustainability Website 2015/2016, Memberships, Awards and Pledges

# HKEx ESG Reporting Guide Index

## Appendix 27 Compliance Status

### A. Environmental

### “Comply or explain” Provisions

#### Aspect A1: Emissions

General Disclosure	Disclosure statement	✓	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
KPI A1.1	Types of emissions and respective emissions data	✓	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
KPI A1.2	Greenhouse gas emissions in total (tonnes)	✓	Strategic Report 2015/2016, Building A More Productive and Higher Quality Portfolio
KPI A1.3	Total hazardous waste produced	N/A	Our business operations do not produce hazardous waste
KPI A1.4	Total non-hazardous waste produced	✓	Strategic Report 2015/2016, GRI Content Index-Comprehensive
KPI A1.5	Measures to mitigate emissions	✓	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
KPI A1.6	Handling of wastes and reduction initiatives	✓	Strategic Report 2015/2016, Building A More Productive and Higher Quality Portfolio

#### Aspect A2: Use of Resources

General Disclosure	Disclosure statement	✓	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
KPI A2.1	Direct/Indirect energy consumption	✓	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
KPI A2.2	Water consumption (total)	✓	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
KPI A2.3	Energy use efficiency initiatives	✓	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
KPI A2.4	Issues in sourcing water	N/A	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
KPI A2.5	Total packing material	N/A	We do not manufacture any products

#### Aspect A3: The Environment and Natural Resources

General Disclosure	Disclosure statement	✓	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship
KPI A3.1	Description of significant impacts of activities	✓	Sustainability Website 2015/2016, Maintaining Good Environmental Stewardship

## HKEx ESG Reporting Guide Index continued

**B. Social****Recommended Disclosures****Employment and Labour Practices****Aspect B1: Employment**

General Disclosure	Disclosure statement	✓	Strategic Report 2015/2016, Developing a Strong Management Team
KPI B1.1	Total workforce by employment	✓	Strategic Report 2015/2016, Developing a Strong Management Team
KPI B1.2	Employee turnover	✓	Strategic Report 2015/2016, Developing a Strong Management Team

**Aspect B2: Health and Safety**

General Disclosure	Disclosure statement	✓	Strategic Report 2015/2016, Developing a Strong Management Team
KPI B2.1	Number and rate of work related fatalities	✓	We had zero work related fatalities
KPI B2.2	Lost days due to work injury	✓	Sustainability Website 2015/2016, Data Tables
KPI B2.3	Description of occupational health and safety measures adopted	✓	Strategic Report 2015/2016, Developing a Strong Management Team

**Aspect B3: Development and Training**

General Disclosure	Disclosure statement	✓	Strategic Report 2015/2016, Developing a Strong Management Team
KPI B3.1	Percentage of employees trained by category	✓	Sustainability Website 2015/2016, Nurturing a High Quality Team of Staff
KPI B3.2	Average training hours per employee	✓	Strategic Report 2015/2016, Developing a Strong Management Team

**Aspect B4: Labour Standards**

General Disclosure	Disclosure statement	✓	Strategic Report 2015/2016, Developing a Strong Management Team
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	✓	Link is a signatory of the United Nations Global Compact and as such, has strict policies against employing child and forced labour, which includes our supply chain
KPI B4.2	Description of steps taken to eliminate such practices when discovered	✓	Link is a signatory of the United Nations Global Compact and as such, has strict policies against employing child and forced labour, which includes our supply chain

**B. Social****Recommended Disclosures****Operating Process****Aspect B5: Supply Chain Management**

General Disclosure	Disclosure statement	✓	Sustainability Website 2015/2016, Collaboration with Partners
KPI B5.1	Number of suppliers	✓	Strategic Report 2015/2016, Corporate Governance
KPI B5.2	Description of practices relating to engaging suppliers	✓	Sustainability Website 2015/2016, Collaboration with Partners

**Aspect B6: Product Responsibility**

General Disclosure	Disclosure statement	N/A	This is not applicable to Link, we do not manufacture products
KPI B6.1	Percentage of total products sold or shipped	N/A	
KPI B6.2	Number of products and service related complaints received	N/A	
KPI B6.3	Practices relating to observing and protecting intellectual property rights	N/A	
KPI B6.4	Quality assurance process	N/A	
KPI B6.5	Consumer data protection and privacy policies	N/A	

**Aspect B7: Anti-corruption**

General Disclosure	Disclosure statement	✓	Strategic Report 2015/2016, Corporate Governance
KPI B7.1	Number of legal cases regarding corrupt practices	✓	In 2015/2016, we had no legal cases regarding corrupt practice
KPI B7.2	Description of preventive measures and whistle-blowing	✓	Strategic Report 2015/2016, Corporate Governance

**Community****Aspect B8: Community Investment**

General Disclosure	Disclosure statement	✓	Strategic Report 2015/2016, Helping our Tenants and Communities Grow while Delighting Shoppers
KPI B8.1	Focus areas of contribution	✓	Strategic Report 2015/2016, Helping our Tenants and Communities Grow while Delighting Shoppers
KPI B8.2	Resources contributed	✓	Strategic Report 2015/2016, Helping our Tenants and Communities Grow while Delighting Shoppers

# United Nations Global Compact Index

The United Nations Global Compact (UNGC) is an international initiative outlining ten principles for responsible business in the areas of human rights, labour, the environment and anti-corruption. The principles are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

In September 2012, we signed up to the UNGC to reaffirm our commitment to respect labour standards and human rights, to operate in an environmentally responsible manner and to maintain zero tolerance towards corruption. Here we provide an index to our performance demonstrating the Global Compact's ten principles in our work. We are not in violation of any of the ten principles.

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## Human Rights

Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2	make sure they are not complicit in human rights abuses.

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## Labour

Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4	the elimination of all forms of forced and compulsory labour;
Principle 5	the effective abolition of child labour; and
Principle 6	eliminate discrimination in respect of employment and occupation.

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## Environment

Principle 7	Business should support a precautionary approach to environmental challenges;
Principle 8	undertake initiatives to promote greater environmental responsibility; and
Principle 9	encourage the development and diffusion of environmentally friendly technologies.

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## Anti-Corruption

Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.
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# Five Year Performance Summary

## Financial Data

	Year ended 31 March 2016 HK\$'M	Year ended 31 March 2015 HK\$'M	Year ended 31 March 2014 HK\$'M	Year ended 31 March 2013 HK\$'M	Year ended 31 March 2012 HK\$'M
<b>Consolidated income statement</b>					
Revenue	8,740	7,723	7,155	6,506	5,932
Property operating expenses	(2,227)	(2,054)	(1,953)	(1,890)	(1,747)
Net property income	6,513	5,669	5,202	4,616	4,185
General and administrative expenses	(368)	(437)	(222)	(223)	(269)
Change in fair values of investment properties	11,263	22,699	13,445	17,705	6,680
Operating profit	17,408	27,931	18,425	22,098	10,596
Interest income	6	32	28	39	33
Finance costs	(508)	(359)	(393)	(441)	(431)
Gains on disposals of investment properties	396	445	–	–	–
Profit before taxation and transactions with Unitholders	17,302	28,049	18,060	21,696	10,198
Taxation	(953)	(819)	(755)	(634)	(596)
Profit for the year, before transactions with Unitholders	16,349	27,230	17,305	21,062	9,602
Distributions paid to Unitholders	(4,368)	(4,030)	(3,579)	(3,126)	(2,706)
	11,981	23,200	13,726	17,936	6,896
Represented by:					
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back	11,404	23,217	13,851	18,065	6,943
Amount arising from cash flow hedging reserve and exchange reserve movements	523	(17)	(125)	(129)	(47)
Non-controlling interest	54	–	–	–	–
	11,981	23,200	13,726	17,936	6,896
<b>Consolidated statement of distributions</b>					
Profit for the year, before transactions with Unitholders attributable to Unitholders	16,295	27,230	17,305	21,062	9,602
Adjustments:					
– Change in fair values of investment properties attributable to Unitholders	(11,209)	(22,699)	(13,445)	(17,705)	(6,680)
– Deferred taxation on change in fair values of investment properties attributable to Unitholders	24	–	–	–	–
– Other non-cash income	(101)	(46)	(30)	(8)	–
– Depreciation charge on investment properties under China Accounting Standards	(67)	–	–	–	–
– Gains on disposals of investment properties, net of transaction costs	(375)	(421)	–	–	–
Total distributable income	4,567	4,064	3,830	3,349	2,922
Discretionary distribution	67	128	–	–	–
Total distributable amount	4,634	4,192	3,830	3,349	2,922
<b>Distribution per unit (HK cents)</b>					
Interim DPU	98.99	89.56	80.22	71.08	63.11
Final DPU	107.19	93.28	85.59	75.38	66.41
Total DPU	206.18	182.84	165.81	146.46	129.52

## Five Year Performance Summary continued

## Financial Data (Continued)

		As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
<b>Assets and liabilities</b>						
Investment properties	HK\$M	<b>160,672</b>	138,383	109,899	95,366	76,672
Other non-current assets	HK\$M	<b>1,816</b>	934	470	572	598
Current assets, excluding investment properties held for sale	HK\$M	<b>964</b>	3,827	3,097	3,485	1,955
<b>Total assets</b>	<b>HK\$M</b>	<b>163,452</b>	143,144	113,466	99,423	79,225
Current liabilities	HK\$M	<b>4,387</b>	4,880	5,532	4,198	2,245
Non-current liabilities	HK\$M	<b>31,624</b>	20,158	11,583	13,583	14,245
<b>Total liabilities, excluding net assets attributable to Unitholders</b>	<b>HK\$M</b>	<b>36,011</b>	25,038	17,115	17,781	16,490
Non-controlling interest	HK\$M	<b>54</b>	–	–	–	–
<b>Net assets attributable to Unitholders</b>	<b>HK\$M</b>	<b>127,387</b>	118,106	96,351	81,642	62,735
Interest bearing liabilities to total assets	%	<b>16.5</b>	11.9	11.0	13.6	15.9
Total liabilities to total assets	%	<b>22.0</b>	17.5	15.1	17.9	20.8
Valuation of investment properties	HK\$M	<b>160,672</b>	138,383	109,899	95,366	76,672
Valuation capitalisation rate						
– Hong Kong (weighted average)	%	<b>4.59</b>	4.61	5.27	5.39	6.11
– Mainland China						
– Retail	%	<b>4.50-5.00</b>	–	–	–	–
– Office	%	<b>4.00</b>	–	–	–	–
Net assets per unit attributable to Unitholders	HK\$	<b>56.79</b>	51.53	41.69	35.68	27.73
Closing price per unit	HK\$	<b>46.00</b>	47.80	38.15	42.30	28.90
Market capitalisation	HK\$M	<b>103,185</b>	109,547	88,160	96,785	65,383
(Discount)/premium of unit price to net assets per unit attributable to Unitholders	%	<b>(19.0)</b>	(7.2)	(8.5)	18.6	4.2
Units in issue		<b>2,243,148,136</b>	2,291,770,269	2,310,889,561	2,288,061,440	2,262,372,930

## Portfolio Data

		Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012
<b>Hong Kong Portfolio</b>						
Average monthly unit rent at year end	HK\$ psf	50.0	45.4	42.1	38.4	35.8
Average monthly unit rent excluding self use office, Education/Welfare and Ancillary at year end	HK\$ psf	53.7	48.7	45.3	41.3	38.5
Reversion rate						
– Shops	%	29.0	23.3	25.8	24.7	23.4
– Overall	%	25.9	22.0	25.7	24.6	21.7
Occupancy rate at year end	%	96.0	94.8	94.4	94.1	92.9
Net property income margin	%	74.6	73.4	72.7	70.9	70.5
Retention rate	%	77.5	75.3	76.7	82.7	79.2
Number of turnover rent leases (excluding ancillary) at year end		5,250	5,124	5,193	5,006	4,806
Car park income per space per month	HK\$	2,022	1,767	1,566	1,378	1,222
<b>Mainland China Portfolio</b>						
Reversion rate						
– Retail	%	39.1	N/A	N/A	N/A	N/A
– Office	%	12.8	N/A	N/A	N/A	N/A
Occupancy rate at year end						
– Retail	%	99.5	N/A	N/A	N/A	N/A
– Office	%	100.0	N/A	N/A	N/A	N/A
<b>Performance Data</b>						
The highest premium of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	N/A	2.12	4.71	7.72	2.07
The highest discount of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	(16.29)	(14.13)	(8.39)	(7.13)	(4.68)
Net yield per unit (Note (ii))	%	4.5	3.8	4.3	3.5	4.5
Net yield per unit on listing price of HK\$10.30 per unit	%	20.0	17.8	16.1	14.2	12.6

### Notes:

- (i) The highest premium and discount are calculated based on the highest and lowest traded prices of HK\$49.75 (2015: HK\$53.65) and HK\$40.50 (2015: HK\$37.40) respectively on The Stock Exchange of Hong Kong Limited during the year. During the year, the highest traded price was lower than the net assets per unit attributable to Unitholders as at year end date. Accordingly, no premium of the traded price to net assets per unit attributable to Unitholders was presented at 31 March 2016.
- (ii) Net yield per unit is calculated based on distribution per unit for the year ended 31 March 2016 of HK\$206.18 cents (2015: HK\$182.84 cents) over the closing price as at 31 March 2016 of HK\$46.00 (2015: HK\$47.80).

# Investor Information

## Listing of the Units

Link's units are listed on the Main Board of the Stock Exchange (stock code: 823) in board lot size of 500 units.

There were 2,243,148,136 units in issue as at 31 March 2016. Further details of units in issue are set out in Note 25 to the consolidated financial statements.

## Financial Calendar

Final results announcement for the financial year ended 31 March 2016	8 June 2016
Ex-final distribution date	22 June 2016
Closure of register of Unitholders (for final cash distribution) <sup>(1)</sup>	24 June to 28 June 2016 (both days inclusive)
Record date for final cash distribution	28 June 2016
Final cash distribution payment date	7 July 2016
Closure of register of Unitholders (for 2016 AGM) <sup>(2)</sup>	25 July to 27 July 2016 (both days inclusive)
2016 AGM	27 July 2016
Interim results announcement for the six months ending 30 September 2016	November 2016

### Notes:

- (1) In order to qualify for the final cash distribution of HK107.19 cents per unit for the year ended 31 March 2016, Unitholders should ensure that all transfer documents accompanied by the relevant unit certificates must be lodged with Link's unit registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 23 June 2016.
- (2) In order for Unitholders to be eligible to attend and vote at the 2016 AGM, all transfer documents accompanied by the relevant unit certificates must be lodged with Link's unit registrar, Computershare Hong Kong Investor Services Limited (at the address above) for registration not later than 4:30 p.m. on 22 July 2016.

Financial reports, announcements, circulars, notices, other corporate communications, press releases and other investor information of Link are available online at Link's corporate website at [Linkreit.com](http://Linkreit.com). To promote environmental protection, we recommend you to view our publications online at our corporate website instead of using printed copies.

## Investor Relations Contact

Investor Relations Department

Address: 33/F., AXA Tower, Landmark East,  
100 How Ming Street, Kwun Tong,  
Kowloon, Hong Kong  
Telephone: (852) 2175 1800  
Facsimile: (852) 2175 1900  
Email: [ir@linkreit.com](mailto:ir@linkreit.com)

## Corporate Communications Contact

Corporate Communications Department

Address: 33/F., AXA Tower, Landmark East,  
100 How Ming Street, Kwun Tong,  
Kowloon, Hong Kong  
Telephone: (852) 2175 1800  
Facsimile: (852) 2175 1938  
Email: [mediaenquiries@linkreit.com](mailto:mediaenquiries@linkreit.com)

## Customer Service Contact

Hotline: (852) 3168 0080 (up to 14 August 2016)  
(852) 2122 9000 (from 15 August 2016)

## Websites

[Linkreit.com](http://Linkreit.com) (corporate website)  
[Linkhk.com](http://Linkhk.com) (customer website)

## Mobile Application



立即下載  
泊食易



Park & Dine Mobile Application

## Index Inclusion

Link is a component of the following selected indices:

Dow Jones Sustainability Asia Pacific Index

FTSE4Good Index  
FTSE Asian Property Index  
FTSE All World Index  
FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Global Index  
FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Asia Pacific Index  
FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Developed Index  
FTSE EPRA<sup>(1)</sup>/NAREIT<sup>(2)</sup> Developed Asia Index  
FTSE Hong Kong Index

GPR<sup>(3)</sup> 250 (World) Index  
GPR<sup>(3)</sup> 250 Asia Pacific Index  
GPR<sup>(3)</sup> 250 Hong Kong Index  
GPR<sup>(3)</sup> 250 REIT (World) Index  
GPR<sup>(3)</sup> 250 REIT Asia Pacific Index  
GPR<sup>(3)</sup> 250 REIT Hong Kong Index  
GPR<sup>(3)</sup> General (World) Index  
GPR<sup>(3)</sup> General Asia Index  
GPR<sup>(3)</sup> General Hong Kong Index

Hang Seng Index  
Hang Seng REIT Index  
Hang Seng Corporate Sustainability Index

MSCI<sup>(4)</sup> All Country World Index  
MSCI<sup>(4)</sup> All Country Asia Pacific ex-Japan Index  
MSCI<sup>(4)</sup> World Index  
MSCI<sup>(4)</sup> Hong Kong Index

TR<sup>(5)</sup>/GPR<sup>(3)</sup>/APREA<sup>(6)</sup> Composite Index  
TR<sup>(5)</sup>/GPR<sup>(3)</sup>/APREA<sup>(6)</sup> Composite Hong Kong Index  
TR<sup>(5)</sup>/GPR<sup>(3)</sup>/APREA<sup>(6)</sup> Composite REIT Index  
TR<sup>(5)</sup>/GPR<sup>(3)</sup>/APREA<sup>(6)</sup> Composite REIT Hong Kong Index  
TR<sup>(5)</sup>/GPR<sup>(3)</sup>/APREA<sup>(6)</sup> Investable 100 Index  
TR<sup>(5)</sup>/GPR<sup>(3)</sup>/APREA<sup>(6)</sup> Investable 100 Hong Kong Index  
TR<sup>(5)</sup>/GPR<sup>(3)</sup>/APREA<sup>(6)</sup> Investable REIT 100 Index

Notes:

- (1) European Public Real Estate Association
- (2) National Association of Real Estate Investment Trust
- (3) Global Property Research
- (4) Morgan Stanley Capital International
- (5) Thomson Reuters
- (6) Asia Pacific Real Estate Association

## Definitions and Glossary

<b>2015 AGM</b>	the annual general meeting of Unitholders held on 22 July 2015
<b>2016 AGM</b>	the annual general meeting of Unitholders scheduled to be held on 27 July 2016
<b>Articles of Association</b>	articles of association of the Manager
<b>average monthly unit rent</b>	the average base rent plus management fee per month per square foot of leased area
<b>base rent</b>	in respect of a lease, the standard rent payable under the lease, exclusive of any additional turnover rent (if applicable) and other charges and reimbursements
<b>Board</b> or <b>Board of Directors</b>	board of directors of the Manager
<b>Board Chairman</b> or <b>Chairman</b>	Chairman of the Board (unless the context requires otherwise)
<b>Board Committees</b>	committees of the Board to discharge the duties set out in their respective written terms of reference as approved by the Board, which, as at the date of this report, include the Audit and Risk Management Committee, the Nomination Committee, the Remuneration Committee, and the Finance and Investment Committee, and “ <b>Board Committee</b> ” refers to any one of them
<b>CBD</b>	central business district
<b>CCEP</b>	the charity and community engagement programme of Link known as “Link Together Initiatives” which was established to support eligible charitable organisations in launching relevant initiatives that benefit the communities near Link’s properties
<b>CEO</b>	Chief Executive Officer of the Manager
<b>CFO</b>	Chief Financial Officer of the Manager
<b>Compliance Manual</b>	the compliance manual of the Manager which sets out the key processes, systems and measures in respect of Link’s operations
<b>DCF</b>	discounted cash flow
<b>Director(s)</b>	director(s) of the Manager
<b>DPU</b>	distribution per unit in respect of the total distributable amount of Link for a financial year/period
<b>EUPP</b>	employee unit purchase plan, pursuant to which an eligible employee who meets the prescribed criteria is entitled to subsidy from the Manager for purchasing through an independent third party intermediary the units of Link in the open market in accordance with the rules of the plan
<b>GAV Cap</b>	10% of Link’s gross asset value (and as calculated in the manner set out in the Trust Deed)
<b>Group</b>	Link and its subsidiaries (unless the context requires otherwise)
<b>Hong Kong</b>	Hong Kong Special Administrative Region of The People’s Republic of China

<b>IIRC</b>	International Integrated Reporting Council
<b>IPO</b>	initial public offering of Link's units in Hong Kong
<b>lease</b>	a lease or a tenancy agreement (both of which grant a possessory interest) or a licence (which merely constitutes an authority to do something) in respect of premises at the retail properties granted to a tenant
<b>KPI</b>	Key Performance Indicator
<b>Link or Link REIT</b>	Link Real Estate Investment Trust (formerly known as The Link Real Estate Investment Trust)
<b>Link Corporate Governance Policy</b>	the corporate governance policy set out in the Compliance Manual
<b>Link Securities Dealing Code</b>	the code governing dealings in securities of Link by Directors and senior employees of the Manager and their respective associates
<b>Listing Rules</b>	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>Listing Rules Corporate Governance Code</b>	Code on Corporate Governing Practice as set out in Appendix 14 to the Listing Rules
<b>LTI Plan</b>	the long-term incentive plan of Link adopted by Unitholders on 23 July 2007
<b>Manager</b>	Link Asset Management Limited (formerly known as The Link Management Limited), which is the manager of Link
<b>market capitalisation</b>	the market value of the REIT calculated by multiplying the number of units in issue by the prevailing unit price quoted on the Stock Exchange
<b>MTN Programme</b>	the Guaranteed Euro Medium Term Note Programme established by The Link Finance (Cayman) 2009 Limited (a wholly-owned subsidiary of Link) in May 2009, and "MTN" refers to note(s) issued or to be issued from time to time pursuant to the MTN Programme
<b>NPI</b>	net property income, being total revenue less direct property related expenses
<b>occupancy rate</b>	the aggregated leased area as a percentage of total leasable area
<b>PRC</b>	The People's Republic of China and if the context requires, exclude Hong Kong
<b>Principal Valuer</b>	the Principal Valuer (as defined in the REIT Code) of Link, which is currently CBRE Limited
<b>psf or sq ft</b>	per square foot or square feet
<b>REIT(s)</b>	real estate investment trust(s)
<b>REIT Code</b>	Code on Real Estate Investment Trusts issued by the SFC



## Definitions and Glossary continued

<b>retail operations</b>	the operations within the shopping centres, including shop units, market stalls, cooked food stalls, education and welfare, office, ancillary and mall merchandising
<b>retention rate</b>	the percentage of tenants being retained in the same shopping centre upon the expiry of leases
<b>return on investment</b>	projected NPI post asset enhancement minus NPI pre asset enhancement divided by the estimated amount of project capital expenditure and loss of rental
<b>reversion rate</b>	the percentage change in per square foot average unit rent between old and new leases on the same unit
<b>RMB</b>	Renminbi, the lawful currency of the PRC
<b>SFC</b>	Securities and Futures Commission of Hong Kong
<b>SFO</b>	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
<b>SPVs</b>	special purpose vehicles (within the meaning of the REIT Code and the Trust Deed)
<b>sqm</b>	square metre
<b>Stock Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>tenant</b>	a lessee, a tenant or a licensee (as the case may be) under a lease
<b>total distributable amount</b>	total distributable amount for a financial year/period is the total distributable income and any additional amount (including capital) that the Manager has determined to be distributable
<b>total distributable income</b>	the consolidated profit after taxation attributable to Unitholders (equivalent to profit for the financial year/period, before transactions with Unitholders attributable to Unitholders) adjusted to eliminate the effect of certain non-cash adjustments
<b>Trust Deed</b>	the trust deed dated 6 September 2005 between the Trustee and the Manager constituting Link as amended and supplemented by 11 supplemental deeds
<b>Trustee</b>	trustee of Link, which is currently HSBC Institutional Trust Services (Asia) Limited
<b>turnover rent</b>	rent calculated and charged by reference to a pre-determined percentage of a tenant's gross sales turnover in excess of the base rent
<b>unit(s)</b>	unit(s) of Link (unless the context requires otherwise)
<b>Unitholder(s)</b>	holder(s) of unit(s) of Link

# Corporate Information

## Board of Directors of the Manager

### CHAIRMAN

*(also an Independent Non-Executive Director)*  
Nicholas Charles ALLEN

### EXECUTIVE DIRECTORS

George Kwok Lung HONGCHOY  
*(Chief Executive Officer)*  
Andy CHEUNG Lee Ming  
*(Chief Financial Officer)*

### NON-EXECUTIVE DIRECTOR

Ian Keith GRIFFITHS

### INDEPENDENT NON-EXECUTIVE DIRECTORS

William CHAN Chak Cheung  
Ed CHAN Yiu Cheong  
Blair Chilton PICKERELL  
Poh Lee TAN  
May Siew Boi TAN  
Peter TSE Pak Wing  
Nancy TSE Sau Ling  
David Charles WATT  
Richard WONG Yue Chim  
Elaine Carole YOUNG

## Company Secretary of the Manager

Ricky CHAN Ming Tak

## Responsible Officers of the Manager<sup>(1)</sup>

George Kwok Lung HONGCHOY  
Andy CHEUNG Lee Ming  
Hubert CHAK  
Christine CHAN Suk Han  
Eric YAU Siu Kei

## Authorised Representatives<sup>(2)</sup>

Andy CHEUNG Lee Ming  
Ricky CHAN Ming Tak

## Trustee

HSBC Institutional Trust Services (Asia) Limited

## Auditor

PricewaterhouseCoopers

## Principal Valuer

CBRE Limited

## Registered Office of the Manager

33/F., AXA Tower, Landmark East,  
100 How Ming Street,  
Kwun Tong, Kowloon,  
Hong Kong

## Town Office of the Manager

Suite 3004, 30/F.,  
9 Queen's Road Central,  
Hong Kong

## Unit Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17/F.,  
Hopewell Centre,  
183 Queen's Road East, Wanchai, Hong Kong  
Telephone: (852) 2862 8555

(1) Required by the SFO

(2) Required by the Listing Rules

Link Real Estate Investment Trust  
[Linkreit.com](http://Linkreit.com)

