

Interim Report 2016/2017

WE LINK PEOPLE TO A BRIGHTER FUTURE

Link Real Estate Investment Trust
Stock code: 823

領展
LINK

WE LINK PEOPLE TO A BRIGHTER FUTURE

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

In this report, we will discuss our gradual development along the path we outlined in previous years. We have a clear direction and guidance to drive our staff to work together and achieve our vision of being a world class real estate investor and manager, serving and improving the lives of those around us.

WHY AN INTEGRATED INTERIM REPORT

This is Link's Integrated Interim Report for the period ended 30 September 2016 and covers our operations in Hong Kong and Mainland China. Since 2013/2014, Link has adopted the International Integrated Reporting Council's Integrated Reporting <IR> Framework as a way of communicating the total impact of our business in a more compelling manner. We take specific care to highlight the interactions among the financial, environmental, social and governance factors of our business and to underline their influence on our long-term sustainable development. This approach allows us to present a comprehensive, but concise, overview of how we create value for different stakeholders.

Sustainability is at the core of our business and drives our focus on generating returns for Unitholders and continually creating value for the wider community. Further details of how we embed sustainability throughout our business can be found at www.linkreit.com/sustainability.

OUR APPROACH TO REPORTING

In our third Integrated Interim Report, we will continue our efforts to illustrate how our strategic focus has been enhanced by expanding our growth drivers and is supported by our corporate resources and core competencies to deliver long-term sustainable growth. At the heart of this integrated approach is our endeavour to focus not only on distributions to Unitholders, but also on how value is generated and distributed more widely.

Overview

Introduction	Inside front
Vision, Mission, Values	2
Strategic Priorities at a Glance	3
Portfolio in Brief	4
Interim Highlights	6
Operating Landscape	8

Strategy and Performance

Chairman's Statement	12
Chief Executive Officer's Report	16
Strategic Priorities	22
Financial Review	30

Governance and Financials

Corporate Governance	34
Disclosures	39
Auditor's Review Report	47
Condensed Consolidated Interim Financial Information	
– Condensed Consolidated Income Statement	48
– Condensed Consolidated Statement of Comprehensive Income	49
– Consolidated Statement of Distributions	50
– Condensed Consolidated Statement of Financial Position	51
– Condensed Consolidated Statement of Changes in Equity and Net Assets Attributable to Unitholders	52
– Condensed Consolidated Statement of Cash Flows	53
– Notes to the Condensed Consolidated Interim Financial Information	54
Five Year Performance Summary	73
Investor Information	76
Definitions and Glossary	78
Corporate Information	Inside back

VISION MISSION VALUES

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

Building relationships with our stakeholders through:

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

Managing and operating our business with:

- Respect
- Excellence
- Integrity
- Teamwork

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.

1 BUILDING A MORE PRODUCTIVE AND HIGHER QUALITY PORTFOLIO



Read more on page 22

2 MAINTAINING A PRUDENT AND FLEXIBLE CAPITAL STRUCTURE



Read more on page 26

3 DEVELOPING A STRONG MANAGEMENT TEAM



Read more on page 28

4 HELPING OUR TENANTS AND COMMUNITIES GROW WHILE DELIGHTING SHOPPERS



Read more on page 29

PORTFOLIO IN BRIEF

Our portfolio includes retail, fresh market, car park and office properties across Hong Kong, Beijing and Shanghai. These multiple segments form a solid platform to create more value.

93.6%

Hong Kong Portfolio

6.4%

Mainland China Portfolio

**Portfolio mix
by value**

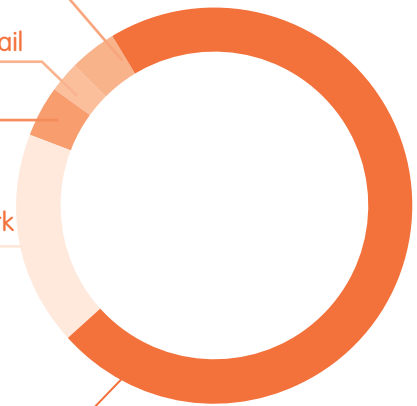
4.0% Mainland China office

2.4% Mainland China retail

4.0% Hong Kong office

17.6% Hong Kong car park

72.0% Hong Kong retail



160

Properties across Hong Kong

2

Properties in Mainland China

10 million sq ft

Retail space

1.8 million sq ft

Retail and office space

884,000 sq ft

Under development

72,000

Car park spaces



NEW TERRITORIES

88
properties

61
properties

KOWLOON

11
properties

HONG KONG ISLAND

INTERIM HIGHLIGHTS

Our key operational data reflect our steady business performance despite a challenging economic environment.

4,608

+10.1%_{yoy}

Revenue
(HK\$'M)

111.75

+12.9%_{yoy}

Distribution per unit
(HK cents)

3,440

+11.1%_{yoy}

Net property income
(HK\$'M)



167,475

+4.2%_{vs 31/3/2016}

Valuation
(HK\$'M)

48

Enhancement projects
completed to date

Refurbishment and repositioning
of existing assets

95.9%

Occupancy in Hong Kong

98.3%

Occupancy in Mainland China

+3.8%
yoy

Tenant gross sales growth
in Hong Kong

27.1%



Reduction in energy
consumption in Hong Kong
since 2010

38.1



Invested in the community through
Link Together Initiatives since 2013
(HK\$'M)

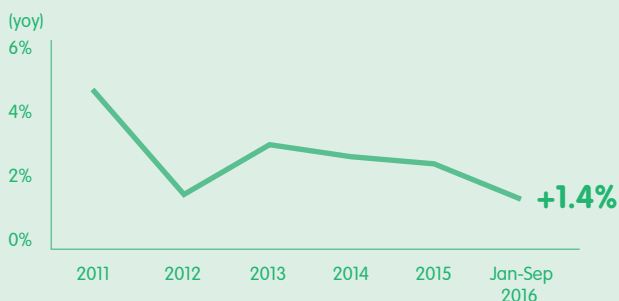
OPERATING LANDSCAPE

MAJOR MARKET TRENDS IN HONG KONG

GENERAL ECONOMY

Gross domestic product growth in January – September 2016 has slowed to 1.4% (compared to 2.4% in 2015) and is expected to grow at a similar pace of 1.5% for the whole of 2016. On the back of a tight labour market with low unemployment rate and rising asset prices, domestic consumption may recover gradually against elevated geopolitical tensions and weak external demand.

GROSS DOMESTIC PRODUCT GROWTH

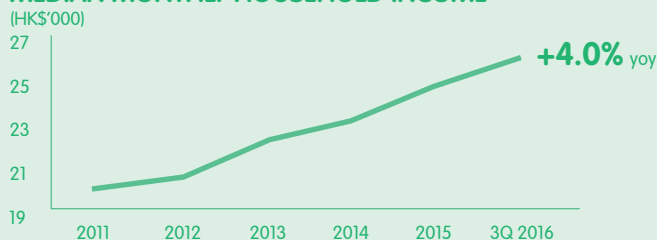


Source: Hong Kong Census and Statistics Department

HOUSEHOLD INCOME

Stable labour market is likely to continue to support median household income growth albeit at a slower growth rate, potentially resulting in a slow recovery in private consumption. Household income for public housing residents will also benefit from the rising minimum wage which is expected to increase in 2017.

MEDIAN MONTHLY HOUSEHOLD INCOME

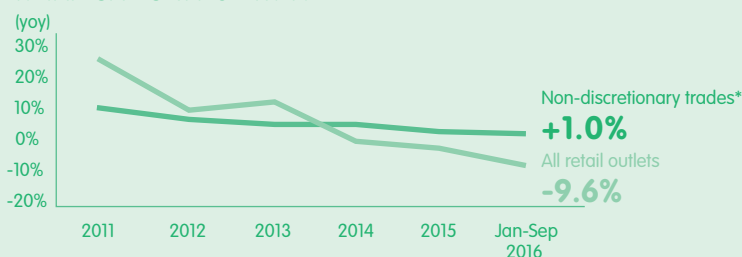


Source: Hong Kong Census and Statistics Department

RETAIL SALES

Overall retail market was weaker than expected in January – September 2016 as retail sales value recorded negative growth for the third year with a larger decline at -9.6% (compared to -3.7% in 2015). Sales decline of discretionary trades widened along with sluggish visitor arrivals, but growth of non-discretionary trades continued to outperform the overall market. The retail market is likely to remain challenging despite a low base effect.

RETAIL SALES VALUE TREND



* Non-discretionary trades include supermarkets and foodstuff
Source: Hong Kong Census and Statistics Department

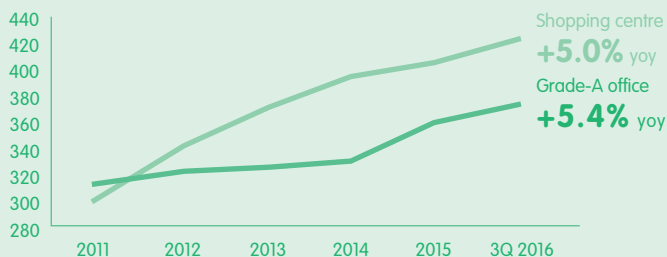
RETAIL RENTAL

Street shops in prime districts continued to record rental decline as landlords reduced rents to retain tenants. Rental at shopping centres grew moderately as landlords tried to increase food and beverage in tenant mix. The retail rental market may continue to be challenging in the near term.

GRADE-A OFFICE RENTAL

Grade-A office rental level continued on an increasing trend supported by tight availability and low vacancy. Looking into 2017, abundant new supply in secondary business districts may put pressure on its rental growth.

OVERALL SHOPPING CENTRE RENTAL AND OFFICE RENTAL INDEX*



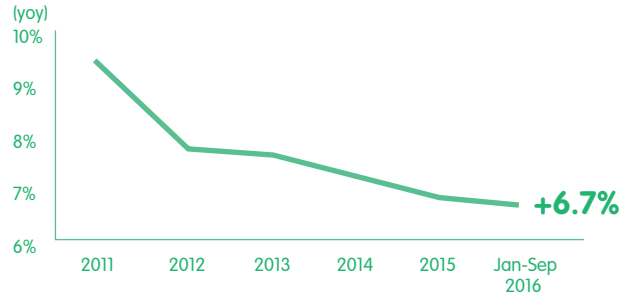
* Yearly figures are represented by using year-end figures
Source: Savills
Index base: 1Q 2003 = 100

MAJOR MARKET TRENDS IN MAINLAND CHINA

GENERAL ECONOMY

Gross domestic product growth in January – September 2016 was 6.7% (compared to 6.9% in 2015) and similar growth patterns were seen in Beijing and Shanghai. Despite internal structural problems and external headwinds, economic growth is likely to remain stable given that continued income growth provides support to domestic demand.

GROSS DOMESTIC PRODUCT GROWTH

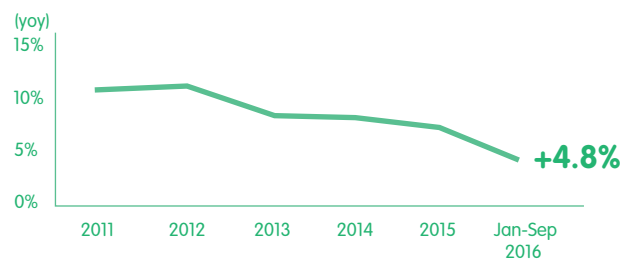


Source: National Bureau of Statistics

BEIJING RETAIL SALES

Beijing retail sales growth in January – September 2016 has slowed to 4.8% (compared to 7.3% in 2015). Sales of food and beverage continued to grow at the same pace of 3.3% as in 2015 while sales of commodities slowed to 5.0% (compared to 7.6% in 2015). Meanwhile, a good consumer sentiment may continue to sustain household spending and retail sales growth in the near future.

BEIJING RETAIL SALES VALUE TREND

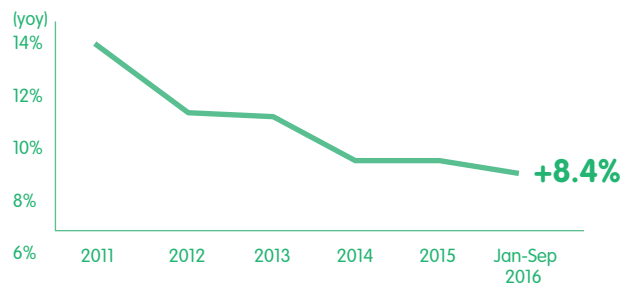


Source: Beijing Statistical Information Net

BEIJING URBAN HOUSEHOLDS DISPOSABLE INCOME

In Beijing, more households are expected to move into middle-income and high-income levels in the future. As income levels rise, the continuous growth in disposable income of urban households should support further growth in consumption expenditure.

BEIJING PER CAPITA DISPOSABLE INCOME OF URBAN HOUSEHOLDS

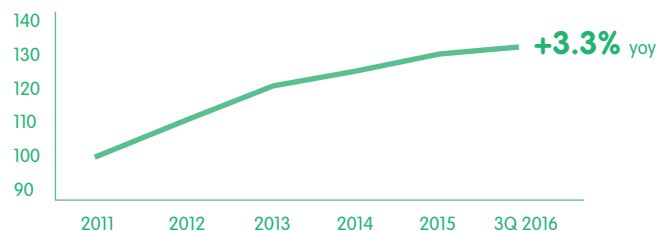


Source: Beijing Statistical Information Net

BEIJING RETAIL RENTAL

Beijing retail rental recorded stable growth in 3Q 2016. Shopping centres are increasingly focused on the mass market with increasing food and beverage and children-related trades in tenant mix. Despite slower growth in consumption, low vacancy will likely offset the downward pressure on rental growth.

BEIJING RETAIL RENTAL INDEX*

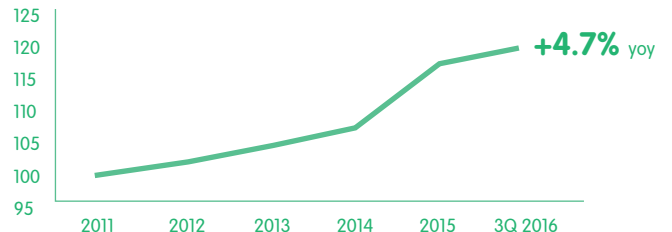


* Yearly figures are represented by using year-end figures
Source: Jones Lang LaSalle
Index base: 4Q 2011 = 100

SHANGHAI GRADE-A OFFICE RENTAL

Shanghai grade-A office rental growth in the CBD has been supported by continuous demand from local financial firms and multinational companies. It should help to maintain stable rental growth in the core districts, despite increasing supply in the second half of 2016.

SHANGHAI CBD OFFICE RENTAL INDEX*



* Yearly figures are represented by using year-end figures
Source: Jones Lang LaSalle
Index base: 4Q 2011 = 100



LINKING COMMUNITIES

Link is committed to serving and improving the lives of those around us. The success of our business is contingent on the communities around us flourishing. To ensure this, we focus on cultivating strong relationships and investing in our communities through a variety of ways. Over the years we have placed our emphasis on providing public spaces – sports facilities, piazzas, courtyards and playgrounds – for local residents to enjoy. Our flagship community programme, Link Together Initiatives, works closely with local organisations to support community projects that benefit the neighbourhoods, ranging from elderly care services, youth education programmes, university scholarships and

barrier-free access provisions. These financial and venue contributions are complemented by our staff and tenants volunteering their time to contribute their knowledge, experience and enthusiasm. This is truly a community effort to create better living for those around us.

To ensure these projects perform well and best meet community needs, we are conducting a Total Impact Assessment to quantify the values created. This approach not only serves as a management tool to guide our community initiatives, but also enables us to generate lasting, positive and effective changes in the community.

CHAIRMAN'S STATEMENT

"I am delighted to present my first Interim Report to you as Chairman of Link. In Annual Report 2015/2016, I shared my initial thoughts and impressions of Link being a business in a strong financial and operational position, underpinned by a commitment to **Link People to a Brighter Future**.

I am pleased to say that my first six months as Chairman has only reinforced my initial assessment."

**Nicholas Charles
ALLEN**
Chairman



The first half of 2016/2017 has seen Link operating against a challenging backdrop of a weakening macroeconomic environment in Hong Kong, marked by slower gross domestic product growth, declining tourist arrivals and an uneasy political environment weighing on local consumer confidence. However, non-discretionary trades have shown stable growth, supported by a steady increase in median household income as well as continuously low unemployment rates.

Link has in place a sound and well-executed strategy that enables us to be agile to navigate through this challenging period as well as those in the future. We have established a resilient portfolio strengthened by consistent upgrades and careful diversification both by asset type and geographic region.

We have cultivated strong partnerships throughout our value chain, allowing us to deliver consistent, high-quality services to tenants and shoppers.

Perhaps most importantly, **we have in place an award-winning management team and staff** who are dedicated to serving and improving the lives of those around us, ensuring that our business grows responsibly and sustainably.

MAKING OUR PORTFOLIO RESILIENT

During the past six months, our management team once again made excellent progress to reinforce Link's ability to maintain sustainable growth. In April 2016, we completed the acquisition of 700 Nathan Road in Mong Kok, adding over 284,000 sq ft of well-connected, mass market commercial space to our portfolio. Enhancement works for the property are currently underway and we anticipate

opening in late 2017. Similarly, our commercial development project at 77 Hoi Bun Road in Kowloon East remains on schedule for a 2019 opening. The location of both properties – Mong Kok being one of the busiest districts of Hong Kong and Kowloon East situated at the heart of the new CBD – place them in **excellent positions to become preferred destinations for retail and office tenants, as well as shoppers.**

BUILDING RELATIONSHIPS AND CONNECTING OUR VALUE CHAIN

We have invested considerable effort in building stronger relationships with vendors, contractors, service providers, tenants and the communities in which we operate.

By phasing enhancement works we reduce vacant shop space, minimise disruption to our tenants' businesses and lessen the impact of rental loss on Link. As a result, we can deliver a strong return on investment for our enhancement works. I am pleased to say that in the past six months, Link has completed four enhancement projects, with all being either on or ahead of schedule and delivering return on investments of over 15.0%.

The true barometer of success for Link is the improvement in productivity of our properties and tenants. I am pleased to report that our tenant sales growth has remained steady at 3.8% year-on-year, reflecting not just the resilience of Link's non-discretionary focused tenants, but also the success of our leasing and marketing teams in supporting our tenants' business growth. The tenant rent-to-sales ratio was 12.0%, showing evidence of the relative affordability of renting at Link's shopping centres. We will closely monitor these indicators to assess and identify value-creating opportunities for Link and our tenants.

AWARD-WINNING MANAGEMENT TEAM AND STAFF

Link has a talented team in place, but it is also important to focus on further developing and retaining the team. Although we continue to achieve an attrition rate that is lower than the industry average, maintaining our established expertise and competitive advantage requires that **talent management goes hand-in-hand with our business development**. In this regard, we developed and launched the Link Competency Framework which outlines how we develop core technical and leadership competencies among our staff. The objective is to ensure we have the right people doing the right jobs in the right places. The Link Competency Framework is covered in more detail in the Strategic Priority section of this report.

The effort and achievements of our management team and staff have culminated in delivering yet another set of strong half-yearly results. Total revenue saw a year-on-year increase of 10.1% and the interim DPU increased by 12.9% year-on-year.

MOVING FORWARD

There is more we can do to improve the resilience and positive impact of our business. We have completed a process to evaluate rigorously our corporate policies and to ensure they align and enable us to deliver on our strategic priorities.

In addition, we are developing a methodology to assess the economic, environmental and social impact – the total impact – of our business operations to ensure we are creating value across our value chain.

Link is at a very exciting time in our journey of evolving from being a manager of legacy assets into a world class REIT.

To fulfil this vision, we must **be in tune with local, regional and global developments in the real estate sector** and understand how emerging risks and opportunities may impact our operations. I have confidence that as long as we continue to place our tenants and shoppers at the heart of our business, we will achieve our vision of becoming a world class real estate investor and manager.

On this note, I thank the members of our Board for their commitment, contributions and support in ensuring that Link has a well-thought out strategy in place. After nine years of service, Professor Richard Wong retired from the Board in July 2016. I would like to thank Richard for his commitment to Link.

In closing and on behalf of the Board, I would like to express my gratitude to the over 900 employees that comprise the Link team. It is the collective effort of this team that has allowed Link to continue to deliver strong performance, and I look forward to working with them to achieve even greater accomplishments in the future.

Nicholas Charles ALLEN

Chairman
Link Asset Management Limited
As Manager of Link Real Estate Investment Trust

9 November 2016

ENGAGING OUR VARIOUS STAKEHOLDERS IN MY FIRST FEW MONTHS AS CHAIRMAN



1



2



3



4



5



6

1. Visiting Food for Good's community kitchen in Yau Tong
2. Learning from NGOs how to improve barrier-free access at our properties
3. Visiting tenants at the newly renovated Temple Mall North
4. Attending a Cha Duk Chang performance, a project sponsored by Link Together Initiatives
5. Meeting management trainees during a tea session
6. Meeting the younger generation at a community event

CHIEF EXECUTIVE OFFICER'S REPORT

"In my previous report I highlighted Link's strengths in three key areas – resilience, innovation and community. By continuing to lean on these strengths we have executed a proven business strategy that focuses on building a productive and resilient portfolio. For the first half of 2016/2017, Link has delivered another strong performance while strengthening our position for future growth."

**George Kwok Lung
HONGCHOY**
Chief Executive Officer



KEY ACCOMPLISHMENTS

As we look back over the past six months, our business strategy, property portfolio and team performed well against the headwind of an increasingly uncertain macroeconomic environment. By continuing to execute a proven business strategy that focuses on building a productive and resilient portfolio, Link has delivered another strong performance for the first half of 2016/2017 while strengthening our position for future growth.

During the six months under review, total revenue and net property income increased by 10.1% and 11.1% year-on-year to HK\$4,608 million (six months ended 30 September 2015: HK\$4,185 million) and HK\$3,440 million (six months ended 30 September 2015: HK\$3,096 million), respectively. Interim DPU for the period amounted to HK111.75 cents (six months ended 30 September 2015: HK98.99 cents), representing a year-on-year increase of 12.9%. Valuation of the property portfolio (including property under development and properties in Mainland China) reached HK\$167,475 million, representing an increase of 4.2% compared to 31 March 2016. Net asset value per unit increased by 2.5% to HK\$58.20 (31 March 2016: HK\$56.79).

For the full financial review, please see page 30.

RESILIENCE

Our expertise is in investing and upgrading shopping centers to become vibrant and welcoming properties that are integrated with communities. It is driving an increase in the number of shoppers we see daily.

We transform our properties into preferred places for tenants to do business.

In the past six months we completed enhancement works at Tin Chak Shopping Centre, Lei Tung Commercial Centre, Butterfly Plaza and Sau Mau Ping Shopping Centre. The improved hardware is complemented by a range of support services including operational, tenant advisory and community engagement.

Together, they cultivate a healthy ecosystem that encourages and facilitates our tenants to expand to other properties in our portfolio and also allows us to attract new tenants and expand the choices and variety for shoppers. Over the past six months, we have brought in new tenants ranging from international furniture store IKEA to MeokBank Korean BBQ & Bar.

In April 2016 we completed the acquisition of 700 Nathan Road, for HK\$5,910 million.

We are very excited by the acquisition in Mong Kok because of the asset's excellent connectivity with transportation networks and its central location in the heart of one of the busiest districts in Hong Kong.

Progress is currently underway to transform the asset into a modern, state-of-the-art commercial space. Enhancement works have commenced and are projected to be completed by late 2017.

Combined with our LEED Platinum pre-certified commercial development in Kowloon East which is progressing on schedule, these two assets add nearly 1.2 million sq ft of commercial space to our portfolio and are integral to our long-term strategy of **building a more productive and higher quality portfolio**.

INNOVATION

Link has always **pursued a prudent and flexible capital structure** and we are diligent to explore innovative forms of financing. I am pleased to say that in July 2016, Link became the first property company in Asia to issue a green bond, raising US\$500 million at 2.875% fixed rate due in 2026. The green bond establishes a direct connection between our globally-recognised ESG efforts and capital markets, as the proceeds enable us to continue creating value through building healthier, environmentally-friendly and low carbon properties.

Our Link Park & Dine app has been one of our most visible and successful strategies in the past six months to “Link People to a Brighter Future”. The app covers car parks, shopping centres and fresh markets in our portfolio and is a key part of our strategy to **help our tenants and communities grow while delighting shoppers**. In May 2016, we teamed up with several major brands to improve the overall user experience, including working with MTR Corporation to offer a park-and-ride programme. The app also offers more convenience to shoppers such as identifying tenants and restaurants to visit at our properties, providing cooking recipes and home delivery of fresh produce from our fresh markets.

GROWING WITH THE COMMUNITY

The communities around our properties are the heart of our business. Our success and growth is contingent on being able to anticipate and meet their needs. Insights into community dynamics such as understanding their sentiment to changes in the local economy help us make informed decisions. For example, Link has long been a proponent of community inclusion and accessibility for all. Our ongoing BFA upgrades across the entire property portfolio are progressing well and will be completed by the first half of 2017. Not only does our investment bring more shoppers into our properties and provide more business opportunities for our tenants, we strive to educate the community through games and events to encourage a more inclusive society.

OUR TEAM

We work hard to transform our properties into places where tenants like to operate and shoppers prefer to shop.

We want our colleagues to love working and growing their careers with us.

We have **developed a strong management team**, which comprises over 900 colleagues. I thank each of them for the commitment and hard work.

Link has always placed close attention to safeguarding our human capital by cultivating a work environment that fosters inspiring leadership and dedicated colleagues. In September, we launched the Link Competency Framework to ensure our talent management strategy is aligned with and can support the future growth of our business. This includes establishing a set of core competencies across the entire team and having in place an employee assessment mechanism that can help them achieve additional competencies to support their own personal developments and our corporate strategy.

OUTLOOK

The operating and economic environment for the foreseeable future will present some challenges.

We believe the right strategy is in place and we are making appropriate and timely decisions that protect the long-term growth of our business.

This reflects our confidence in the productive and resilient nature of our portfolio which we believe will remain intact for years to come.

As we enter the second half of 2016/2017 with good momentum, we are confident that Link will continue to deliver sustainable growth and create value across our value chain, as we are firmly on the way to becoming a world class real estate investor and manager, serving and improving the lives of those around us.

George Kwok Lung HONGCHOY

Chief Executive Officer
Link Asset Management Limited
As Manager of Link Real Estate Investment Trust

9 November 2016

EXECUTING OUR STRATEGIC PRIORITIES TO DELIVER SUSTAINABLE GROWTH



1



2



3



4



5



6

1. Presenting at the Distinguished Speaker Series organised by the Royal Institution of Chartered Surveyors Hong Kong
2. Offering scholarships to first university students among three generations of their families
3. Sharing Link's business strategies with media
4. Celebrating the ground breaking of 77 Hoi Bun Road with joint-venture partner
5. Attending a Christmas promotional event at Temple Mall North
6. Meeting tenants of Choi Ming Market



LINKING TENANTS

Engaging and collaborating with our tenants is integral to the long-term success of our business. Link grows with our tenants by creating an environment that promotes better business opportunities, fosters knowledge sharing and enables collaboration. As an asset manager and reinforced through our Vision, Mission and Values, we have an ongoing commitment to communicate with our tenants and assist them in developing their businesses. We achieve this in several ways. We continuously improve our “hardware” – shopping centres – through asset enhancement to create a thriving environment

that draws in more footfall and creates more business opportunities for our tenants.

We complement this by offering a range of “software” – our value-added services – such as Link Tenant Academy which supports tenants’ business development through quarterly seminars and workshops on topics ranging from shop design, customer service and latest industry trends. The Link Tenant Academy has always been highly popular and well-regarded by our tenants as a resource that helps them understand how to maximise their business opportunities.



BUILDING A MORE PRODUCTIVE AND HIGHER QUALITY PORTFOLIO

ASSET MANAGEMENT

HONG KONG PORTFOLIO

RETAIL

In the silhouette of a challenging retail market, our portfolio showed resilience in performance as we continued to focus on mass market non-discretionary trades. Occupancy rate for the portfolio as at 30 September 2016 remained stable at 95.9%. "Food and Beverage" sector

continued to outperform other trades. Reversion rate for the overall portfolio stood at 21.0% and we recorded a 6.6% year-on-year growth in retail rentals. Average monthly unit rent improved from HK\$50.0 psf as at 31 March 2016 to HK\$52.5 psf as at 30 September 2016.

95.9%
OCCUPANCY
IN HONG KONG

OPERATIONAL STATISTICS OF THE RETAIL PORTFOLIO

	Occupancy rate		Reversion rate		% of total area
	As at 30 September 2016 %	As at 31 March 2016 %	Six months ended 30 September 2016 %	Six months ended 30 September 2015 %	As at 30 September 2016 %
Shops	97.1	97.1	21.2	29.5	82.7
Markets/Cooked Food Stalls	89.4	89.1	17.8	1.1	9.4
Education/Welfare and Ancillary	91.3	92.4	19.1	18.7	7.9
Total	95.9	96.0	21.0	23.6	100.0

RETAIL PORTFOLIO BREAKDOWN

Properties	No. of properties	Retail properties valuation	Retail rentals	Average monthly unit rent		Occupancy rate	
		As at 30 September 2016 HK\$'M	Six months ended 30 September 2016 HK\$'M	As at 30 September 2016 HK\$ psf	As at 31 March 2016 HK\$ psf	As at 30 September 2016 %	As at 31 March 2016 %
Destination	6	21,522	526	71.8	70.8	96.9	97.3
Community	38	59,564	1,629	63.1	60.8	96.6	97.0
Neighbourhood	86	33,277	971	36.5	35.3	95.0	94.6
700 Nathan Road ⁽¹⁾	1	6,116	13	N.A.	-	N.A.	-
9 properties disposed ⁽²⁾	-	-	18	-	29.4	-	97.2
Total	131	120,479	3,157	52.5	50.0	95.9	96.0

Notes:

(1) The acquisition of 700 Nathan Road was completed on 15 April 2016. As at 30 September 2016, the tower portion and retail podium were vacant in preparation for renovation. Only several street shops were leased and those leases will expire before the end of 2016.

(2) Disposal was completed in May 2016.

PORTFOLIO LEASE**EXPIRY PROFILE**

(As at 30 September 2016)

	% of total area %	% of monthly rent %
2016/2017	14.8	16.6
2017/2018	26.5	29.9
2018/2019 and Beyond	50.8	49.4
Short-term Lease and Vacancy	7.9	4.1
Total	100.0	100.0

CAR PARKS

Car parks, which represented 17.6% of our business by value, saw consistent rental growth and recorded a year-on-year increase of 6.4% during the period. This was supported by continuously growing demand in car park spaces and increased visitations to our shopping centres, driven

by the enhanced shopping environment and stimulated by our Park & Dine mobile application.

Individual car park income per space per month increased by 11.1% year-on-year to HK\$2,206 for the period ended 30 September 2016.

KEY CAR PARK PERFORMANCE INDICATORS

	Six months ended 30 September 2016	Six months ended 30 September 2015
Car park income per space per month (HK\$)	2,206	1,986
	As at 30 September 2016	As at 31 March 2016
Total valuation (HK\$'M)	29,490	28,888
Average valuation per space (HK\$'000)	409	384

99.0%
RETAIL OCCUPANCY
AT EC MALL

MAINLAND CHINA PORTFOLIO

The two properties in Mainland China acquired last year – EC Mall in Beijing and Corporate Avenue 1 & 2 in Shanghai – have delivered strong performance. They contributed revenue of HK\$289 million and net property income of HK\$232 million during the period, representing a 124% and a 144% year-on-year increase respectively as Corporate Avenue 1 & 2 made full-period contribution.

Almost fully occupied, both properties have created better value and improved our portfolio quality. Retail reversion rate was 43.9% for EC Mall and office reversion rate was 8.3% for Corporate Avenue 1 & 2 during the financial period.

EC MALL RETAIL LEASE EXPIRY PROFILE

(As at 30 September 2016)

	% of total area %	% of monthly rent %
2016/2017	6.5	14.7
2017/2018	20.8	27.4
2018/2019 and Beyond	71.7	57.9
Vacancy	1.0	–
Total	100.0	100.0

CORPORATE AVENUE 1 & 2 OFFICE LEASE EXPIRY PROFILE

(As at 30 September 2016)

	% of total area %	% of monthly rent %
2016/2017	27.4	27.4
2017/2018	15.5	18.4
2018/2019 and Beyond	55.5	54.2
Vacancy	1.6	–
Total	100.0	100.0

ASSET ENHANCEMENT

During the period, we completed four asset enhancement projects, including Tin Chak Shopping Centre, Lei Tung Commercial Centre, Butterfly Plaza and Sau Mau Ping Shopping Centre, all of which exceeded our return on investment target of 15%.

The enhancement of Butterfly Plaza in Tuen Mun involved a major overhaul of the interior and façade of the fresh market. The enhancement of the fresh market created a new anchor for the shopping centre. Re-layout and repartitioning of the fresh market improved the visibility of the stalls and provided a cleaner, brighter and more comfortable environment for grocery shopping. After repositioning the fresh market, it has become the largest fresh market in the South Tuen Mun district.

Key to enhancement works at Lei Tung Commercial Centre and Sau Mau Ping Shopping Centre was the improvement in accessibility and visibility of the two shopping centres, especially with the new MTR station to be opened soon at Lei Tung. With new escalators, it has improved the circulation of the shopping centres. Sau Mau Ping Shopping Centre has also increased food and beverage offerings after repartitioning and upgrading the overall outlook of the arcade. This coincides with residents moving into the adjacent new public rental housing project on Anderson Road. Tin Chak Shopping Centre was a relatively smaller scale refurbishment project that mainly included repartitioning to create more shops for a wider range of retail offerings on the second floor.

98.4%
OFFICE OCCUPANCY
AT CORPORATE
AVENUE 1 & 2

15.1%
TO
28.9%
RETURN ON
INVESTMENT FOR
ASSET ENHANCEMENT
PROJECTS COMPLETED
DURING THE PERIOD

RETURN ON INVESTMENT OF ASSET ENHANCEMENT PROJECTS COMPLETED IN THE SIX MONTHS ENDED 30 SEPTEMBER 2016

	Total area as at 30 September 2016 '000 sq ft	Total Project CAPEX HK\$'M	Estimated return on investment %
Tin Chak Shopping Centre ⁽¹⁾	130	20	23.1
Sau Mau Ping Shopping Centre ⁽¹⁾	155	59	28.9
Lei Tung Commercial Centre ⁽²⁾	84	62	20.3
Butterfly Plaza ^{(1) (3)}	173	286	15.1
Total	542	427	

Notes:

(1) Property ranked amongst top 50 by valuation.

(2) Property ranked beyond top 50 by valuation.

(3) Property included a fresh market upgrade.

ASSET ENHANCEMENT PIPELINE

	Number of projects	Estimated costs HK\$'M
Underway	12	1,311
Pending statutory approval	9	686
Others under planning	>16	>1,100
Total	>37	>3,097

APPROVED ASSET ENHANCEMENT PROJECTS UNDERWAY

	Estimated costs HK\$'M	Target completion date
TKO Gateway (previously known as Hau Tak Shopping Centre) ⁽¹⁾	174	Late 2016
Tai Hing Commercial Centre ⁽²⁾	75	Late 2016
Wah Ming Shopping Centre ⁽²⁾	72	Early 2017
Tin Yiu Plaza ⁽¹⁾	164	Early 2017
Fu Tung Plaza ⁽¹⁾	30	Early 2017
Lung Hang Commercial Centre ⁽²⁾	81	Mid 2017
Chung Fu Plaza ⁽¹⁾	280	Mid 2017
Cheung Wah Shopping Centre ⁽²⁾	102	Mid 2017
Tin Tsz Shopping Centre ⁽²⁾	42	Mid 2017
Temple Mall South ⁽¹⁾	153	Mid 2017
Siu Sai Wan Plaza ⁽¹⁾	45	Late 2017
Fu Shin Shopping Centre ^{(1) (3)}	93	Mid 2018
Total	1,311	

Notes:

(1) Properties ranked amongst top 50 by valuation.

(2) Properties ranked beyond top 50 by valuation.

(3) Project includes a fresh market upgrade.

19%
PREMIUM OVER
VALUATION AS AT
31 MARCH 2016 FOR
ASSETS DISPOSED OF
DURING THE PERIOD

ASSET ACQUISITION

During the period, we completed the acquisition of 700 Nathan Road in Mong Kok Hong Kong at a consideration of HK\$5,910 million on 15 April 2016. The property is located at the heart of Kowloon, situated on top of one of the busiest MTR stations in Hong Kong. With direct MTR access in the basement, it will become a new mass market destination shopping centre of Link. Renovation of the property has commenced and it is targeted to start operations around the end of 2017. The tower portion will offer an ideal place for service and semi-retail trades. The revitalised modern retail podium will become a young and vibrant shopping environment with mass market retail offerings. The new shopping centre is targeted to become a new landmark of Mong Kok.

ASSET DISPOSAL

In May 2016, Link completed the disposal of nine properties for a total of HK\$3,652 million, representing a 19% premium over the valuation as at 31 March 2016. For the

23 properties we disposed of in the past two years, the holding period internal rate of return ranged from 13% to 30%. On 28 October 2016, Link announced its intention to dispose of another five properties by tender.

PROPERTY DEVELOPMENT

Link currently has one commercial development project underway at 77 Hoi Bun Road in Kowloon East, Hong Kong. The joint venture project with Nan Fung Development Limited is progressing on time and has recently received LEED Platinum pre-certification. This top of the class grade-A commercial property is on schedule to be completed in 2019. We are pleased with the progress of the development project. With stringent cost control, we managed to achieve savings in the construction costs. The project's estimated total development costs (including the land premium) have been revised from HK\$10.5 billion to HK\$9.9 billion, a 5.7% savings compared to the original budget.

2

MAINTAINING A PRUDENT AND FLEXIBLE CAPITAL STRUCTURE

During the period under review, the US economy and labour market continued to expand at a modest pace. In late June 2016, Britain's referendum to leave the European Union suddenly shifted the market liquidity to US\$ denominated assets and Asian bonds. Both the US treasury yields and credit spread compressed sharply in July 2016. We took advantage of the market window and issued our first green bond, raising US\$500 million for 10 years at 2.875% fixed rate, one of the lowest rates ever achieved by a Hong Kong corporate. It was also the first green bond issued by a property company in Asia. The green bond was prepared according to the 2016 Green Bond Principles of the International Capital Market Association which included an independent second opinion of Link's green bond framework by Sustainalytics. Proceeds from the bond are specifically earmarked to fund Link's green initiatives, reinforcing Link's commitment to sustainable development. The allocation of bond proceeds will receive an external review from an independent third party to ensure compliance.

In the Hong Kong banking market, slow domestic loan growth during the period continued to suppress loan margins. We captured the market opportunity and arranged a HK\$600 million unsecured banking facility with 7-year maturity at the all-in costs of HIBOR + 1.15% per annum.

After the financing transactions, the Group's total debt increased to HK\$29.80 billion (31 March 2016: HK\$27.05 billion) while our gearing ratio stood at 17.6%

(31 March 2016: 16.5%) and the average life of our committed debt facilities as at 30 September 2016 increased to 5.1 years (31 March 2016: 5.0 years). As at 30 September 2016, the Group had available liquidity of HK\$9.60 billion (31 March 2016: HK\$8.03 billion), comprising HK\$504 million (31 March 2016: HK\$454 million) in cash and deposits and HK\$9.10 billion (31 March 2016: HK\$7.58 billion) in committed but undrawn facilities.

On interest rate management, we maintained the percentage of fixed rate debt to gross debt at 60.1% (31 March 2016: 63.4%) and the average life of fixed rate debt, representing the average period of interest rate protection provided by fixed rate debt, steady at 6.6 years (31 March 2016: 6.9 years). The effective interest cost of the Group's debt portfolio as at 30 September 2016 reduced further to 2.53% (31 March 2016: 2.57%) as we continued to refinance higher cost debt with recently priced transactions at lower rates.

As part of Link's capital recycling strategy, we used part of the proceeds from property disposals to buy back 13.4 million units during the period under review at an average price of HK\$55.47 per unit, which is equivalent to a 4.7% discount to net asset value per unit as at 30 September 2016 of HK\$58.20.

Link's credit ratings were affirmed by Moody's and Standard & Poor's at "A2/Stable" and "A/Stable" on 13 July and 25 July 2016 respectively.

2.53%
EFFECTIVE
INTEREST RATE

FUNDING BASE

(As at 30 September 2016)

20.0% MTN - Listed**23.4%** Undrawn facilities**11.9%** Bank loans - Revolving**20.0%** Bank loans - Term**24.7%** MTN - Unlisted**COMMITTED DEBT FACILITIES ⁽¹⁾**

(As at 30 September 2016)

(HK\$ billion)	Fixed rate debt ⁽²⁾	Floating rate debt ⁽²⁾	Utilised facilities	Undrawn facilities	Total committed facilities
Unsecured bank loan	7.20	5.20	12.40	9.10	21.50
MTN	10.72	6.68	17.40	–	17.40
Total	17.92	11.88	29.80	9.10	38.90
Percentage	60%	40%	77%	23%	100%

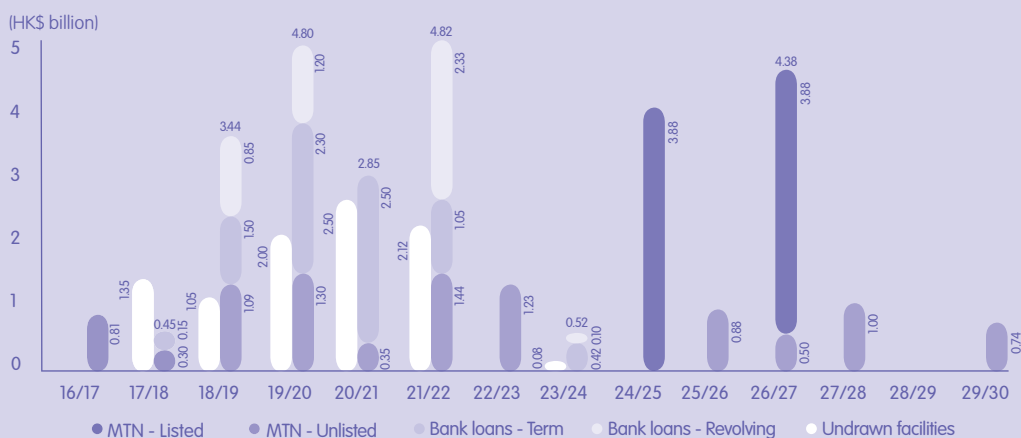
Notes:

(1) All amounts are at face value.

(2) After interest rate swaps.

COMMITTED FACILITY MATURITY PROFILE ⁽¹⁾

(HK\$ billion)	Unsecured bank loans	MTN	Undrawn facilities	Total
Due in 2016/2017	–	0.81	–	0.81
Due in 2017/2018	0.15	0.30	1.35	1.80
Due in 2018/2019	2.35	1.09	1.05	4.49
Due in 2019/2020	3.50	1.30	2.00	6.80
Due in 2020/2021 and Beyond	6.40	13.90	4.70	25.00
Total	12.40	17.40	9.10	38.90



Note:

(1) All amounts are at face value.

3

DEVELOPING A STRONG MANAGEMENT TEAM

Delivering sustainable growth is largely dependent on Link's ability to attract, develop and retain a team of high-calibre talent. Our workforce is diverse and requires constant engagement to ensure Link delivers an appealing employee value proposition that is directly related to how "We Link People to a Brighter Future". We have gained substantial headway

in building an agile and innovative team that effectively leads and manages our workforce as well as our diversified business while using foresight and professional judgement to identify emerging risks and opportunities. As at 30 September 2016, we had 905 staff (31 March 2016: 883).

BOARD DIVERSITY



GENDER

	No. of Staff	% of Staff
Male	461	50.9%
Female	444	49.1%
Total	905	100.0%

CAPACITY BUILDING

The dynamic business environment requires our insight into what skills our future workforce will need to deliver Link's long term strategy. To ensure our productivity and our overall salary, bonus and other benefits remain competitive, we regularly review our workforce composition, compensation packages and the learning and development programmes to be offered. We recently established Link Competency Framework which is the foundation of our talent management strategy.

Evolved from our Vision, Mission and Values, our competency framework outlines core, leadership and technical competencies we expect our workforce to have, including:

- Analysis and Execution
- Alignment with Stakeholder Interest
- Business Orientation
- Building Team and Collaboration
- Communication and Impact
- Change Management
- Drive and Commitment
- Developing and Managing Self and Talent

The framework is integrated across our talent management planning and processes including talent sourcing and acquisition, learning and development, performance management and succession planning.

4

HELPING OUR TENANTS AND COMMUNITIES GROW WHILE DELIGHTING SHOPPERS

GROWING WITH OUR TENANTS

As a result of our continuous efforts in refining trade mix and improving tenant business environment, during the period under review, our Hong Kong portfolio tenants' average monthly retail gross sales per square foot continued to improve and rose by 3.8% as compared

to the last period. "Food and Beverage" and "Supermarket and Foodstuff", the dominant daily necessity trades in the Hong Kong portfolio, posted year-on-year growth in gross sales psf of 7.3% and 2.6%, respectively, while "General Retail" recorded an increase of 2.8%.

HONG KONG PORTFOLIO RETAIL TRADE MIX

(As at 30 September 2016)

Trade	By monthly rent %	By leased area %
Food and Beverage	26.2	29.1
Supermarket and Foodstuff	20.9	18.3
Markets/Cooked Food Stalls	15.1	8.8
Services	10.7	9.4
Personal Care/Medicine	6.5	4.0
Education/Welfare and Ancillary	1.2	7.6
Valuable goods (Jewellery, watches and clocks)	0.8	0.3
Others ⁽¹⁾	18.6	22.5
Total	100.0	100.0

Note:

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

HK\$
10.2
MILLION
EARMARKED FOR
2016/2017 LINK
TOGETHER INITIATIVES

Rent to sales ratio of the Hong Kong portfolio was 12.0% for the period under review. Looking into different trade categories, rent to sales ratios for "Food and Beverage", "Supermarket and Foodstuff" and "General Retail" were 11.9%, 10.1% and 14.6%, respectively.

Our Link Tenant Academy was launched in 2009 with the main objective of helping our tenants do better business by imparting valuable business know-how, latest retail and service trends and sharing operational improvement tips. We recently made several enhancements to the programme including introducing a Tenant Excellence Award. This scheme uses the mystery shopper approach to encourage our tenants to continually improve their services and offerings.

COMMUNITY ENRICHMENT

Link Together Initiatives is our flagship community engagement programme through which we support selected charity projects that seek to improve the livelihood of local communities. Annually, Link earmarks 0.25% of net property income from the previous financial year to fund the projects. A total of HK\$10.2 million has been earmarked for 2016/2017 and the chosen projects for Link Together Initiative will be announced in late 2016.

Since 2011, we have invested HK\$200 million to ensure our properties are barrier free accessible with the necessary physical enhancements. Our BFA work is scheduled to be completed in first half of 2017 across our entire property portfolio.

FINANCIAL REVIEW

HONG KONG PORTFOLIO REVENUE ANALYSIS

Link continued to achieve solid financial performance with stable growth in retail and car park rentals. Total revenue rose 6.5% to HK\$4,319 million (six months ended 30 September 2015: HK\$4,056 million), comprising rental income from retail properties of HK\$3,157 million (six months ended 30 September 2015: HK\$2,961 million), car parks of HK\$967 million (six months ended

30 September 2015: HK\$909 million) and other property related revenue of HK\$195 million (six months ended 30 September 2015: HK\$186 million).

Our portfolio remained focused on non-discretionary trades which led to retail rentals continuing to increase steadily against last year amid high occupancy and robust rental reversion. Car park rentals have also improved in view of the lack of new supply of car parks and increased visitations to our shopping centres.

REVENUE BREAKDOWN

	Six months ended 30 September 2016 HK\$'M	Six months ended 30 September 2015 HK\$'M	Year-on-year change %
Retail rentals:			
Shops ⁽¹⁾	2,551	2,415	5.6
Markets/Cooked Food Stalls	440	390	12.8
Education/Welfare and Ancillary	74	72	2.8
Mall Merchandising	92	84	9.5
Car parks rentals:			
Monthly	726	680	6.8
Hourly	241	229	5.2
Expenses recovery and other miscellaneous revenue:			
Property related revenue ⁽²⁾	195	186	4.8
Total revenue	4,319	4,056	6.5

Notes:

(1) Rental from shops included base rent of HK\$2,486 million (six months ended 30 September 2015: HK\$2,348 million) and turnover rent of HK\$65 million (six months ended 30 September 2015: HK\$67 million), respectively.

(2) Property related revenue included other revenue from retail properties of HK\$193 million (six months ended 30 September 2015: HK\$183 million) and car parks of HK\$2 million (six months ended 30 September 2015: HK\$3 million).

EXPENSE ANALYSIS

It is important that we remain disciplined in cost control to enhance operational efficiency. During the period under review, total property operating expenses increased moderately by 5.3% and net property income margin further improved to 74.3% (six months ended 30 September 2015: 74.0%).

Increase in staff costs was mainly due to a higher accrual for our long-term incentive plan as a result of a higher closing unit price as at 30 September 2016 against that as of 31 March 2016. Our utility expenses grew 4.0% largely attributable to an increase in number of properties that offer air-conditioning. Government rent and rates increase was mainly due to the revenue growth.

PROPERTY OPERATING EXPENSES BREAKDOWN

	Six months ended 30 September 2016 HK\$'M	Six months ended 30 September 2015 HK\$'M	Year-on-year change %
Property managers' fees, security and cleaning	279	285	(2.1)
Staff costs	215	182	18.1
Repair and maintenance	117	109	7.3
Utilities	180	173	4.0
Government rent and rates	147	129	14.0
Promotion and marketing expenses	49	48	2.1
Estate common area costs	53	62	(14.5)
Other property operating expenses	71	67	6.0
Total property operating expenses	1,111	1,055	5.3

MAINLAND CHINA PORTFOLIO

EC Mall in Beijing and Corporate Avenue 1 & 2 in Shanghai acquired in 2015 have been yielding encouraging results due to strong occupancy and reversion, particularly for EC Mall. Full-period contributions from both properties were reflected during this reporting period, resulting in a 124% year-on-year increase in total revenue from Mainland China to HK\$289 million (six months ended 30 September 2015: HK\$129 million), and a 144% year-on-year increase in net property income to HK\$232 million (six months ended 30 September 2015: HK\$95 million).

VALUATION REVIEW

Total value of investment properties (including property under development and properties in Mainland China) grew 4.2% from HK\$160,672 million as at 31 March 2016 to HK\$167,475 million as at 30 September 2016. After the completion of the acquisition of 700 Nathan Road, value of the Hong Kong retail properties increased 5.2% to HK\$120,479 million (31 March 2016: HK\$114,492 million) while value of the car

parks increased 2.1% to HK\$29,490 million (31 March 2016: HK\$28,888 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 as the quality of our portfolio constantly improved.

Value of the Hong Kong property under development in Kowloon East also increased to HK\$6,780 million (31 March 2016: HK\$6,300 million). The value of the newly acquired properties in Mainland China remained largely stable. As at 30 September 2016, the two properties were valued at HK\$10,726 million (31 March 2016: HK\$10,992 million) and the slight decrease was due to a decline in the RMB against the HKD. CBRE Limited, our Principal Valuer, valued our completed properties as at 30 September 2016 using a combination of income capitalisation and DCF approaches or where appropriate direct comparison approaches as the valuation methodologies. For the property under development, the residual method was used.

VALUATION APPROACH

	As at 30 September 2016	As at 31 March 2016
Income Capitalisation Approach – Capitalisation Rate		
Hong Kong		
Retail properties: weighted average	4.53%	4.54%
Car parks: weighted average	4.79%	4.78%
Overall weighted average	4.58%	4.59%
Mainland China		
Retail properties	4.50% - 5.00%	4.50% - 5.00%
Office properties	4.00%	4.00%
DCF Approach – Discount Rate		
Hong Kong	7.50%	7.50%
Mainland China		
Retail properties	8.00% - 9.00%	8.00% - 9.00%
Office properties	7.50%	7.50%



LINKING SHOPPERS

As part of our promise to **Link People To A Brighter Future**, we have focused on enhancing shopper experiences by embracing digital solutions to connect our shoppers to our properties via our award-winning Link “Park & Dine” mobile app. This integration of digital technology into Link’s shopping centres has brought in new shoppers to our facilities. The app connects shoppers with recommended food and beverage outlets through features such as e-queuing system and interactive dining such as “iPick” - a novel feature that makes recommendations for food outlets at Link’s shopping centres.

Shoppers can conveniently select where they wish to eat through online reviews, menus and photos. Our shoppers enjoy 30 minutes of free internet and an additional 30 minutes upon downloading of the app. Link’s “Park & Ride Scheme” provides discounted parking to people travelling on the MTR after parking at specified Link car parks.

To enhance shopper experiences, we will continue to introduce more products and services they desire and convenience they can enjoy.

CORPORATE GOVERNANCE

Our Board upholds high standards of corporate governance practices and considers good corporate governance underpins sustainable success of Link. Link's corporate governance framework is supported by checks and balances via risk management and internal controls, internal and external audit, and Trustee's and SFC's oversight.

OUR BOARD AND BOARD COMMITTEES

Our Board leads and provides insights to management, sets strategy and risk appetite proposed by management, and monitors business development against agreed targets. Our Board is characterised by its high degree of diversity and strong independence among members.

Our Board has currently 13 members, including 10 INEDs, 1 NED and 2 EDs (being the CEO and the CFO).

The roles of the Board Chairman (who is an INED and responsible for running the Board) and the CEO (who has executive responsibility for running Link's business) are separate and undertaken by two different individuals to maintain an effective segregation of duties.

The Board is assisted by four Board Committees, the composition of each of which is set out below:

Name	Audit and Risk Management Committee	Nomination Committee	Remuneration Committee	Finance and Investment Committee
INEDs				
Nicholas Charles ALLEN (<i>Chairman</i>)	–	C	–	C
William CHAN Chak Cheung	C	M	M	–
Ed CHAN Yiu Cheong	–	–	–	M
Blair Chilton PICKERELL	–	M	M	–
Poh Lee TAN	M	–	–	–
May Siew Boi TAN	M	M	–	–
Peter TSE Pak Wing	M	–	M	–
Nancy TSE Sau Ling	M	–	–	–
David Charles WATT	–	–	C	M
Elaine Carole YOUNG	–	–	M	M
NED				
Ian Keith GRIFFITHS	–	–	–	M
EDs				
George Kwok Lung HONGCHOY (<i>CEO</i>)	–	M	–	M
Andy CHEUNG Lee Ming (<i>CFO</i>)	–	–	–	M

Note:

C: chairman / M: member

Functions and duties of the four Board Committees are set out in their respective terms of reference, all of which can be viewed from Link's corporate website (Linkreit.com).

UPDATES ON DIRECTORS' INFORMATION SINCE ANNUAL REPORT 2015/2016

- **Retirement of INED**

Professor Richard WONG Yue Chim retired as an INED, a member of the Audit and Risk Management Committee and a member of the Nomination Committee on 27 July 2016 upon the conclusion of the 2016 AGM.

- **Updates on Directors' Biographical Information**

1. Mr Andy CHEUNG Lee Ming

- elected as the Vice Chairman of the Real Estate and Infrastructure Committee of The Hong Kong General Chamber of Commerce effective from 29 June 2016

2. Ms Nancy TSE Sau Ling

- appointed as an independent non-executive director of HSBC Provident Fund Trustee (Hong Kong) Limited effective from 29 July 2016

3. Mr George Kwok Lung HONGCHOY

- ceased to be a Professor of Practice (Real Estate) of The Hong Kong Polytechnic University effective from 14 August 2016
- appointed as a member of the Corporate Advisory Council of Hong Kong Securities and Investment Institute effective from 8 April 2016 and a member of the Corporate Governance Committee of Charoen Pokphand Group Company Limited effective from 16 August 2016

4. Ms Elaine Carole YOUNG

- appointed as an independent non-executive director of Ascott Residence Trust Management Limited, the manager of Ascott Residence Trust (which is listed on the Singapore Exchange Securities Trading Limited) effective from 1 September 2016

5. Mr Nicholas Charles ALLEN

- ceased to be an independent non-executive director of VinaLand Limited (which is listed on the AIM of the London Stock Exchange) effective from 25 October 2016

6. Mr Ed CHAN Yiu Cheong

- appointed as an independent non-executive director of Yum China Holdings, Inc. (which is listed on the New York Stock Exchange) effective from 1 November 2016

Full biographies of our current Directors can be viewed from Link's corporate website (Linkreit.com).

CORPORATE GOVERNANCE POLICY AND PRACTICES

The corporate governance policy and practices adopted during the six months ended 30 September 2016 remained in line with those in place for the financial year ended 31 March 2016 as disclosed in the corporate governance report in Link's annual report 2015/2016, including the modification to the rigid application of code provision A.4.2 of the Listing Rules Corporate Governance Code such that the two EDs are not subject to retirement by rotation at annual general meetings to preserve business continuity and longevity at top management level.

REGULATORY COMPLIANCE

Throughout the six months ended 30 September 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;
- Link and the Manager applied the principles and complied with, to the extent appropriate, the code provisions of the Listing Rules Corporate Governance Code;
- all the Directors, after making specific enquiry on each of them, confirmed that they complied with the required standard set out in the Link Securities Dealing Code, which was adopted to govern dealings in securities of Link by Directors and relevant senior employees of the Manager, and its terms are regularly reviewed and updated (as and 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; and
- the Manager continued to adopt stringent internal procedures to preserve confidentiality of inside information and complied with the requirements of Part XIVA of the SFO.

Pursuant to the Link Securities Dealing Code, Directors or relevant senior employees of the Manager 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. 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. The Manager also imposes and enforces (as and when required) "black-out" on Directors and relevant staff members who have participated in the preparation of Link's interim and final results announcements and the related reports or are involved in corporate transaction activities or in possession of inside information 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.

OTHER INFORMATION UPDATES

Review by Audit and Risk Management Committee and Auditor

The condensed consolidated interim financial information of Link for the six months ended 30 September 2016 had been reviewed by the Audit and Risk Management Committee and Link's auditor.

Employee Unit Purchase Plan

During the period under review, 372 eligible employees of the Manager participated in the EUPP who together purchased 131,392 units on the Stock Exchange through an independent third party intermediary (currently, Bank of China (Hong Kong) Limited) at a total consideration of HK\$7,051,873, of which an amount of HK\$1,013,808 was subsidised by the Manager. The amount of subsidy for each eligible employee was determined in accordance with the rules of the EUPP with reference to such employee's length of service and appraised performance.

Link Together Initiatives

During the period under review, upon the recommendation of the selection committee, the Board approved charitable donations and sponsorships of approximately HK\$10.2 million under the Link Together Initiatives (CCEP of Link) for the financial year ending 31 March 2017, to sponsor five major projects and 50 district projects as well as the "First Generation University Student Scholarship" and the BFA adventure day and public education organised with Hong Kong Federation of Handicapped Youth. The themes of all these selected projects and programmes are in line with the focus of the CCEP to support the well-being of the elderly and disadvantaged and education, training and development of children and youth services in the communities around Link's properties.

Issue of New Units

During the period under review, 1,600,140 new units were issued pursuant to the LTI Plan. Based on 2,231,341,276 units in issue as at 30 September 2016, the number of new units issued in the period represented approximately 0.07%.

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

During the period under review, the Manager (on behalf of Link) bought back a total of 13,407,000 units on the Stock Exchange at an aggregate consideration (excluding expenses) of approximately HK\$744 million. Further details are set out as follows:

Month	Number of units bought back	Purchase price per unit		Aggregate consideration (excluding expenses) HK\$'M
		Highest HK\$	Lowest HK\$	
August 2016	6,985,500	56.00	54.65	387
September 2016	6,421,500	56.00	54.75	357

All the units bought back were cancelled prior to the period end. All unit buy-backs by the Manager in the period were carried out pursuant to the general mandate to buy back units granted by the Unitholders that was in force in the relevant time, and were made in the interest of Link and the Unitholders as a whole. The average cost (excluding expenses) of the units bought back was approximately HK\$55.47 per unit.

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 six months ended 30 September 2016.

Unitholders' Statistics

As at 1 April 2016, there were 2,243,148,136 units of Link in issue. During the period under review, 1,600,140 new units were issued and 13,407,000 units were bought back and cancelled. As at 30 September 2016, there were 2,231,341,276 units, which were held by 23,996 registered Unitholders according to the register of Unitholders of Link, and HKSCC Nominees Limited (through which most holders hold their units) remained as a single largest registered Unitholder holding 2,143,094,230 units (approximately 96.05%).

Based on the closing price of HK\$57.00 per unit and 2,231,341,276 units then in issue, the market capitalisation of Link as at 30 September 2016 was approximately HK\$127.2 billion. Please see Note 22 to the condensed consolidated interim financial information in this report for further details.

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.

Investor Relations

The Manager continually communicates 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 15 equity research analysts covering Link. Since April 2016, the Manager participated in the following events:

Event	Number
Individual meetings and conference calls	328
Investors' conferences/corporate days	6
Post results/Non-deal roadshows to Asia, Australia, Europe & the United States	9
Site visits for interested parties	12

Acquisition and Disposal of Real Estate

As at 1 April 2016, Link's portfolio comprised 172 assets (including 171 properties and a piece of land known as New Kowloon Inland Lot No. 6512). Complete list and relevant details of those properties and the land can be found on pages 106 to 141 of the "Governance, Disclosures and Financial Statements" report of Link's annual report 2015/2016.

During the period under review, the following acquisition and disposals of properties took place:

- acquisition of 700 Nathan Road, Mong Kok, Kowloon, Hong Kong through Government tender at a consideration of HK\$5,910,000,000 which was completed on 15 April 2016; and
- disposals of nine properties for a total consideration of HK\$3,651,900,142 which were all completed on 31 May 2016.

Details of the above acquisition and disposals of properties were also disclosed in the corporate governance report in Link's annual report 2015/2016.

As at 30 September 2016, Link's portfolio comprised 164 assets (including 163 properties and the land). Save as disclosed above, neither Link nor any of its subsidiaries acquired or disposed of any real estate in the period under review.

Subsequent to the period end, on 28 October 2016, Link announced an intention to dispose of another five properties by tender.

Property Development and Related Activities

Link, through a joint venture with Nan Fung Development Limited ("**NFD**") in which Link has a 60% interest and NFD a 40% interest, acquired the land for commercial development ("**Commercial Development**").

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

- (i) the development project remains on schedule for completion by 2019;
- (ii) with stringent cost control, savings in construction costs were achieved and total development costs (including land premium) were reduced to HK\$9.9 billion (based on information as at 30 September 2016) from the original budget of HK\$10.5 billion, representing a 5.7% savings; and
- (iii) based on the revised total development costs mentioned in (ii) above and Link's 60% interest in the joint venture, Link's portion of the total development costs of the Commercial Development has been revised to an estimated amount of approximately HK\$5.94 billion, which (a) represents approximately 3.7% of the total gross asset value of Link as at 30 September 2016 (after adjusting for the interim distribution payable for the six months ended 30 September 2016); and (b) is within the GAV Cap.

CHANGES AFTER CLOSURE OF THE FINANCIAL PERIOD

This report has taken into account changes since the end of the six-month period on 30 September 2016 up to the date of approval of this report by the Board on 9 November 2016.

Hong Kong, 9 November 2016

DISCLOSURES

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 30 September 2016:

Name	Capacity	Number of units/ underlying units in long position (L)/ short position (S)	Approximate percentage of total units in issue ⁽⁴⁾ %
Stichting Pensioenfonds ABP	Investment manager	(L) 113,471,409 ⁽¹⁾	5.08 ⁽¹⁾
APG Groep N.V.	Investment manager	(L) 113,471,409 ⁽¹⁾	5.08 ⁽¹⁾
APG Asset Management N.V.	Investment manager	(L) 113,471,409 ⁽¹⁾	5.08 ⁽¹⁾
The Capital Group Companies, Inc.	Interests of controlled corporations	(L) 133,327,404 ⁽²⁾	5.97 ⁽²⁾
Capital Research and Management Company	Direct interests and interests of controlled corporations	(L) 122,886,052 ⁽²⁾	5.50 ⁽²⁾
BlackRock, Inc.	Interests of controlled corporations ⁽³⁾	(L) 157,325,672 ⁽³⁾ (S) 935,500 ⁽³⁾	7.05 ⁽³⁾ 0.04 ⁽³⁾

Notes:

- (1) APG Asset Management N.V. is a wholly-owned subsidiary of APG Groep N.V. which itself is a non-wholly owned subsidiary of Stichting Pensioenfonds ABP. Therefore, APG Asset Management N.V., APG Groep N.V. and Stichting Pensioenfonds ABP were interested or deemed to be interested in the same batch of 113,471,409 units as shown in the above table and these interests in units were overlapped.
- (2) The Capital Group Companies, Inc. is the controlling corporation of Capital Research and Management Company and it was deemed to be interested in the same block of 122,886,052 units (approximately 5.50%) in which Capital Research and Management Company was interested as shown in the above table. In addition, The Capital Group Companies, Inc. was also deemed to be interested in 10,441,352 units (approximately 0.47%) through another four controlled corporations, including Capital Guardian Trust Company (6,031,956 units or approximately 0.27%), Capital International, Inc. (3,407,302 units or approximately 0.15%), Capital International Limited (467,042 units or approximately 0.02%) and Capital International Sàrl (535,052 units or approximately 0.03%).
- (3) The interests held by BlackRock, Inc. as shown in the above table included certain long position interests (386,000 underlying units) and short position interests (229,500 underlying units) in cash settled unlisted derivatives. In addition, among the controlled corporations through which BlackRock, Inc. held the above-mentioned interests, two of them had individually an interest over 5%, being BlackRock Holdco 2, Inc. which had long position and short position interests in, respectively, 154,758,017 units (6.93%) and 835,500 units (0.03%) and BlackRock Financial Management, Inc. which had long position and short position interests in, respectively 152,652,917 units (6.84%) and 835,500 units (0.03%). Since both companies are wholly-owned by BlackRock, Inc., their aforesaid interests overlapped with part of the interests held by BlackRock, Inc.
- (4) The approximate percentages were calculated based on 2,231,341,276 units in issue as at 30 September 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 30 September 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 30 September 2016 were as follows:

Name	Personal interest ⁽¹⁾	Number of units			Interest in underlying units ⁽²⁾	Total interest held at 30 Sep 2016	Approximate percentage of total units in issue ⁽³⁾ %	Total interest held at 31 Mar 2016
		Family interest	Corporate interest	Other interest				
Current Directors								
Chairman (also an Independent Non-Executive Director)								
Nicholas Charles ALLEN	20,000	-	-	-	-	20,000	0.0009	-
Executive Directors								
George Kwok Lung HONGCHOY	2,013,462	-	-	-	538,000	2,551,462	0.1143	2,562,621
Andy CHEUNG Lee Ming	527,928	-	-	-	152,500	680,428	0.0305	683,536
Non-Executive Director								
Ian Keith GRIFFITHS	47,470	-	-	-	13,250	60,720	0.0027	60,720
Independent Non-Executive Directors								
William CHAN Chak Cheung	134,960	-	-	-	18,250	153,210	0.0069	153,210
Ed CHAN Yiu Cheong	-	-	-	-	-	-	-	-
Blair Chilton PICKERELL	-	-	-	-	-	-	-	-
Poh Lee TAN	-	-	-	-	-	-	-	-
May Siew Boi TAN	18,250	-	-	-	16,250	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	83,615	-	-	-	15,250	98,865	0.0044	98,865
Elaine Carole YOUNG	19,250	-	-	-	13,750	33,000	0.0015	33,000
Former Independent Non-Executive Directors								
Nicholas Robert SALLNOW-SMITH ⁽⁴⁾	759,668 ⁽⁴⁾	-	-	-	16,750 ⁽⁴⁾	776,418	0.0348	811,418
Richard WONG Yue Chim ⁽⁵⁾	280,833	-	-	-	17,000	297,833	0.0133	297,833

Notes:

- (1) Directors' personal interests in units as stated above were long position interests. There was no short position interest held by any Director.
- (2) Directors' interests in underlying units as stated above were long position interests and represent the maximum number of units which may 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 4 and 5 below.
- (3) The approximate percentages were calculated based on 2,231,341,276 units in issue as at 30 September 2016.
- (4) Mr Nicholas Robert SALLNOW-SMITH retired effective from 1 April 2016. The personal interest in units as shown in the above table represents only his position on the date of his retirement and his interest in underlying units has been adjusted for restricted unit awards vested (in respect of 31,353 units) and lapsed (in respect of 3,647 units) after his retirement and up to 30 September 2016. Please see note 6 on page 44 of this report for details of his entitlement to the unvested restricted unit awards upon retirement and refer to pages 44 to 45 of the "Governance, Disclosures and Financial Statements" report of annual report 2015/2016 for further details.
- (5) Professor Richard WONG Yue Chim retired on 27 July 2016 upon the conclusion of the 2016 AGM. Please see note 7 on page 44 of this report for details of his entitlement to the unvested restricted unit awards upon retirement.

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 30 September 2016.

Interests of Connected Persons in Units

After making reasonable enquiry and according to the information available to the Manager, as at 30 September 2016, the following persons (other than significant Unitholders and Directors⁽³⁾ and any of their respective associates), 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 30 Sep 2016	Approximate percentage of total units in issue ⁽²⁾ %	Number of units held at 31 Mar 2016
The Hongkong and Shanghai Banking Corporation Limited ("HSBC") and its subsidiaries ⁽¹⁾	4,738,348	0.21	4,825,455

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 3,826,609 units as at 30 September 2016.
- (2) The approximate percentage was calculated based on 2,231,341,276 units in issue as at 30 September 2016.
- (3) As at 30 September 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 30 September 2016 are disclosed in the "Interests of Directors in Units" section above. In addition, as at 30 September 2016, Mr Ricky CHAN Ming Tak (the company secretary of the Manager and a director of two subsidiaries of Link) as well as Ms Peionie KONG Po Yan and Mr Gary FOK Yip Sang (who are each a director of two subsidiaries of Link) together with their respective associates (as defined in the REIT Code) were interested in, respectively, 312,031 units, 149,518 units and 19,227 units.
- (4) 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 16,376,916 units as at 30 September 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, a unit option giving an option to subscribe for units, and a cash incentive in the form of a conditional cash award may be granted to the Directors and other eligible staff of the Manager. A summary of the LTI Plan was set out on pages 41 to 42 of the “Governance, Disclosures and Financial Statements” report of annual report 2015/2016 of Link. Since the adoption of the LTI Plan, no unit option has ever been granted.

Restricted Unit Awards

Movements in restricted unit awards⁽⁴⁾ under the LTI Plan during the six months ended 30 September 2016 and the balances as at the beginning and the end of the period were as follows:

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2016 ⁽¹⁾	Granted during the period	Vested during the period ⁽²⁾	Cancelled during the period	Lapsed during the period ⁽³⁾	Outstanding at 30 Sep 2016 ⁽¹⁾
Current Directors								
Nicholas Charles ALLEN (Independent Non-Executive Director)	–	–	–	–	–	–	–	–
George Kwok Lung HONGCHOY (Executive Director)	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	187,500	–	(178,875)	–	(8,625)	–
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	181,000	–	(178,466)	–	(2,534)	–
	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)	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	52,500	–	(50,085)	–	(2,415)	–
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	49,500	–	(48,807)	–	(693)	–
	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)	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)	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

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2016 ⁽¹⁾	Granted during the period	Vested during the period ⁽²⁾	Cancelled during the period	Lapsed during the period ⁽³⁾	Outstanding at 30 Sep 2016 ⁽¹⁾
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 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)	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
Elaine Carole YOUNG (Independent Non-Executive Director)	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
Former Directors								
Nicholas Robert SALLNOW-SMITH (Former Independent Non-Executive Director)	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	18,250	-	(16,735)	-	(1,515)	-
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	16,750	-	(14,618)	-	(2,132)	-
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	16,750	-	-	-	-	16,750 ⁽⁶⁾

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2016 ⁽¹⁾	Granted during the period	Vested during the period ⁽²⁾	Cancelled during the period	Lapsed during the period ⁽³⁾	Outstanding at 30 Sep 2016 ⁽¹⁾
Richard WONG Yue Chim (Former Independent Non-Executive Director)	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 ⁽⁷⁾
	24 Jul 2015	24 Jul 2015 to 30 Jun 2017	5,250	–	–	–	–	5,250 ⁽⁷⁾
	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	5,250	–	–	–	–	5,250 ⁽⁷⁾
Other participants								
In aggregate	20 Jan 2014	20 Jan 2014 to 30 Jun 2016	544,540 ⁽⁸⁾	–	(510,441) ⁽⁸⁾	–	(34,099) ⁽⁸⁾	–
	17 Jul 2014	17 Jul 2014 to 30 Jun 2016	539,668	–	(532,113)	–	(7,555)	–
	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	536,570	–	–	–	(12,620)	523,950
	24 Jul 2015	24 Jul 2015 to 30 Jun 2017	553,500	–	–	–	(18,272)	535,228
	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	553,500	–	–	–	(19,022)	534,478
Total			4,122,778	–	(1,600,140)	–	(109,482)	2,413,156

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 on which the restricted unit awards were vested in the period was HK\$53.95 per unit.
- (3) These figures represent the maximum number of units in respect of which the restricted unit awards had lapsed in the period. The conditional cash awards granted in conjunction with such restricted unit awards had lapsed simultaneously.
- (4) The restricted unit awards (whether vested, lapsed or otherwise outstanding) as shown in the table above were all granted in conjunction with conditional cash awards. An aggregate amount of approximately HK\$7.5 million was paid for the conditional cash awards vested along with the relevant restricted unit awards in the period.
- (5) 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.
- (6) On a pro rata basis (see note 5 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 9,678 units (instead of 16,750 units as stated in the above table). The remaining portion will lapse on the relevant vesting date.
- (7) On a pro rata basis (see note 5 above), the maximum number of units that may be issued on vesting of the outstanding restricted unit awards held by Professor Richard WONG Yue Chim (who retired on 27 July 2016 upon the conclusion of the 2016 AGM) would be 4,466 units, 2,744 units and 1,810 units (instead of 6,500 units, 5,250 units and 5,250 units as stated in the above table). The remaining portion will lapse on the relevant vesting dates.
- (8) 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 5,250 units held by Dr Patrick FUNG Yuk Bun at the beginning of the period, of which 1,897 units were vested and issued and all the remaining had lapsed in the period; (ii) restricted unit awards in respect of a maximum of 6,250 units held by Mr Stanley KO Kam Chuen at the beginning of the period, of which 2,213 units were vested and issued and all the remaining had lapsed in the period; and (iii) restricted unit awards in respect of a maximum of 6,750 units held by Mr Anthony CHOW Wing Kin at the beginning of the period, of which 4,250 units were vested and issued and all the remaining had lapsed in the period. Please refer to pages 45 to 46 of the "Governance, Disclosures and Financial Statements" report of annual report 2014/2015 and pages 44 to 45 of the "Governance, Disclosures and Financial Statements" report of annual report 2015/2016 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 18 to the condensed consolidated interim financial information.

CONNECTED PARTY TRANSACTIONS

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 period 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 ⁽¹⁾	N/A	(357.5)
HSBC Institutional Trust Services (Asia) Limited	Trustee	Trustee's fee ⁽²⁾	N/A	(7.7)
CBRE Limited ("CBRE") ⁽³⁾	Principal Valuer	Valuation fees	N/A	(1.1)
		Consultancy services	N/A	(3.4)
HSBC and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) ("HSBC Group")	Associates of Trustee	Tenancy/licence ⁽⁴⁾	16.8 ⁽⁵⁾	N/A
		Interest Income	0.9	N/A
		Interest expenses and financing charges	N/A	(32.8)
		Arrangement fees and bank charges	N/A	(4.9) ⁽⁶⁾
Standard Chartered Bank (Hong Kong) Limited ("SCBHK")	Associate of Ms May Siew Boi TAN	Tenancy/licence ⁽⁴⁾	5.6 ⁽⁵⁾	N/A
		Interest Income	0.1	N/A
		Arrangement fees and bank charges	N/A	– ⁽⁷⁾
Aedas Limited ("Aedas") ⁽⁸⁾	Associate of Mr Ian Keith GRIFFITHS	Architectural and renovation consultancy services	N/A	(11.3)
The Chamber of Hong Kong Listed Companies	Associate of Mr Andy CHEUNG Lee Ming	Sponsorship and training fees	N/A	(0.1)
Industrial and Commercial Bank of China (Asia) Limited ("ICBC (Asia)") ⁽⁹⁾	Associate of Professor Richard WONG Yue Chim ⁽⁹⁾ (former INED)	Tenancy/licence ⁽⁴⁾	3.6 ⁽⁵⁾	N/A
		Interest expenses and financing charges	N/A	(0.7)
		Arrangement fees and bank charges	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 0.008% per annum and 0.03% per annum of the property values of, respectively, Link's properties in and outside Hong Kong as determined by the Principal Valuer in the latest annual valuation report prepared, subject to a minimum of HK\$150,000 per month.
- (3) Two consultancy contracts for, respectively, HK\$180,000 and HK\$4,348,000 were awarded to CBRE in the period. A subsidiary of CBRE in PRC was also engaged to provide to Link's subsidiary in Shanghai additional services for an existing consultancy contract and leasing related services, and the aggregate fees payable for these services were approximately RMB2.6 million.
- (4) For shops, ATMs and showcases at various locations.
- (5) Excluding deposits received.
- (6) Including transaction fees for buy-back of Link's units by the Manager in the period.
- (7) Bank charges paid to SCBHK in the period amounted to HK\$9,000.
- (8) A consultancy contract for HK\$11,280,000 was awarded to Aedas in the period. Aedas was also engaged to provide additional services for existing contracts and works and the aggregate fees payable for these services were approximately HK\$0.3 million.
- (9) Professor Richard WONG Yue Chim retired as an INED on 27 July 2016 upon the conclusion of the 2016 AGM and since then, ICBC (Asia) ceased to be a connected person of Link. The income and expenses disclosed above were calculated up to 27 July 2016.

CBRE, who was appointed as the Principal Valuer of Link on 17 November 2013, will retire on 16 November 2016 after serving for three consecutive years. Upon its retirement, CBRE will cease to be a connected person of Link.

Lease Transactions with Connected Persons

Except certain tenancies set out in the “Connected Party Transactions” sections of, respectively, Link’s annual report 2012/2013, annual report 2013/2014, annual report 2014/2015 and annual report 2015/2016 of which those tenancies still subsisted at the period end, no tenancy with an annual rent exceeding HK\$1 million was entered into by Link and/or its subsidiaries with connected person (as defined under Chapter 8 of the REIT Code) in the period under review. In this regard, annual rent is calculated from the monthly base rent of the relevant tenancy on a 12-month basis as if such rent were received from the beginning of the financial year.

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 and HSBC Bank (China) Company Limited), ICBC (Asia) (ceased to be a connected person upon the conclusion of the 2016 AGM) and SCBHK to provide ordinary course banking and financial services in the period. Further details are set out in Note 25 to the condensed consolidated interim financial information. 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) (ceased to be a connected person upon the conclusion of the 2016 AGM) and SCBHK for deposits and/or rent collection purposes.

Other Transactions

USD-denominated green bonds for US\$500 million due 2026 were issued on 21 July 2016 by The Link Finance (Cayman) 2009 Limited (the “**Issuer**” and wholly-owned by Link) pursuant to the MTN Programme. The green bonds are listed on the Stock Exchange (debt code: 5685). Net proceeds of the green bonds are used to refinance or fund Link’s existing and future projects with green initiatives or debt repayment. Updates on allocation of net proceeds and selected green projects will be disclosed in Link’s annual report 2016/2017. For the issue of the green bonds, a subscription agreement dated 14 July 2016 was entered into by the Issuer with (among other parties) the four dealers, namely, Bank of China (Hong Kong) Limited, HSBC (a connected person to Link), J.P. Morgan Securities plc and Merrill Lynch International, pursuant to which HSBC was paid a commission exceeding HK\$1 million. The appointment of HSBC (a connected person to Link) as one of the dealers was within the waiver granted by the SFC in respect of connected party transactions with the HSBC Group. It was 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, no other note was issued pursuant to the MTN Programme in the period through dealer who was a connected person to Link.

The Link Finance Limited (wholly-owned by Link) also maintained interest rate swap contracts with HSBC in the period. As at 30 September 2016, the total notional principal outstanding value in respect of such swap contracts with HSBC was HK\$8,677 million.

Waivers from Strict Compliance

Throughout the six-month period under review, Link complied with the stipulated terms and conditions of the waivers granted by the SFC for the relevant connected party transactions including, among others, (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; and (iii) having the relevant transactions reviewed by the auditor and the Audit and Risk Management Committee and approved by the Board.

AUDITOR'S REVIEW REPORT



羅兵咸永道

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF LINK ASSET MANAGEMENT LIMITED
(as "Manager" of LINK REAL ESTATE INVESTMENT TRUST)**

INTRODUCTION

We have reviewed the interim financial information set out on pages 48 to 72, which comprises the condensed consolidated statement of financial position of Link Real Estate Investment Trust ("**Link**") and its subsidiaries (together, the "**Group**") as at 30 September 2016 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, consolidated statement of distributions, condensed consolidated statement of changes in equity and net assets attributable to Unitholders and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Manager are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 9 November 2016

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2016

	Note	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M
Revenue	4	4,608	4,185
Property operating expenses	6	(1,168)	(1,089)
Net property income		3,440	3,096
General and administrative expenses		(157)	(163)
Change in fair values of investment properties		2,978	5,785
Operating profit	7	6,261	8,718
Interest income		2	4
Finance costs	8	(275)	(216)
Gains on disposals of investment properties		586	–
Profit before taxation and transactions with Unitholders		6,574	8,506
Taxation	10	(517)	(466)
Profit for the period, before transactions with Unitholders		6,057	8,040
Distributions paid to Unitholders		(2,404)	(2,138)
		3,653	5,902
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back		3,138	5,767
Amount arising from cash flow hedging reserve and exchange reserve movements	23	411	104
Non-controlling interest		104	31
		3,653	5,902
Profit for the period, before transactions with Unitholders attributable to			
– Unitholders (Note)	11	5,953	8,009
– Non-controlling interest		104	31
		6,057	8,040

The notes on pages 54 to 72 are an integral part of these condensed consolidated interim financial information.

Note: 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 11 to the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2016

	Before transactions with Unitholders (Unaudited) HK\$'M	Transactions with Unitholders (Note (i)) (Unaudited) HK\$'M	After transactions with Unitholders (Note (ii)) (Unaudited) HK\$'M	Non-controlling interest (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
Six months ended 30 September 2016					
Profit for the period	5,953	(5,542)	411	104	515
Other comprehensive income					
Item that may be reclassified subsequently to the condensed consolidated income statement					
– Cash flow hedging reserve	(51)	–	(51)	–	(51)
– Exchange reserve	(360)	–	(360)	–	(360)
Total comprehensive income for the period	5,542	(5,542)	–	104	104
Six months ended 30 September 2015					
Profit for the period	8,009	(7,905)	104	31	135
Other comprehensive income					
Item that may be reclassified subsequently to the condensed consolidated income statement					
– Cash flow hedging reserve	(58)	–	(58)	–	(58)
– Exchange reserve	(46)	–	(46)	–	(46)
Total comprehensive income for the period	7,905	(7,905)	–	31	31

The notes on pages 54 to 72 are an integral part of these condensed consolidated interim financial information.

Notes:

- (i) Transactions with Unitholders comprise the distributions to Unitholders of HK\$2,404 million (2015: HK\$2,138 million) and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, of HK\$3,138 million (2015: HK\$5,767 million).
- (ii) In accordance with the Trust Deed, the units of Link Real Estate Investment Trust contain contractual obligations 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 six months ended 30 September 2016

	Note	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M
Profit for the period, before transactions with Unitholders attributable to Unitholders		5,953	8,009
Adjustments:			
– Change in fair values of investment properties attributable to Unitholders		(2,874)	(5,754)
– Deferred taxation on change in fair values of investment properties attributable to Unitholders		8	17
– Other non-cash income		(36)	(42)
– Depreciation charge on investment properties under China Accounting Standards		(42)	(24)
– Gains on disposals of investment properties, net of transaction costs		(557)	–
Total Distributable Income (Note (i))		2,452	2,206
Discretionary distribution (Note (ii))		42	24
Total Distributable Amount		2,494	2,230
Interim distribution for the period, to be paid to the Unitholders (Note (iii))		2,494	2,230
Total Distributable Amount as a percentage of Total Distributable Income		102%	101%
Units in issue at 30 September	22	2,231,341,276	2,252,468,136
Distribution per unit to Unitholders for the period (Note (iii))		HK111.75 cents	HK98.99 cents

The notes on pages 54 to 72 are an integral part of these condensed consolidated interim financial information.

Notes:

- (i) Under the terms of the Trust Deed, the Total Distributable Income is the consolidated profit after taxation attributable to Unitholders adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the condensed consolidated income statement for the relevant period. Link Real Estate Investment Trust is required to ensure that the total amount distributed to Unitholders as distributions for each financial period shall be no less than 90% of Total Distributable Income. The Manager has decided to distribute 100% (2015: 100%) of Total Distributable Income as the distribution for the six months ended 30 September 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 period.
- (iii) The interim distribution per unit of HK111.75 cents (2015: HK98.99 cents) for the six months ended 30 September 2016 is calculated based on the interim distribution of HK\$2,494 million (2015: HK\$2,230 million) for the period and 2,231,341,276 units (2015: 2,252,468,136 units) in issue as at 30 September 2016, without taking into account any change in the number of units in issue subsequent to the approval of the condensed consolidated interim financial information. The interim distribution will be paid to Unitholders on 2 December 2016.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

	Note	30 September 2016 (Unaudited) HK\$'M	31 March 2016 (Audited) HK\$'M
Non-current assets			
Goodwill	12	476	487
Investment properties	13	167,475	157,612
Property, plant and equipment	14	78	76
Derivative financial instruments	20	228	158
Other non-current asset		–	1,095
		168,257	159,428
Current assets			
Investment properties held for sale		–	3,060
Trade and other receivables	15	462	435
Deposits and prepayments		76	74
Derivative financial instruments	20	–	1
Short-term bank deposits	16	92	118
Cash and cash equivalents	16	412	336
		1,042	4,024
Total assets		169,299	163,452
Current liabilities			
Trade payables, receipts in advance and accruals	17	1,649	1,643
Security deposits		1,435	1,410
Provision for taxation		492	252
Current portion of long-term incentive plan provision	18	59	63
Interest bearing liabilities	19	1,110	959
Derivative financial instruments	20	–	60
		4,745	4,387
Net current liabilities		3,703	363
Total assets less current liabilities		164,554	159,065
Non-current liabilities, excluding net assets attributable to Unitholders			
Long-term incentive plan provision	18	20	36
Interest bearing liabilities	19	28,629	25,965
Derivative financial instruments	20	460	402
Deferred tax liabilities		2,286	2,202
Other non-current liabilities	21	3,130	3,019
		34,525	31,624
Total liabilities, excluding net assets attributable to Unitholders		39,270	36,011
Non-controlling interest		158	54
Net assets attributable to Unitholders		129,871	127,387
Units in issue	22	2,231,341,276	2,243,148,136
Net assets per unit attributable to Unitholders		HK\$58.20	HK\$56.79

The notes on pages 54 to 72 are an integral part of these condensed consolidated interim financial information.

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

Nicholas Charles ALLEN
Chairman
9 November 2016

George Kwok Lung HONGCHOY
Chief Executive Officer
9 November 2016

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the six months ended 30 September 2016

	Note	Net assets attributable to Unitholders (Unaudited) HK\$'M	Total reserves (Unaudited) HK\$'M	Non-controlling interest (Unaudited) HK\$'M
At 1 April 2016		127,387	580	54
Issuance of units under long-term incentive plan		90	-	-
Units bought back for cancellation		(744)	-	-
Profit for the period ended 30 September 2016, before transactions with Unitholders		5,953	-	104
Distributions paid to Unitholders – 2016 final distribution		(2,404)	-	-
Change in fair values of cash flow hedges	23	-	(106)	-
Amount transferred to the condensed consolidated income statement	23	-	55	-
Exchange loss on translation of financial statements	23	-	(360)	-
Amount arising from cash flow hedging reserve and exchange reserve movements	23	(411)	411	-
Change in net assets attributable to Unitholders and non-controlling interest for the period ended 30 September 2016, excluding issues of new units and units bought back		3,138	-	104
At 30 September 2016		129,871	580	158
At 1 April 2015		118,106	580	-
Issuance of units under long-term incentive plan		74	-	-
Units bought back for cancellation		(1,782)	-	-
Profit for the period ended 30 September 2015, before transactions with Unitholders		8,009	-	31
Distributions paid to Unitholders – 2015 final distribution		(2,138)	-	-
Change in fair values of cash flow hedges		-	(87)	-
Amount transferred to the condensed consolidated income statement		-	29	-
Exchange loss on translation of financial statements		-	(46)	-
Amount arising from cash flow hedging reserve and exchange reserve movements		(104)	104	-
Change in net assets attributable to Unitholders and non-controlling interest for the period ended 30 September 2015, excluding issues of new units and units bought back		5,767	-	31
At 30 September 2015		122,165	580	31

The notes on pages 54 to 72 are an integral part of these condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2016

	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M
Operating activities		
Net cash generated from operating activities	3,150	2,839
Investing activities		
Acquisition of businesses	–	(9,806)
Acquisition of an investment property	(5,319)	–
Proceeds from disposal of investment properties	3,652	–
Additions to investment properties	(591)	(670)
Additions to property, plant and equipment	(19)	(5)
Interest income received	2	12
Decrease in short-term bank deposits with original maturity of more than three months	26	1,190
Net cash used in investing activities	(2,249)	(9,279)
Financing activities		
Proceeds from interest bearing liabilities, net of transaction costs	18,209	29,264
Repayment of interest bearing liabilities	(15,532)	(20,408)
Increase in amount due to non-controlling interest	56	–
Interest expenses paid on interest bearing liabilities	(405)	(234)
Distributions paid to Unitholders	(2,404)	(2,138)
Units bought back for cancellation	(744)	(1,782)
Net cash (used in)/generated from financing activities	(820)	4,702
Net increase/(decrease) in cash and cash equivalents	81	(1,738)
Cash and cash equivalents at 1 April	336	2,233
Effect on exchange rate changes on cash and cash equivalents	(5)	(1)
Cash and cash equivalents at 30 September	412	494

The notes on pages 54 to 72 are an integral part of these condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

The condensed consolidated interim financial information for the six months ended 30 September 2016 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The condensed consolidated interim financial information should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2016.

As at 30 September 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 interim financial information.

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those set out in the audited consolidated financial statements for the year ended 31 March 2016, except for the adoption of the following new standard and amendments issued by the HKICPA which became effective for the six months ended 30 September 2016.

HKAS 1 Amendments	Disclosure Initiative
HKAS 16 and HKAS 38 Amendments	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 Amendments	Agriculture: Bearer Plants
HKAS 27 Amendments	Equity Method in Separate Financial Statements
HKAS 28 (2011), HKFRS 10 and HKFRS 12 Amendments	Investment Entities: Applying the Consolidation Exception
HKFRS 11 Amendments	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
Annual Improvements to HKFRSs 2012 – 2014 Cycle	

3 ACCOUNTING POLICIES (CONTINUED)

The adoption of these new standard and 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 condensed consolidated interim financial information. These are effective for the Group's accounting periods beginning on or after 1 April 2017.

HKAS 7 Amendments	Disclosure Initiative ⁽¹⁾
HKAS 12 Amendments	Recognition of Deferred Tax Assets for Unrealised Losses ⁽¹⁾
HKAS 28 (2011) and HKFRS 10 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽⁴⁾
HKFRS 2 Amendments	Classification and Measurement of Share-based Payment Transactions ⁽²⁾
HKFRS 9 (2014)	Financial Instruments ⁽²⁾
HKFRS 15	Revenue from Contracts with Customers ⁽²⁾
HKFRS 16	Leases ⁽³⁾

⁽¹⁾ effective for accounting periods beginning on or after 1 January 2017

⁽²⁾ effective for accounting periods beginning on or after 1 January 2018

⁽³⁾ effective for accounting periods beginning on or after 1 January 2019

⁽⁴⁾ 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 Hong Kong Financial Reporting Standards ("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.

4 REVENUE

Revenue recognised during the period comprise:

	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M
Rentals		
– Retail and commercial properties	3,439	3,086
– Car parks	967	911
	4,406	3,997
Other revenue		
– Air conditioning service fees	185	173
– Other property related revenue	17	15
	202	188
Total revenue	4,608	4,185

Leases with tenants provide for monthly base rent and recovery of certain outgoings. Additional rents based on business turnover amounted to HK\$71 million (2015: HK\$75 million) and have been included in the rental income.

5 SEGMENT INFORMATION

	Retail properties HK\$'M	Car parks HK\$'M	Others HK\$'M	Total HK\$'M
For the six months ended 30 September 2016 (Unaudited)				
Revenue	3,475	969	164	4,608
Segment results	2,590	711	(18)	3,283
Change in fair values of investment properties	884	1,776	318	2,978
Interest income				2
Finance costs				(275)
Gains on disposals of investment properties				586
Profit before taxation and transactions with Unitholders				6,574
Taxation				(517)
Profit for the period, before transactions with Unitholders				6,057
Capital expenditure	6,987	24	232	7,243
Depreciation	-	-	(9)	(9)
As at 30 September 2016 (Unaudited)				
Segment assets	124,901	29,544	13,646	168,091
Goodwill				476
Derivative financial instruments				228
Short-term bank deposits				92
Cash and cash equivalents				412
Total assets				169,299
Segment liabilities	2,345	164	575	3,084
Provision for taxation				492
Long-term incentive plan provision				79
Interest bearing liabilities				29,739
Derivative financial instruments				460
Deferred tax liabilities				2,286
Other non-current liabilities				3,130
Total liabilities, excluding net assets attributable to Unitholders				39,270
Non-controlling interest				158
Net assets attributable to Unitholders				129,871

For the period ended 30 September 2016, revenue of HK\$289 million (2015: HK\$129 million) is attributable to external customers from Mainland China and HK\$4,319 million (2015: HK\$4,056 million) is attributable to external customers from Hong Kong.

As at 30 September 2016, non-current assets of HK\$10,828 million (31 March 2016: HK\$11,099 million) is located in Mainland China and HK\$157,201 million (31 March 2016: HK\$148,171 million) is located in Hong Kong.

5 SEGMENT INFORMATION (CONTINUED)

	Retail properties HK\$'M	Car parks HK\$'M	Others HK\$'M	Total HK\$'M
For the six months ended 30 September 2015 (Unaudited)				
Revenue	3,246	912	27	4,185
Segment results	2,421	652	(140)	2,933
Change in fair values of investment properties	3,569	2,039	177	5,785
Interest income				4
Finance costs				(216)
Profit before taxation and transactions with Unitholders				8,506
Taxation				(466)
Profit for the period, before transactions with Unitholders				8,040
Capital expenditure	4,668	34	6,935	11,637
Depreciation	–	–	(12)	(12)
As at 31 March 2016 (Audited)				
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

6 PROPERTY OPERATING EXPENSES

	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M
Property managers' fees, security and cleaning	287	288
Staff costs (Note 9)	227	189
Repair and maintenance	121	111
Utilities	187	177
Government rent and rates	147	129
Promotion and marketing expenses	51	49
Estate common area costs	54	62
Business and real estate taxes in Mainland China	17	15
Other property operating expenses	77	69
	1,168	1,089

7 OPERATING PROFIT

Operating profit for the period is stated after charging:

	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M
Staff costs (Note 9)	327	262
Depreciation of property, plant and equipment	9	12
Trustee's fee	8	6
Valuation fee	1	1
Auditor's remuneration		
Audit fees	–	–
Audit-related assurance services	1	1
Total audit and audit-related assurance services	1	1
Acquisition related professional fees	–	1
Others	–	–
Total auditor's remuneration	1	2
Bank charges	3	2
Operating lease charges	17	14
Other legal and professional fees	5	16
Donations	10	10

8 FINANCE COSTS

	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M
Interest expenses on interest bearing liabilities	340	265
Other borrowing costs (Note (i))	71	39
	411	304
Less: capitalised under investment properties (Note (ii))	(160)	(88)
	251	216
Fair value loss on non-controlling interest put option obligation (Note 21)	24	–
	275	216

Notes:

- (i) Other borrowing costs include HK\$30 million (2015: HK\$32 million) interest expenses to non-controlling interest, HK\$55 million (2015: HK\$29 million) net losses on interest rate swap contracts designated as cash flow hedges, HK\$42 million (2015: HK\$38 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 2.5% (2015: 2.7%) per annum.

9 STAFF COSTS

	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M
Wages and salaries	274	268
Contributions to mandatory provident fund scheme	7	7
Long-term incentive plan awards (Note 18)	78	23
	359	298
Less: capitalised under investment properties	(32)	(36)
Staff costs (Note 7)	327	262

Staff costs can be further analysed as below:

	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M
Included under property operating expenses (Note 6)	227	189
Included under general and administrative expenses	100	73
	327	262

10 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 period. Corporate income tax in Mainland China has been provided for at the rate of 25% (2015: 25%) on the estimated assessable profit for the period.

The amount of taxation charged to the condensed consolidated income statement represents:

	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M
Current taxation		
– Hong Kong	395	337
– Mainland China	35	6
Deferred taxation	87	123
Taxation	517	466

11 EARNINGS PER UNIT BASED UPON PROFIT AFTER TAXATION AND BEFORE TRANSACTIONS WITH UNITHOLDERS ATTRIBUTABLE TO UNITHOLDERS

	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M
Profit after taxation and before transactions with Unitholders attributable to Unitholders	HK\$5,953 million	HK\$8,009 million
Weighted average number of units for the period for calculating basic earnings per unit	2,242,673,993	2,284,355,750
Adjustment for dilutive contingently issuable units under long-term incentive plan	1,929,485	1,423,576
Weighted average number of units for the period for calculating diluted earnings per unit	2,244,603,478	2,285,779,326
Basic earnings per unit based upon profit after taxation and before transactions with Unitholders attributable to Unitholders	HK\$2.65	HK\$3.51
Diluted earnings per unit based upon profit after taxation and before transactions with Unitholders attributable to Unitholders	HK\$2.65	HK\$3.50

12 GOODWILL

	Carrying value (Unaudited) HK\$'M
At 1 April 2016	487
Exchange adjustments	(4)
Disposal of investment properties	(7)
At 30 September 2016	476

13 INVESTMENT PROPERTIES

(a) Details of the movements of investment properties are as follows:

	Completed properties (Unaudited) HK\$'M	Properties under development (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
At 1 April 2016	154,372	6,300	160,672
Exchange adjustments	(348)	–	(348)
Acquisition (Note)	6,414	–	6,414
Additions	599	219	818
Disposals	(3,059)	–	(3,059)
Change in fair values	2,717	261	2,978
At 30 September 2016	160,695	6,780	167,475

Note: Amount included acquisition consideration of HK\$5,910 million and related transaction costs for 700 Nathan Road in Mong Kok.

(b) Valuation process

The investment properties were revalued on an open market value basis as at 31 March and 30 September 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, direct comparison approach and residual approach, whenever appropriate, as its approaches in valuing the investment properties.

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 future 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.

Direct comparison approach involves an analysis of sales transactions of comparable properties with similar type and characteristics of the properties within the neighbourhood areas. Adjustments are made to reflect the differences in relevant factors which are considered to be essential in determining the property values.

The investment properties are included in Level 3 (31 March 2016: Level 3) of the fair value hierarchy.

13 INVESTMENT PROPERTIES (CONTINUED)**(d) Restriction of the Code on Real Estate Investment Trusts (the "REIT Code")**

Link acquired a piece of land for commercial development, EC Mall, Corporate Avenue 1 & 2 and 700 Nathan Road in Mong Kok, the completion of which were on 23 February 2015, 1 April 2015, 31 August 2015 and 15 April 2016 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 dates of the completion of the development of the properties, unless the Unitholders approved the proposed disposal by way of special resolution passed in accordance with the Trust Deed.

14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements (Unaudited) HK\$'M	Motor vehicles (Unaudited) HK\$'M	Equipment (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
At 1 April 2016	8	2	66	76
Additions	1	–	10	11
Depreciation charge for the period	(3)	–	(6)	(9)
At 30 September 2016	6	2	70	78
At 30 September 2016				
Cost	79	5	179	263
Accumulated depreciation	(73)	(3)	(109)	(185)
Net book value	6	2	70	78

15 TRADE AND OTHER RECEIVABLES

	30 September 2016 (Unaudited) HK\$'M	31 March 2016 (Audited) HK\$'M
Trade receivables	90	97
Less: provision for impairment of trade receivables	(6)	(5)
Trade receivables – net	84	92
Other receivables	378	343
	462	435

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.

15 TRADE AND OTHER RECEIVABLES (CONTINUED)

The ageing of trade receivables, presented based on the due date, is as follows:

	30 September 2016 (Unaudited) HK\$'M	31 March 2016 (Audited) HK\$'M
0 – 30 days	81	88
31 – 90 days	3	4
Over 90 days	6	5
	90	97

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.

16 CASH AND CASH EQUIVALENTS AND SHORT-TERM BANK DEPOSITS

	30 September 2016 (Unaudited) HK\$'M	31 March 2016 (Audited) HK\$'M
Cash on hand	1	–
Cash at bank	351	237
Short-term bank deposits with original maturity of less than three months	60	99
Cash and cash equivalents	412	336
Short-term bank deposits with original maturity of more than three months	92	118
	504	454

17 TRADE PAYABLES, RECEIPTS IN ADVANCE AND ACCRUALS

	30 September 2016 (Unaudited) HK\$'M	31 March 2016 (Audited) HK\$'M
Trade payables	101	84
Receipts in advance	220	220
Accruals	1,328	1,339
	1,649	1,643

The carrying amounts of these payables approximate their fair values.

17 TRADE PAYABLES, RECEIPTS IN ADVANCE AND ACCRUALS (CONTINUED)

The ageing of trade payables, presented based on the due date, is as follows:

	30 September 2016 (Unaudited) HK\$'M	31 March 2016 (Audited) HK\$'M
0 – 30 days	98	64
31 – 90 days	3	20
	101	84

18 LONG-TERM INCENTIVE PLAN PROVISION

	30 September 2016 (Unaudited) HK\$'M	31 March 2016 (Audited) HK\$'M
Long-term incentive plan provision	79	99
Less: current portion of long-term incentive plan provision	(59)	(63)
Non-current portion of long-term incentive plan provision	20	36

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.

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 condensed consolidated income statement. In the event that the vesting conditions are not met, the amount previously accrued will be written back accordingly.

18 LONG-TERM INCENTIVE PLAN PROVISION (CONTINUED)

During the period, the Group issued 1,600,140 units (2015: 1,596,867 units) for RUA vested in accordance with the vesting conditions under the LTI Plan.

Movements in the number of RUA during the period 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 2016	Vested during the period ⁽ⁱ⁾	Lapsed during the period	Outstanding as at 30 September 2016	Maximum to be issued on vesting date ⁽ⁱⁱ⁾
20 January 2014	20 January 2014 to 30 June 2016	455,895	(444,490) ⁽ⁱⁱⁱ⁾	(11,405)	-	-
17 July 2014	17 July 2014 to 30 June 2016	435,584	(433,452) ⁽ⁱⁱⁱ⁾	(2,132)	-	-
	17 July 2014 to 30 June 2017	434,035	-	(6,310)	427,725	804,950
24 July 2015	24 July 2015 to 30 June 2017	431,000	-	(9,136)	421,864	804,478
	24 July 2015 to 30 June 2018	431,000	-	(9,511)	421,489	803,728
Subtotal		2,187,514	(877,942)	(38,494)	1,271,078	2,413,156
Additional units vested over 100% of RUA granted		-	(722,198) ⁽ⁱⁱⁱ⁾	-	-	-
Total		2,187,514	(1,600,140)	(38,494)	1,271,078	2,413,156

Notes:

(i) RUA vesting percentages during the period ranged from 177% 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.

19 INTEREST BEARING LIABILITIES

	30 September 2016 (Unaudited) HK\$'M	31 March 2016 (Audited) HK\$'M
Bank borrowings	12,288	13,223
Medium term notes	17,451	13,701
	29,739	26,924
Less: current portion of interest bearing liabilities	(1,110)	(959)
Non-current portion of interest bearing liabilities	28,629	25,965

19 INTEREST BEARING LIABILITIES (CONTINUED)

Interest bearing liabilities are repayable as follows:

	30 September 2016 (Unaudited) HK\$'M	31 March 2016 (Audited) HK\$'M
Due in the first year		
Medium term notes	1,110	959
Due in the second year		
Bank borrowings	1,991	–
Medium term notes	1,100	300
	3,091	300
Due in the third year		
Bank borrowings	3,974	3,337
Medium term notes	740	1,101
	4,714	4,438
Due in the fourth year		
Bank borrowings	2,472	3,830
Medium term notes	971	1,365
	3,443	5,195
Due in the fifth year		
Bank borrowings	3,337	4,869
Medium term notes	201	349
	3,538	5,218
Due beyond the fifth year		
Bank borrowings	514	1,187
Medium term notes	13,329	9,627
	13,843	10,814
	29,739	26,924

Notes:

- (i) Except for medium term notes of HK\$7,752 million (31 March 2016: HK\$3,857 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 2.53% (31 March 2016: 2.57%). The carrying amounts of the interest bearing liabilities approximate their fair values.

20 DERIVATIVE FINANCIAL INSTRUMENTS

	30 September 2016 (Unaudited) HK\$'M	31 March 2016 (Audited) HK\$'M
Derivative assets		
Current item		
Designated as fair value hedge – interest rate swap contract	–	1
Non-current items		
Designated as fair value hedge – cross currency swap contracts	136	67
– interest rate swap contracts	92	91
	228	158
	228	159
Derivative liabilities		
Current item		
Designated as fair value hedge – cross currency swap contract	–	60
Non-current items		
Designated as cash flow hedge – interest rate swap contracts	401	350
Designated as fair value hedge – cross currency swap contracts	59	52
	460	402
	460	462
	232	303

Notes:

- (i) 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.
- (ii) 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 (31 March 2016: Level 2) of the fair value hierarchy. During the period ended 30 September 2015 and 2016, there were no transfers between the three levels of the fair value hierarchy.

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 condensed consolidated income statement. A net amount of HK\$51 million (2015: HK\$58 million) has been debited to the hedging reserve during the period as further set out in Note 23.

20 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

As at 30 September 2016, the derivative financial instruments qualifying as cash flow hedges have, in effect, provided the Group with an average fixed interest rate period of 5.7 years on HK\$7,200 million borrowings (31 March 2016: 6.1 years on HK\$7,400 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 30 September 2016 were HK\$7,200 million (31 March 2016: HK\$7,400 million) and 1.88% (31 March 2016: 1.86%) respectively. The notional principal amount of the outstanding floating rates to floating rates interest rate swap contracts as at 30 September 2016 was HK\$7,000 million (31 March 2016: HK\$6,000 million).

As at 30 September 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 30 September 2016 were HK\$7,753 million (31 March 2016: HK\$4,083 million) and HK\$2,220 million (31 March 2016: HK\$2,220 million) respectively.

Gains and losses on interest rate swap contracts recognised in the hedging reserve (Note 23) as at 30 September 2016 will be released to the condensed consolidated income statement.

21 OTHER NON-CURRENT LIABILITIES

	30 September 2016 (Unaudited) HK\$'M	31 March 2016 (Audited) HK\$'M
Amount due to non-controlling interest	2,526	2,439
Non-controlling interest put option obligation	604	580
	3,130	3,019

Notes:

- (i) 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 2.5% (31 March 2016: 2.6%), 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.
- (ii) 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 (31 March 2016: Level 3) of the fair value hierarchy.

The movement of non-controlling interest put option obligation during the period is as follows:

	Fair value (Unaudited) HK\$'M
At 1 April 2016	580
Recognised in the condensed consolidated income statement:	
– Fair value loss (Note 8)	24
At 30 September 2016	604

22 UNITS IN ISSUE

	Number of units (Unaudited)
At 1 April 2016	2,243,148,136
Units bought back for cancellation	(13,407,000)
Units issued under long-term incentive plan	1,600,140
At 30 September 2016	2,231,341,276

Pursuant to the general mandate granted to the Manager by the Unitholders, the Manager (on behalf of Link) bought back a total of 13,407,000 units (2015: 40,899,000 units) at an aggregate price of HK\$744 million (2015: HK\$1,782 million). All units bought back were cancelled during the period.

Closing price of the units as at 30 September 2016 was HK\$57.00 (31 March 2016: HK\$46.00) per unit. Based on 2,231,341,276 units in issue as at 30 September 2016 (31 March 2016: 2,243,148,136 units), market capitalisation was HK\$127,186 million (31 March 2016: HK\$103,185 million).

23 RESERVES

	Other reserve (Unaudited) HK\$'M	Hedging reserve (Unaudited) HK\$'M	Exchange reserve (Unaudited) HK\$'M	Earnings retained for cash flow hedge and foreign exchange translation adjustments (Unaudited) HK\$'M	Total reserves (Unaudited) HK\$'M
At 1 April 2016	(580)	(350)	(224)	574	(580)
Cash flow hedges:					
– Change in fair values	–	(106)	–	–	(106)
– Amount transferred to the condensed consolidated income statement (Note)	–	55	–	–	55
	–	(51)	–	–	(51)
Exchange loss on translation of financial statements	–	–	(360)	–	(360)
Net assets attributable to Unitholders:					
– Amount arising from cash flow hedging reserve and exchange reserve movements	–	–	–	411	411
At 30 September 2016	(580)	(401)	(584)	985	(580)

Note: Amount transferred to the condensed consolidated income statement in respect of cash flow hedges was included in "Finance costs" (Note 8).

24 CAPITAL COMMITMENTS

	30 September 2016 (Unaudited) HK\$'M	31 March 2016 (Audited) HK\$'M
Capital expenditure of investment properties contracted but not provided for at the end of the period	1,048	843

25 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 condensed consolidated interim financial information.

(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 30 September 2016:

Connected/related party	Relationship with the Group
HSBC Institutional Trust Services (Asia) Limited (the "Trustee") *	The Trustee of Link Associates # of the Trustee
The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) (the "HSBC Group") *	
CBRE Limited (the "Principal Valuer")	The Principal Valuer of Link
Aedas Limited *	Associate # of director
Industrial and Commercial Bank of China (Asia) Limited ("ICBC (Asia)") (Note)	Associate # of director
Standard Chartered Bank (Hong Kong) Limited ("SCBHK")	Associate # of director
The Chamber of Hong Kong Listed Companies	Associate # of director

* These connected parties are also considered as related parties of the Group.

"Associate" has the meaning ascribed to it under the REIT Code.

Note: ICBC (Asia) was an associate of Professor Richard WONG Yue Chim, who retired as a director on 27 July 2016 and since then, ICBC (Asia) ceased to be a connected party of Link.

25 CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Transactions with connected/related parties

The following transactions were carried out with connected/related parties:

	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M
Trustee's fee paid and payable to the Trustee (Note (ii))	(8)	(6)
Transactions with the HSBC Group (Note (iii))		
Interest expense and various financing charges to the HSBC Group on interest bearing liabilities, cross currency swap contracts and interest rate swap contracts	(38)	(31)
Rental income from the HSBC Group on leasing of retail units	17	15
Interest income from the HSBC Group on short-term bank deposits	1	–
Transactions with the Principal Valuer (Note (iii))		
Valuation fee	(1)	(1)
Consultancy services fees	(3)	–
Architectural/renovation consultancy services fees paid and payable to Aedas Limited (Note (iii))	(11)	(4)
Transactions with ICBC (Asia) (Notes (iii) and (iv))		
Interest expense and various financing charges to ICBC (Asia) on interest bearing liabilities	(1)	(1)
Rental income from ICBC (Asia) on leasing of retail units	4	5
Transactions with SCBHK (Note (iii))		
Rental income from SCBHK on leasing of retail units	6	7
Interest income from SCBHK on short-term bank deposits	–	1

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.
- (iv) ICBC (Asia) was an associate of Professor Richard WONG Yue Chim, who retired as a director on 27 July 2016 and since then, ICBC (Asia) ceased to be a connected party of Link.

25 CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(c) Balances with related parties

Balances with related parties are set out below:

	30 September 2016 (Unaudited) HK\$'M	31 March 2016 (Audited) HK\$'M
Trustee's fee payable to the Trustee	(1)	(1)
Interest bearing liabilities with the HSBC Group	(3,165)	(3,689)
Net interest payable to the HSBC Group	–	(3)
Security deposits from the HSBC Group	(2)	(2)
Cross currency swap contracts and interest rate swap contracts with the HSBC Group	(137)	(130)
Deposits placed with the HSBC Group	315	176

(d) Key management compensation

The aggregate amounts of emoluments of the key management staff of the Group are as follows:

	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M
Fees	5	4
Basic salaries, allowances and other benefits	57	51
Long-term incentive plan awards	44	13
	106	68

26 APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The condensed consolidated interim financial information was authorised for issue by the Board on 9 November 2016.

FIVE YEAR PERFORMANCE SUMMARY

FINANCIAL DATA

	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M	Six months ended 30 September 2014 (Unaudited) HK\$'M	Six months ended 30 September 2013 (Unaudited) HK\$'M	Six months ended 30 September 2012 (Unaudited) HK\$'M
Condensed consolidated income statement					
Revenue	4,608	4,185	3,830	3,493	3,197
Property operating expenses	(1,168)	(1,089)	(1,047)	(976)	(941)
Net property income	3,440	3,096	2,783	2,517	2,256
General and administrative expenses	(157)	(163)	(286)	(106)	(104)
Change in fair values of investment properties	2,978	5,785	14,761	5,211	6,787
Operating profit	6,261	8,718	17,258	7,622	8,939
Interest income	2	4	14	14	22
Finance costs	(275)	(216)	(169)	(193)	(228)
Gains on disposals of investment properties	586	–	340	–	–
Profit before taxation and transactions with Unitholders	6,574	8,506	17,443	7,443	8,733
Taxation	(517)	(466)	(411)	(368)	(317)
Profit for the period, before transactions with Unitholders	6,057	8,040	17,032	7,075	8,416
Distributions paid to Unitholders	(2,404)	(2,138)	(1,976)	(1,725)	(1,502)
	3,653	5,902	15,056	5,350	6,914
Represented by:					
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back	3,138	5,767	15,071	5,412	6,970
Amount arising from cash flow hedging reserve and exchange reserve movements	411	104	(15)	(62)	(56)
Non-controlling interest	104	31	–	–	–
	3,653	5,902	15,056	5,350	6,914
Consolidated statement of distributions					
Profit for the period, before transactions with Unitholders attributable to Unitholders	5,953	8,009	17,032	7,075	8,416
Adjustments:					
– Change in fair values of investment properties attributable to Unitholders	(2,874)	(5,754)	(14,761)	(5,211)	(6,787)
– Deferred taxation on change in fair values of investment properties attributable to Unitholders	8	17	–	–	–
– Other non-cash income	(36)	(42)	(18)	(10)	(5)
– Depreciation charge on investment properties under China Accounting Standards	(42)	(24)	–	–	–
– Gains on disposals of investment properties, net of transaction costs	(557)	–	(327)	–	–
Total distributable income	2,452	2,206	1,926	1,854	1,624
Discretionary distribution	42	24	128	–	–
Total distributable amount	2,494	2,230	2,054	1,854	1,624
Distribution per unit (HK cents)					
Interim DPU	111.75	98.99	89.56	80.22	71.08

FINANCIAL DATA (CONTINUED)

		As at 30 September 2016 (Unaudited)	As at 31 March 2016 (Audited)	As at 31 March 2015 (Audited)	As at 31 March 2014 (Audited)	As at 31 March 2013 (Audited)
Assets and liabilities						
Investment properties	HK\$'M	167,475	160,672	138,383	109,899	95,366
Other non-current assets	HK\$'M	782	1,816	934	470	572
Current assets, excluding investment properties held for sale	HK\$'M	1,042	964	3,827	3,097	3,485
Total assets	HK\$'M	169,299	163,452	143,144	113,466	99,423
Current liabilities	HK\$'M	4,745	4,387	4,880	5,532	4,198
Non-current liabilities	HK\$'M	34,525	31,624	20,158	11,583	13,583
Total liabilities, excluding net assets attributable to Unitholders	HK\$'M	39,270	36,011	25,038	17,115	17,781
Non-controlling interest	HK\$'M	158	54	–	–	–
Net assets attributable to Unitholders	HK\$'M	129,871	127,387	118,106	96,351	81,642
Interest bearing liabilities to total assets	%	17.6	16.5	11.9	11.0	13.6
Total liabilities to total assets	%	23.2	22.0	17.5	15.1	17.9
Valuation of investment properties	HK\$'M	167,475	160,672	138,383	109,899	95,366
Valuation capitalisation rate						
– Hong Kong (weighted average)	%	4.58	4.59	4.61	5.27	5.39
– Mainland China						
– Retail	%	4.50 – 5.00	4.50 – 5.00	N/A	N/A	N/A
– Office	%	4.00	4.00	N/A	N/A	N/A
Net assets per unit attributable to Unitholders	HK\$	58.20	56.79	51.53	41.69	35.68
Closing price per unit	HK\$	57.00	46.00	47.80	38.15	42.30
Market capitalisation	HK\$'M	127,186	103,185	109,547	88,160	96,785
(Discount)/premium of unit price to net assets per unit attributable to Unitholders	%	(2.1)	(19.0)	(7.2)	(8.5)	18.6
Units in issue		2,231,341,276	2,243,148,136	2,291,770,269	2,310,889,561	2,288,061,440

PORTFOLIO DATA

		Six months ended 30 September 2016 (Unaudited)	Six months ended 30 September 2015 (Unaudited)	Six months ended 30 September 2014 (Unaudited)	Six months ended 30 September 2013 (Unaudited)	Six months ended 30 September 2012 (Unaudited)
Hong Kong Portfolio						
Average monthly unit rent at period end	HK\$ psf	52.5	47.4	43.6	40.2	37.2
Average monthly unit rent excluding self use office, Education/Welfare and Ancillary at period end	HK\$ psf	56.2	51.1	46.9	43.2	40.0
Reversion rate						
– Shops	%	21.2	29.5	24.1	22.6	27.9
– Overall	%	21.0	23.6	23.6	23.6	25.9
Occupancy rate at period end	%	95.9	95.1	94.4	94.1	93.2
Net property income margin	%	74.3	74.0	72.7	72.1	70.6
Number of turnover rent leases (excluding ancillary) at period end		5,035	5,199	5,187	5,082	4,896
Car park income per space per month	HK\$	2,206	1,986	1,738	1,529	1,338
Mainland China Portfolio						
Reversion rate						
– Retail	%	41.9	33.7	N/A	N/A	N/A
– Office	%	8.3	N/A	N/A	N/A	N/A
Occupancy rate at period end						
– Retail	%	98.2	100.0	N/A	N/A	N/A
– Office	%	98.4	98.5	N/A	N/A	N/A
Performance Data						
Net assets attributable to Unitholders at period end	HK\$'M	129,871	122,165	110,610	87,912	70,394
Net assets per unit attributable to Unitholders at period end	HK\$	58.20	54.24	48.23	38.04	30.82
The highest premium of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	0.10	N/A	N/A	8.36	6.13
The highest discount of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	(13.10)	(13.74)	(10.83)	(4.74)	(2.27)
Closing price per unit at period end	HK\$	57.00	42.50	44.75	38.05	36.75
Net yield per unit (Note (iii))	%	2.0	2.3	2.0	2.1	1.9
Net yield (annualised) per unit	%	3.9	4.7	4.0	4.2	3.9
Net yield (annualised) per unit on listing price of HK\$10.30 per unit	%	21.7	19.2	17.4	15.6	13.8

Notes:

- (i) The highest premium and discount are calculated based on the highest and lowest traded prices of HK\$58.30 (2015: HK\$49.75) and HK\$45.10 (2015: HK\$40.50) respectively on The Stock Exchange of Hong Kong Limited during the period.
- (ii) Net yield per unit is calculated based on distribution per unit for the period ended 30 September 2016 of HK\$111.75 cents (2015: HK\$98.99 cents) over the closing price as at 30 September 2016 of HK\$57.00 (2015: HK\$42.50).

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 2,231,341,276 units in issue as at 30 September 2016. Further details of units in issue are set out in Note 22 to the condensed consolidated interim financial information in this report.

FINANCIAL CALENDAR

Interim results announcement for the six months ended 30 September 2016	9 November 2016
Ex-interim distribution date	22 November 2016
Closure of register of Unitholders	24 November to 28 November 2016 (both days inclusive)
Record date for interim cash distribution	28 November 2016
Interim cash distribution payment date	2 December 2016
Final results announcement for the financial year ending 31 March 2017	June 2017

In order to qualify for the interim cash distribution of HK111.75 cents per unit for the six months ended 30 September 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 November 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) 2122 9000

WEBSITES

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

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 Series

FTSE EPRA⁽¹⁾/NAREIT⁽²⁾ Global Index Series

FTSE EPRA⁽¹⁾/NAREIT⁽²⁾ Asia Pacific Index

FTSE EPRA⁽¹⁾/NAREIT⁽²⁾ Developed Index

FTSE EPRA⁽¹⁾/NAREIT⁽²⁾ Developed Asia Index

FTSE Hong Kong Index

FTSE RAFI All World 3000

Russell Fundamental Index Series

Russell Global Index

GPR⁽³⁾ 250 (World) Index

GPR⁽³⁾ 250 Asia Index

GPR⁽³⁾ 250 Asia Pacific Index

GPR⁽³⁾ 250 Hong Kong Index

GPR⁽³⁾ 250 REIT (World) Index

GPR⁽³⁾ 250 REIT Asia Index

GPR⁽³⁾ 250 REIT Asia Pacific Index

GPR⁽³⁾ 250 REIT Hong Kong Index

GPR⁽³⁾ General (World) Index

GPR⁽³⁾ General Asia Index

GPR⁽³⁾ General Hong Kong Index

Hang Seng Index

Hang Seng REIT Index

Hang Seng Corporate Sustainability Index

MSCI⁽⁴⁾ All Country World Index

MSCI⁽⁴⁾ All Country Asia Pacific ex-Japan Index

MSCI⁽⁴⁾ World Index

MSCI⁽⁴⁾ Hong Kong Index

TR⁽⁵⁾/GPR⁽³⁾/APREA⁽⁶⁾ Composite Index

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

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

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

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

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

TR⁽⁵⁾/GPR⁽³⁾/APREA⁽⁶⁾ 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

2016 AGM	the annual general meeting of Unitholders held on 27 July 2016
average monthly unit rent	the average base rent plus management fee per month per square foot of leased area
base rent	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
BFA	barrier free access
Board or Board of Directors	board of directors of the Manager
Board Chairman or Chairman	Chairman of the Board (unless the context requires otherwise)
Board Committees	committees of the Board to discharge the duties set out in their respective 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 " Board Committee " refers to any one of them
CBD	central business district
CCEP	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 around Link's properties
CEO	Chief Executive Officer of the Manager
CFO	Chief Financial Officer of the Manager
Compliance Manual	the compliance manual of the Manager which sets out the key processes, systems and measures in respect of Link's operations
DCF	discounted cash flow
Director(s)	director(s) of the Manager
DPU	distribution per unit in respect of the total distributable amount of Link for a financial year/period
ED	Executive Director of the Manager (unless the context requires otherwise)

EUPP	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
GAV Cap	10% of Link's gross asset value (and as calculated in the manner set out in the Trust Deed)
Group	Link and its subsidiaries (unless the context requires otherwise)
Hong Kong	Hong Kong Special Administrative Region of The People's Republic of China
Hong Kong Stock Exchange or Stock Exchange	The Stock Exchange of Hong Kong Limited
INED	Independent Non-Executive Director of the Manager (unless the context requires otherwise)
lease	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
Link	Link Real Estate Investment Trust
Link Securities Dealing Code	the code governing dealings in securities of Link by Directors and relevant senior employees of the Manager
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Listing Rules Corporate Governance Code	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
LTI Plan	the long-term incentive plan of Link adopted by Unitholders on 23 July 2007
Manager	Link Asset Management Limited, which is the manager of Link
market capitalisation	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
MTN Programme	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
NED	Non-Executive Director of the Manager (unless the context requires otherwise)
NPI	net property income, being total revenue less direct property related expenses
occupancy rate	the aggregated leased area as a percentage of total leasable area
PRC	The People's Republic of China and if the context requires, exclude Hong Kong

Principal Valuer	the Principal Valuer (as defined in the REIT Code) of Link, which is CBRE Limited as at the date of this report
psf or sq ft	per square foot or square feet
REIT(s)	real estate investment trust(s)
REIT Code	Code on Real Estate Investment Trusts issued by the SFC
return on investment	projected NPI post asset enhancement minus NPI pre asset enhancement divided by the estimated amount of project capital expenditure and loss of rental
reversion rate	the percentage change in per square foot average unit rent between old and new leases on the same unit
RMB	Renminbi, the lawful currency of PRC
SFC	Securities and Futures Commission of Hong Kong
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
tenant	a lessee, a tenant or a licensee (as the case may be) under a lease
total distributable amount	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
total distributable income	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
Trust Deed	the trust deed dated 6 September 2005 between the Trustee and the Manager constituting Link, as amended and supplemented by 11 supplemental deeds
Trustee	trustee of Link, which is currently HSBC Institutional Trust Services (Asia) Limited
turnover rent	rent calculated and charged by reference to a pre-determined percentage of a tenant's gross sales turnover in excess of the base rent
unit(s)	unit(s) of Link (unless the context requires otherwise)
Unitholder(s)	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

Elaine Carole YOUNG

COMPANY SECRETARY OF THE MANAGER

Ricky CHAN Ming Tak

RESPONSIBLE OFFICERS OF THE MANAGER ⁽¹⁾

George Kwok Lung HONGCHOY

Andy CHEUNG Lee Ming

Hubert CHAK

Christine CHAN Suk Han

Eric YAU Siu Kei

AUTHORISED REPRESENTATIVES ⁽²⁾

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

