

Annual Report 2017/2018

Strategic Report



Link Real Estate Investment Trust

Stock code: 823

We **Link** People to
a Brighter Future



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About Link

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

About this Report

Our 2017/2018 Strategic Report covers our performance from 1 April 2017 to 31 March 2018 and has been prepared according to the International Integrated Reporting Council's <IR> Framework. We highlight the interactions among financial, environmental, social and governance factors, and underline their influence on our long-term sustainable development.

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

Materiality

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



Access our corporate website
for further information

Complete 2017/2018 Reports and Presentations

Our complete suite of reports and supporting compliance documentation can be accessed and downloaded from our corporate website at Linkreit.com

This report covers 138 properties owned by Link across Hong Kong and three properties across Mainland China.

STRATEGIC REPORT

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

GOVERNANCE, DISCLOSURES AND FINANCIAL STATEMENTS

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

VALUATION REPORT

This report summarises the market value of Link's individual properties as valued by Jones Lang LaSalle Limited.

SUSTAINABILITY WEBSITE

Up until 2013/2014, Link prepared separate annual sustainability reports which are on our corporate sustainability website. Since then we update our corporate sustainability performance solely on our website. This can be accessed at Linkreit.com/sustainability

COMPLIANCE DOCUMENTATION

- Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited
- Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines - Comprehensive Option
- United Nations Global Compact



We **Link** People to a Brighter Future

VISION

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

MISSION

Building relationships with our stakeholders through

- providing value and quality service
- partnering with local communities
- delivering sustainable growth

VALUES

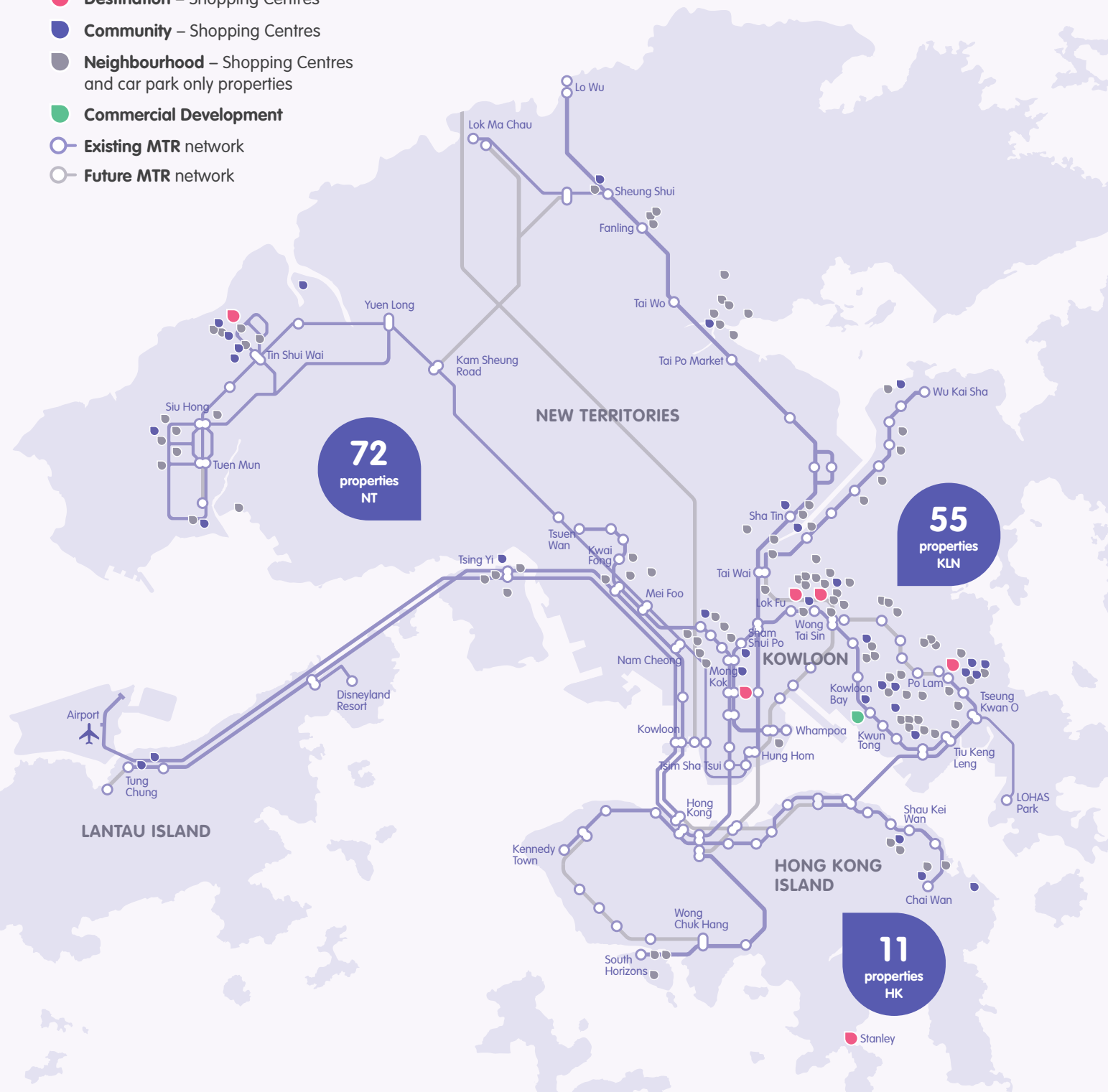
Managing and operating our business with

- Respect
- Excellence
- Integrity
- Teamwork

Our Portfolio

Our portfolio includes retail facilities, car parks and offices across Hong Kong, Beijing, Shanghai and Guangzhou. These multiple segments form a solid, diversified platform for value creation.

- **Destination** – Shopping Centres
- **Community** – Shopping Centres
- **Neighbourhood** – Shopping Centres and car park only properties
- **Commercial Development**
- **Existing MTR network**
- **Future MTR network**



Portfolio mix (by value)



HONG KONG

138

Properties

~61,000

Car park spaces

~0.9 million sq ft

Under development

~9 million sq ft

Retail space

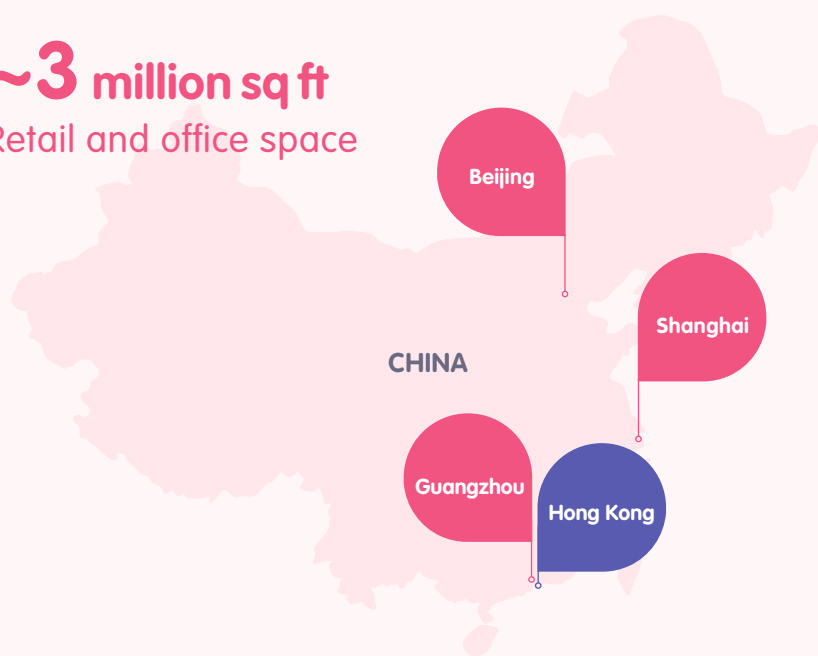
MAINLAND CHINA

3

Properties

~3 million sq ft

Retail and office space



Engaging with Our Stakeholders

Understanding the expectations of our stakeholders helps us develop our strategies and respond effectively through our business model. We have outlined why and how we engage with our stakeholders and their key interests.

To deliver on our strategic priorities, communication and collaboration with stakeholders across our value chain are essential. We are committed to engage in open, two-way dialogue that informs us of what we are doing well, while alerting us on how to improve in other areas. This enables us to create value for those around us and are blueprints to our success.

How we work to meet their expectations is outlined in our Strategic Priorities section.



OUR COMMUNITIES

People that live in the communities we serve

Why is it important to engage: Our properties are extensions of the living rooms of those who live around us.

Their key interests: Clean shopping environments, retail and entertainment offerings, choice and variety, reasonably priced products and services.

Ways we engage: Appropriate trade and tenant mixes, corporate, customer and shopping centre websites, marketing programmes, customer service ambassadors, surveys and focus group meetings and corporate hotline and information channels.



OUR EMPLOYEES

Nearly 900 direct employees

Why is it important to engage: Our people are what enable Link to deliver on our promise.

Their key interests: Job satisfaction, rewarding and supportive working environment, career progression, professional development, skills and knowledge learning opportunities.

Ways we engage: Meritocratic performance culture and practice, learning and training sponsorship, employee survey, focus groups, townhall, annual party, work-life balance and wellness activities, volunteer team, YourVoice.com Portal and Employee Unit Purchase Plan.



OUR INVESTORS

Institutional and retail investors of Link

Why is it important to engage: As the providers of capital necessary to support our growth, we engage with Unitholders, banks and investors, to keep them up to date on the financial performance and overall sustainability of Link.

Their key interests: Distribution growth, future business prospects, strategy execution, portfolio value, timely information and sound corporate governance.

Ways we engage: Investor presentations, roadshows, conferences, one-on-one meetings and property tours, responding to sustainability surveys, annual reports and annual general meetings.

OUR TENANTS

Strategic business partners involving over 9,500 tenancies

Why is it important to engage: Our tenants are our strategic partners in delivering a desirable shopping environment to our shoppers.

Their key interests: Shopper footfall, tenant mix improvement, initiatives to enhance the shopping experience and attract shoppers, changes in consumer spending, increasing competition and rental escalation.

Ways we engage: Meeting with asset managers, annual CONNECTION conference, tenant association meetings, Link Tenant Academy, Link Tenant Academy Mall Talk, Link Community Sentiment Index, dedicated property management teams to respond to tenant concerns and listen to ideas.



OUR BUSINESS PARTNERS

Suppliers and vendors

Service providers that enable us to deliver quality service

Why is it important to engage: Suppliers and vendors impact our ability to provide products and deliver services. They are required to comply with our health and safety and ethical procurement standards. Engaging with them contributes to business continuity, viability and operational efficiency.

Their key interests: Timely payment, fair business practices and acquiring skills that may enhance their ability to deliver services.

Ways we engage: Annual CONNECTION conference, surveys and trainings, and centralised procurement with standardised product requirements.

Non-Governmental Organisations

International organisations, local industry associations, environmental groups and community-based service groups

Why is it important to engage: NGOs represent the views of many public stakeholder groups and can serve as another channel to engage with different parties.

Their key interests: Environmental impact, corporate sustainability and responsible business practices.

Ways we engage: Annual CONNECTION conference, participation in committees, collaboration on community projects, staff volunteers, Link Together Initiatives and provision of space for welfare organisations.

Media

Media partners that feature Link in different aspects

Why is it important to engage: The media keep Link's stakeholders informed of business developments, new products and services, the impact of our business operations and brand image.

Their key interests: Tenant and community issues, Link's initiatives or business plans, being informed of key activities and offerings, and transparency.

Ways we engage: Interviews with senior management, responding to media enquiries, media releases and informal briefing through lunch and tea gatherings.

Government

Government officials and members of the Hong Kong Legislative Council and District Councils

Why is it important to engage: Our relationships with government and regulators impact on our ability to contribute towards broader economic, social and environmental objectives.

Their key interests: Facilitation of socioeconomic growth, regulatory compliance, environmental impact and corporate governance.

Ways we engage: Respond to public consultations, participation in District Working Groups, representation on advisory committees, communication of sustainability programmes and initiatives, and regular meetings.

Value Creation Model

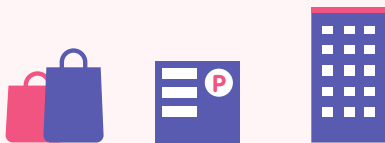
VISION

To be a world class real estate investor and manager...

...serving and improving the lives of those around us.

What we manage

Focusing on strategic priorities



Retail Car park Office

1 Build a productive portfolio

2 Maintain a balanced capital structure

3 Develop a strong team

4 Help our communities flourish

How we manage

- Management
- Enhancement
- Acquisition
- Divestment
- Development
- Re-Development

Which creates value

Measured by



Placemaking

A productive portfolio of high quality, sustainable properties

- Tenant sales growth
- Mystery Shopper Programme score
[see page 38](#)



Financial

Continuous improvement of financial returns

- Distribution per unit
- Total return for the year
[see page 41](#)



Talent

A talented, engaged and high performing workforce

- Staff attrition rate
- Staff/Board diversity
[see page 35](#)



Relationship

Positive relationships with our tenants, shoppers and communities

- Perception audit result
- Impact of Link Together Initiatives
[see page 38](#)



Innovation

A sector leading body of sustainable community development knowledge

- Link Community Sentiment Index
- Number of asset enhancement projects
[see pages 24, 38](#)



Environmental

A stable and viable natural environment

- Energy consumption reduction
- Waste diverted from landfill
[see page 24](#)

We
Link
People
to a
Brighter
Future

2017/2018 Performance Highlights

Our key financial and non-financial performance indicators reflect our steady business performance and value created.

10,023

Revenue (HK\$'M)

↑ 8.3% yoy

7,663

Net property income (HK\$'M)

↑ 9.6% yoy

249.78

Distribution per unit (HK cents)

↑ 9.4% yoy



Social Contributions that Enhance the Community ⁽¹⁾

HK\$47 million

Earmarked through Link Together Initiatives since 2013

~19,000

Link Tenant Academy participants since 2008

31.3%

Energy consumption reduction in Hong Kong since 2010

Note:

(1) Dates quoted reflect when the initiatives started.

216,404

Total asset value (HK\$'M)

↑ 23.0% vs 31/3/2017



99.4%

Occupancy in Mainland China



97.0%

Occupancy in Hong Kong

A Platform for Tenants to Flourish

8.0% yoy

Tenant sales growth in Hong Kong

12.9%

Rent-to-sales ratio in Hong Kong

67

Enhancement projects completed to date

Chairman's Statement



It is with great pleasure and pride that I share with you yet another year of solid performance. Since introducing Link's Value Creation Model last year, we have delivered sustainable and responsible growth by executing a well thought-out strategy through the combined efforts of our skilled senior leadership team and our committed staff. Anchored by our commitment to value creation, Link recorded robust revenue growth, improved our service levels and increased the effectiveness of our asset management model approach. ”

Nicholas Charles ALLEN
Chairman



Highlights

Our efforts to establish and maintain a high level of corporate governance were recognised by the Hong Kong Institute of Directors at the 2017 Directors of the Year Awards.

Our 2017/2018 results and achievements demonstrate that Link's business model is resilient, effective and productive.

Supporting and enabling those around us ensures the long term viability of our business. Simply put, when those around us do well, we do well.

Reflection on the Economy and Operating Environment

2017/2018 was a good year for the markets we operate in, highlighted by a healthy appetite for domestic consumption that was supported by robust growth in both Hong Kong's GDP and household income. Complementing this, after several years of sluggish growth, the overall retail market has shown promising signs of recovery. We have already started benefitting from the improvement in retailer sentiment, introducing over 80 new brands into our shopping centres and seeing several current tenants expand their businesses to other properties in our portfolio. Tenant sales growth is strong and continues to increase.

Politically, there is more stability as the new HKSAR government begins to outline and implement its action plan. Some of these initiatives we anticipated and prepared for early on, such as the commissioning of an organic resource recycling center. Over the past two years we have engaged with our tenants, business partners and NGOs to outline waste separation policies and procedures that will help to reduce our waste to landfill costs. Other initiatives such as the announcement of a feed-in tariff to incentivise adaptation of renewable energy technologies provides Link with new options to explore how we manage our electricity consumption and carbon footprint. Similar to our earlier pioneering efforts in green finance, we welcome these and other new opportunities to assume a leadership role of being an environmentally and socially responsible business that contributes to Hong Kong's sustainable development.

A Well Governed Business

Underpinning our approach to business is our immovable commitment to maintaining high standards of corporate governance, with accountability and transparency being key guiding principles in all decision-making. We support this with strong risk management and active board oversight.

Link has made considerable effort in ensuring that our Board is diverse, not simply from a gender standpoint, but also in regards to expertise and independence. I am pleased to say that we have put together an active and meaningfully engaged Board. Our efforts to establish and maintain a high level of corporate governance were recognised by the Hong Kong Institute of Directors at the 2017 Directors of the Year Awards.

We will continue to develop our governance policies and processes in line with best practice thereby enabling our team to best utilise their skills to implement effectively a value-creating business strategy.

The Value We Have Created in the Past Year

We have made significant progress this past year to deliver value while strengthening our capitals. Placemaking remains a priority, as we completed a record 14 asset enhancement projects during the year with return on investment ranging from 15.2% - 40.4%.

Our financial capital remains strong, as we delivered another set of robust results in 2017/2018 and ended the year with a healthy balance sheet giving us flexibility to continue investing in different areas of our business. Revenue for the year was up 8.3% to HK\$10,023 million (2017: HK\$9,255 million). Distribution per unit increased by 9.4% year-on-year to HK249.78 cents (2017: HK228.41 cents)

I am also pleased with the progress we have made on our Innovation, Talent and Environmental capitals. Monthly active users of our Link Park & Dine app remain at around 20,000, we continue to retain high performing staff with ease and this year we have achieved our 30% absolute energy reduction target.

Chairman's Statement

→ Our focus and hard work in promoting community sustainability and active stakeholder engagement are paying off. Results of our latest brand audit survey show remarkable improvement over the past two years.

Our 2017/2018 results and achievements demonstrate that Link's business model is resilient, effective and productive. Despite this, we continually review our organisation to ensure we remain agile and adaptable to changing business landscape, consumer expectations and new technologies.

A Shared Vision to Create Value

We have made significant progress on building our relationships – perhaps Link's most important and prominent capital. Reiterated from our brand promise to our value creation model, supporting and enabling those around us ensures the long term viability of our business. Simply put, when those around us do well, we do well.

I am pleased to report that our focus and hard work in promoting community sustainability and active stakeholder engagement are paying off. Results of our latest brand audit survey show remarkable improvement over the past two years. The number of people that see Link in a positive light increased over 25%. Encouragingly, despite this, we are keenly aware that ongoing misperceptions of our business still exist. We do not shy away from these healthy debates as they offer opportunities for us to identify where we can continue to improve. This mentality is underscored by our conviction that we play an important role in building environments that are conducive for communities to flourish.

Following this belief we have begun to usher in a new culture as to how we manage our properties, one where we foster a sense of belonging and community ownership both internally and externally. This approach and culture is predicated on the shared vision of improving the communities of which we are all a part. In the past, our communication was predominantly a one-way approach whereas now, we encourage and solicit two-way feedback. This year, our annual CONNECTION conference expanded to include tenants and NGOs in addition to the traditional service providers, vendors and contractors. The revamped, interactive format of the event provided participants with

greater insight into upcoming business challenges, of changes in community expectations and to align value creating initiatives so we can work together.

In 2017/2018 Link's team of community relationship managers held over 700 meetings with community representatives and government officials to better understand their concerns. We continue to hear and support the needs of the community through our Link Together Initiatives, which addresses a range of topics including preserving cultural heritage, encouraging active, healthy lifestyles and promoting awareness to barrier free accessibility.

These channels provide an opportunity for each of our internal and external stakeholders to not only consider the question "How would I improve the community?", but also encourages them to provide answers and input. This is what enables us to co-create flourishing, unique places that we, together with our tenants, shoppers, communities and service providers collectively, are proud to declare "This is Our Place." This is how **"We Link People to a Brighter Future"**.

Appreciation

On behalf of the Board, I would like to thank our CEO George Hongchoy, his management team and our nearly 900 colleagues for their hard work and commitment in delivering these results.

I also thank my fellow Board members for their contributions in ensuring our business is agile and future fit. In particular, I want to welcome Chris Brooke who has joined us on 1 May 2018.

Nicholas Charles ALLEN Chairman

Link Asset Management Limited
As Manager of Link Real Estate Investment Trust
6 June 2018

Chairman

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

Executive Directors

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

Non-Executive Director

4. Mr Ian Keith GRIFFITHS

Independent Non-Executive Directors

5. Mr Christopher John BROOKE
6. Mr Ed CHAN Yiu Cheong
7. Mr Blair Chilton PICKERELL
8. Ms Poh Lee TAN
9. Ms May Siew Boi TAN
10. Mr Peter TSE Pak Wing
11. Ms Nancy TSE Sau Ling
12. Mr David Charles WATT
13. Ms Elaine Carole YOUNG



Board of Directors

effective from 1 May 2018



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

Chief Executive Officer's Report



We achieved new heights in the efficiency of our business operations and saw our portfolio management strategy come full circle. Underscoring these achievements is a culture that has evolved significantly from being passive and reactive into one that is proactive and forward looking so that our business is future-fit. ”

George Kwok Lung HONGCHOY
Chief Executive Officer



Highlights

T.O.P This is Our Place is our newest Destination Shopping Centre in Mong Kok and represents Link's renewed approach to co-creating unique destinations with the community in mind.

This past year, we completed a record 14 asset enhancement projects. Working together with market operator partners, we completed 12 fresh market upgrades this year.

In September 2017, Link became a signatory of the UN Principles for Responsible Investment, an initiative that seeks to align businesses and the investment community on environmental, social and governance issues.

On behalf of the management team and the nearly 900 employees at Link, it is a privilege to present Link's 2017/2018 Integrated Annual Report. This past year saw us reinforce our commitment to our vision and strategy, strengthen relationships with our tenants, shoppers, communities and business partners, and invest even more resources into developing an agile, world class team. We achieved new heights in the efficiency of our business operations and saw our portfolio management strategy come full circle. Underscoring these achievements is a culture that has evolved significantly from being passive and reactive into one that is proactive and forward looking so that our business is future-fit. We are now a stronger, more agile company. As a result, we delivered another outstanding year of strong financial, environmental and social performance.

Delivering Results by Embracing Change

"We embrace and thrive on change, challenging us to constantly stay ahead so we continue to deliver sustainable results."

In a dynamic and competitive operating environment, adhering to business as usual is not an option. We continuously invest in change and innovative thinking to adapt to evolving shopper tastes and preferences, anticipate the challenges emerging technologies may present to our business, continue lowering our operational costs and strengthen our business for long term growth. In the past three years, we made several conscious and informed decisions that at the time seemed to diverge from our business-as-usual approach. However, I am pleased to report that our insight and courage to make those decisions – including investing in developing digital solutions, transitioning to an asset management model in different cities and acquiring retail properties in prime

locations – have proven to be in the right direction and make our portfolio more resilient. Our continuing challenge is to communicate to our multiple stakeholders to convince them of the merits of these initiatives and to defend against critics with facts and solid results.

As the owner and manager of a large, non-discretionary focused retail property portfolio, we closely follow the potential impact digital solutions and e-commerce may have on our business. While local research and sentiment continue to indicate there will be limited impact particularly on non-discretionary spending, we see digital as an opportunity to know and understand our customers better. We continue to invest in developing and enhancing our award winning Link Park & Dine app, connecting shoppers with over 9,500 tenants across 138 properties in Hong Kong. This year, in a modest pilot, we offered more convenience at our car parks by adding a range of e-payment options. Since the launch, we have seen gradual on-boarding and acceptance of mobile payment by our car park patrons. By developing our knowledge now, we are preparing for when e-payment becomes the preferred choice among our tenants and shoppers to do business.

Our asset management model has been rolled out to our entire portfolio. This requires our team of asset managers to develop a deeper understanding of the nuances of each particular shopping centre and its surrounding community, leading to better revenue management, operational management and platform development. The transition has not been easy, as we underwent lengthy exercises to review and optimise allocation of resources, update policies and procedures and formulate detailed asset management plans. Our robust year-on-year revenue growth of 8.3% in 2017/2018 and improvement in streamlining and executing asset enhancement projects provide early validation of these efforts.

Chief Executive Officer's Report

→ **Metropolitan Plaza gives us access to a pipeline of an entirely new portfolio of brands and services, giving us the potential to introduce truly new retail offerings to our local communities.**

T.O.P This is Our Place (T.O.P) is our newest Destination Shopping Centre on 700 Nathan Road, Mong Kok. Acquired in 2016 and enhancement works completed in mid 2018, T.O.P reflects Link's renewed approach to co-creating iconic destinations with the community in mind. Through extensive engagement with a range of stakeholders, T.O.P is positioned as a destination that seeks to inspire those around and enable them to express and share. Open spaces that encourage community integration are surrounded by hand-painted artwork throughout the property.

T.O.P is proving to be a tremendous opportunity for Link to not only test our asset management capabilities, but also as a resource to grow and improve our existing portfolio. I am pleased to say that we completed refurbishment of T.O.P under forecasted budget. But more excitingly, the array of retail tenants we have brought into the property are new to our portfolio.

Delivering Results by Embracing Sustainability

"Embracing sustainability means that we make holistic decisions that deliver lasting, value-creating results."

A sustainable business is one that welcomes input from different stakeholders to make informed decisions, striking a delicate balance between economic, environmental and social values. This holistic approach steers us towards the future and enables us to be successful over the long term.

We continue to improve the quality of our portfolio by enhancing our existing properties and acquiring high quality performing assets. This past year, we completed a record 14 asset enhancement projects. Working together with market operator partners, we completed 12 fresh market upgrades this year. In mid 2017 we expanded our portfolio to Guangzhou with the acquisition of Metropolitan Plaza. We have since enhanced the trade mix, offering more choice and variety highlighted by stronger retail, kids and F&B offerings leading to record reversion of 61.2% at Metropolitan Plaza. Perhaps more importantly and similar to T.O.P - Metropolitan Plaza gives us access to a pipeline of

an entirely new portfolio of brands and services, giving us the potential to introduce truly new retail offerings to our local communities.

Improving the quality of our portfolio also includes the decision to divest from assets where we have spent much time and effort to establish strong relationships and thriving communities. However, this allows us to focus on a core, more select group of properties and to generate capital to invest in assets that offer better long term growth and prospects. In early 2018 we completed the divestment of 17 properties, generating HK\$23 billion. Combined with earlier divestment activities, we have raised cumulatively over HK\$35 billion in the past five years, an amount that exceeds our total investment for all of our property acquisitions to date.

Sustaining the productivity of our portfolio requires us to always strive to create places people want to be at not just now, but also in the future. At The Quayside-our joint venture development project with Nan Fung Development Limited-and at T.O.P, we have implemented global best practices in green building standards including WELL, LEED and BEAM Plus certification. This has helped us attract globally renowned tenants into these properties. In recognition that our properties are extensions of the living rooms around us, enhancement works at TKO Gateway and T Town – two of our destination shopping centres – were completed with a specific focus on providing more public spaces and improving accessibility. Keeping a future-fit approach in mind ensures that we anticipate and address the evolving demands of our customers.

Delivering Results by Embracing Excellence

"We embrace excellence in order to recruit, motivate, empower and inspire our team to deliver world class results."

Central to everything we do at Link is our team of dedicated people aligned against a culture that emphasises ownership and demands excellence. This year we made significant

→ We should continue to strive for excellence by anticipating how our business will evolve in the future, and taking the necessary preparatory steps now. In this regard, we refined our strategic leadership and talent development plans to extend our bandwidth for Link's future sustainable growth.

improvement to how we manage and develop our human and intellectual capitals to align the collective talent of our team and achieve our strategic objectives. We revamped our Learning and Development programme to correlate closely with the performance review process. This enables our people to know which areas they are performing well in, and offers a structured approach to achieve continuous self-development.

Following feedback from our stakeholders and our brand perception audit, our long running Mystery Shopper Programme, which benchmarks service standards at our properties, has evolved into our Service Enhancement Initiative. The initiative will focus on measuring a wider range of attributes to ensure our properties provide comfortable environments that are professionally managed.

Embracing excellence also means that we recognise our potential leadership role. In September 2017, Link became a signatory of the UN Principles for Responsible Investment, an initiative that seeks to align businesses and the investment community on environmental, social and governance issues. Link is committed to being an active participant in regional and global initiatives to develop responsible investment best practices within the real estate sector.

Strengthening our Leadership

Our team has accomplished a lot together, but we should not be complacent. We should continue to strive for excellence by anticipating how our business will evolve in the future, and taking the necessary preparatory steps now. In this regard, we refined our strategic leadership and talent development plans to extend our bandwidth for Link's future sustainable growth. Andy Cheung was promoted to Chief Operating Officer (COO). Andy joined Link in 2010 as Chief Financial Officer (CFO) and under his leadership Link maintained strong financial standing that has enabled us to grow our business. As COO, Andy will supervise the project and development, property management and operations, legal and company secretarial and information

technology functions. Eric Yau has been promoted to Chief Strategy Officer and his role will focus on developing, communicating, executing and sustaining corporate strategic initiatives. We have also introduced K.S. Ng as CFO who will oversee the finance, treasury and insurance, risk management and research and data analytics functions of Link.

Delivering Robust Results

Our approach and progress in embracing change, sustainability and excellence is reflected in our financial performance in 2017/2018. We continue to see year-on-year improvement in revenue and net property income, growing at 8.3% and 9.6% respectively. The 9.4% and 16.7% year-on-year improvement in distribution per unit and valuation of our portfolio underscores the proven, long-term strategy of our business.

Looking Ahead

The retail market in Hong Kong continues to improve and we foresee a robust economy will remain in place, supporting growing consumption. Economies in Mainland China's tier one cities will remain steady, buoyed by growing household income and increasing purchasing power.

We are convinced that we have the right team and strategy in place to meet future opportunities and challenges. With our talented management team and engaged colleagues, we are well positioned to build on our past efforts and continue to create value for Unitholders and those around us.

George Kwok Lung HONGCHOY Chief Executive Officer

Link Asset Management Limited
As Manager of Link Real Estate Investment Trust
6 June 2018

Awards and Recognitions



We are committed to creating value across our business. Our effort to do so has been recognised by different organisations garnering Link with a range of awards and accolades. This affirms that Link is staying true to our vision of being a world class real estate investor and manager, serving and improving the lives of those around us.



安永企业家奖2017中国
香港 / 澳门地区大奖获奖者
EOY 2017 China Country Winner for
Hong Kong / Macau Region

EY Entrepreneur
Of The Year™



Property Design



MIPIM Asia Awards 2017

- Best Futura Project – Gold Winner (The Quayside)

Investor Relations



Institutional Investor 2017 All-Asia Executive Team Ranking

- Most Honored Companies
- Best CEO (Property) – Rank #1 (Overall)
- Best CEO (Property) – Rank #1 (Buy-side)
- Best Investor Relations Program (Property) – Rank #3 (Overall)
- Best Investor Relations Program (Property) – Rank #2 (Buy-side)
- Best Website – Rank #2 (Overall)

Governance



Hong Kong Corporate Governance Excellence Awards 2017

- Winner (Category 1, Main Board Companies – Hang Seng Index Constituent Companies)



Directors of the Year Awards 2017

- Non-Executive Director, Listed Companies (SEHK – Hang Seng Indexes Constituents) (Mr Nicholas Charles Allen)
- Board, Listed Companies (SEHK – Hang Seng Indexes Constituents)
- Recognition of Excellence in Board Diversity

Public Relations



14th Annual International Business Awards

- Gold Stevie Winner – Communications or PR Campaign of the Year – Community Relations – Asia (Guide Dog Localisation Programme)

Innovation



RICS Awards 2018 Hong Kong

- Certificate of Excellence in the “Refurbishment/Revitalisation Team of the Year” category (Butterfly Market)



Experiential Marketing Brilliance Awards 2017

- Best Shopping Mall App

Sustainability



IFMA Asia Pacific Awards of Excellence 2017

- Asia Pacific Best Managed Sustainability Program Award (Link Square)

Operating Landscape



Hong Kong's retail shoppers continue to predominantly favour in-store purchases due to close proximity, the desire for social interaction and unique experience, and the ability to touch and feel. However, as digital transformation advances and more retailers adopt an omni-channel business model, the retail landscape in Hong Kong will shift at a stronger velocity. The top three areas we foresee will have greatest impact on the retail environment are: shopper preference, e-commerce and technology.

Shopper Preference

Shoppers expectations of the retail environment have evolved significantly, transitioning from a main focus on just shopping into a desire for entertainment and social interaction that offers unique experience. Customisation, convenience, and optionality are some other key elements that appeal to shoppers nowadays. Adding to this, millennials are becoming a key purchasing power that embrace connectivity, interactive engagement and have the power to become influencers to their like-minded groups.

E-commerce

E-commerce has evolved from mainly online platforms to omni-channels where online platforms, mobile applications, and physical stores are integrated across multiple customer touch points. Merchants are leveraging analytic capabilities to individually tailor-make their products and service offerings to meet shoppers' needs. E-commerce platform players are reshaping the retail landscape, broadening their

reach and penetration in the retail ecosystem. Despite their growth, surveys have shown shoppers continue to shop at brick-and-mortar stores. The omni-channels new retail format will benefit Link so long as we continue to provide shoppers with unique values that are not displaceable by e-commerce.

Technology

Technology has enabled many new ways to satisfy customer demands, elevate retail experiences, and increase operational efficiency. Augmented reality allows shoppers to easily visualise products in real settings. Omni-channel integration and digital transformation provide shoppers with diverse retailing and transactional options to match their needs. Technologies like Internet of Things, location tracking, and video analytics enable mall operators to collect and transform data into actionable insights and leverage them to deploy better service support and enhance quality control and risk management.

KEY MARKET TRENDS IN HONG KONG

Economic Growth Stayed Vibrant

↑ **4.7%**

Source: Hong Kong Census and Statistics Department

Unemployment Rate Stood at a Low Level

2.9%

Note: Seasonally adjusted figure.

Source: Hong Kong Census and Statistics Department

Retail Rents Improved Gradually

↑ **0.1%**

Shopping Centre

Source: Jones Lang LaSalle

Office Rents Rose Steadily

↑ **3.5%**

Grade-A Office

Source: Jones Lang LaSalle

Demand for Parking Spaces was Fast Growing

↑ **2.5%**

Private cars licensed

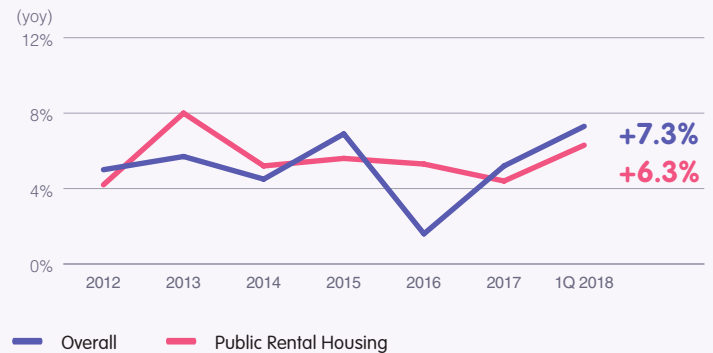
↑ **0.6%**

Private car parking spaces

Note: Figures as at 31 March 2018.

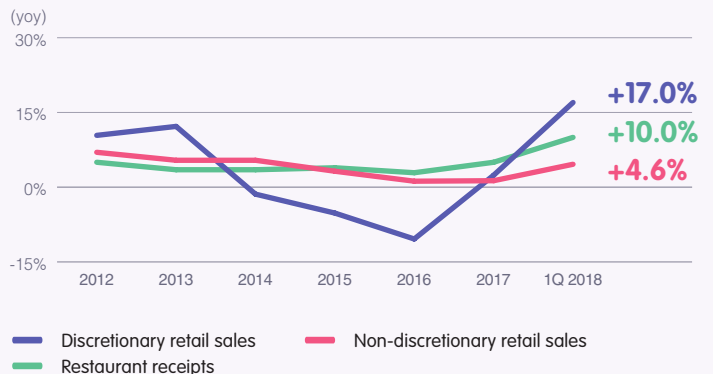
Source: Hong Kong Transport Department

Monthly Median Household Income Growth Remained Robust



Source: Hong Kong Census and Statistics Department

Consumer Spending Strengthened



Note: Non-discretionary retail sales include supermarkets and foodstuff and discretionary retail sales include the remaining types.

Source: Hong Kong Census and Statistics Department

KEY MARKET TRENDS IN MAINLAND CHINA

Retail Sales Growth Momentum Sustained

↑ **8.4%**

Guangzhou

Sources: Statistics Bureau of Guangzhou Municipality
Beijing Municipal Bureau of Statistics

↑ **4.7%**

Beijing

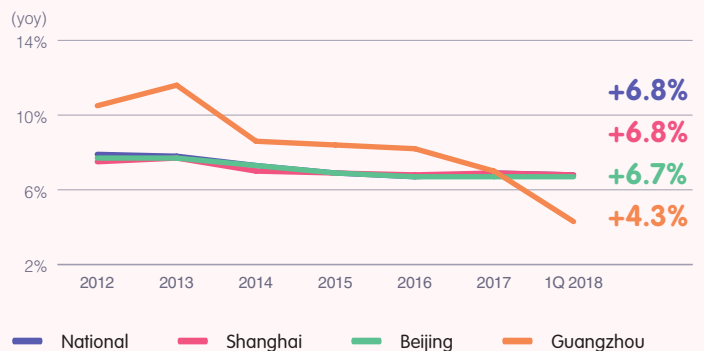
Core CBD Grade-A Office Rents Remained Stable

↓ **1.2%**

Shanghai

Source: Jones Lang LaSalle

Economic Growth Remained Sound



Sources: National Bureau of Statistics of China
Shanghai Municipal Statistics Bureau
Beijing Municipal Bureau of Statistics
Statistics Bureau of Guangzhou Municipality

New Destination in Mong Kok T.O.P This is Our Place



T.O.P This is Our Place is Link's first shopping centre situated in the vibrant and trendy core retail district of Mong Kok. T.O.P is our first property to offer shoppers a complete "New Retail" experience that melds online and offline shopping with technology and social engagement. "New Retail" represents our aspiration to break through conventional shopping mall management and heighten shopper experience in response to the evolving and ever challenging retail landscape.

New Retail

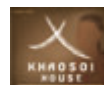
The rise of e-commerce is challenging traditional retailers and changing consumer preferences. To meet with the ever-evolving demands, T.O.P's tenant mix has turned to a seamless omni-channel experience – offering a variety of "New Retail" tenants and pop-up stores of fashion, lifestyle and accessories. While social media broadens the reach and recognition, T.O.P empowers new brands to engage with their customers from online to offline.

Shopper Preferences

To offer shoppers unique yet trendy shopping and dining experiences, T.O.P's tenant mix comprises exciting brands that are entirely new to Hong Kong, as well as brands that whet modern shoppers' appetite through cross-over and collaboration projects.

Technology

We continuously invest in technologies to enrich customer experience by bridging the online and offline retail gap. Our T.O.P app connects our tenants and shoppers on one platform to offer unparalleled service, selection and efficiency in every part of the shopping journey. Ultimately, shoppers stay at T.O.P longer and tenants benefit from omni-channel retailing.



Performance Review: Strategic Priorities



Build a productive portfolio

Link is committed to excellence in managing properties in Hong Kong and Mainland China, providing unique shopping and entertainment varieties to all stakeholders around us. The Quayside and Link Square – our commercial investments in Hong Kong and Shanghai – are first class office facilities for multinational corporations and large businesses seeking high-quality workplace.

 **97.0%** Occupancy in Hong Kong

 **99.4%** Occupancy in Mainland China

 **14** Asset enhancement projects completed in 2017/2018

 **52%** Premium to valuation for assets disposed in 2017/2018

 **31.3%** Energy consumption reduction in Hong Kong since 2010

 **126.2 tonnes** Waste diverted from landfill

During the year, Link witnessed resilient growth in our portfolio. Multiple growth drivers – management, enhancement, acquisition, divestment and development – were all in place to bring about continuous return to our Unitholders. We also achieved an important milestone this year by performing a strategic review and completed the divestment of 17 properties in Hong Kong. This marks the completion of a milestone in our portfolio upgrades and capital recycling, and provides a solid base for longer-term growth opportunities.

Management

Good management of assets are pivotal to running a successful property portfolio. This year, Link demonstrated the full breadth and depth of our management capabilities with implementation of an asset management model across the Hong Kong portfolio. A full team of asset managers was in force to oversee the overall performance of the properties.

Hong Kong Portfolio

Retail

Our disciplined approach to asset management helps sustain performance in a dynamic market. Occupancy rate for the portfolio remained high at 97.0% as at 31 March 2018. Reversion rate for the year reached 29.1%. Retail rentals went up 5.3% year-on-year. Excluding properties divested and acquired during the periods under analysis, retail rentals grew by 9.5% year-on-year, reflecting the growth potential of our current portfolio. Average monthly unit rent was HK\$62.4 psf as at 31 March 2018, up from HK\$55.3 as at 31 March 2017.

Operational statistics of the retail portfolio

	Occupancy rate		Reversion rate		% of total area ⁽¹⁾
	As at 31 March 2018 %	As at 31 March 2017 %	Year ended 31 March 2018 %	Year ended 31 March 2017 %	As at 31 March 2018 %
Shops	97.4	97.1	31.2	23.4	83.6
Markets/Cooked food stalls	92.9	90.3	12.9	27.0	9.2
Education/Welfare and Ancillary	97.1	91.4	15.0	20.5	7.2
Total	97.0	96.1	29.1	23.8	100.0

Note:

(1) Total excluding self-use office.

Retail portfolio breakdown

	No. of properties	Retail properties valuation	Retail rentals	Average monthly unit rent ⁽¹⁾		Occupancy rate	
		As at 31 March 2018 HK\$'M	Year ended 31 March 2018 HK\$'M	As at 31 March 2018 HK\$ psf	As at 31 March 2017 HK\$ psf	As at 31 March 2018 %	As at 31 March 2017 %
Properties							
Destination	6	30,604	1,117	83.0	76.0	96.3	96.9
Community	33	74,273	3,358	70.6	65.9	97.7	96.8
Neighbourhood	70	36,636	1,670	44.9	40.3	96.4	94.8
Properties divested ⁽²⁾	–	N.A.	546	N.A.	41.6	N.A.	96.4
Total	109	141,513	6,691	62.4	55.3	97.0	96.1

Notes:

(1) Average monthly unit rent represents the average base rent plus management fee per month per square foot of leased area.

(2) Amounts related to the 17 properties divested in February 2018.

Performance Review: Strategic Priorities

Portfolio lease expiry profile

(as at 31 March 2018)

	% of total area %	% of monthly rent %
2018/2019	31.7	27.2
2019/2020	21.7	23.0
2020/2021 and Beyond	37.3	44.2
Short-term Lease and Vacancy	9.3	5.6
Total	100.0	100.0

Car Parks

Currently, Link owns and manages approximately 61,000 car park spaces in Hong Kong which are in close proximity to our shopping centres. Car park spaces remained in high demand due to limited supply in Hong Kong. Improved shopping environment post-asset

enhancement also helped create higher visitations and stronger demand for hourly parking spaces at our properties. During the year, car park revenue grew 5.5% year-on-year and excluding properties divested and acquired during the periods under analysis, it grew by 10.9%. Car park income per space per month increased by 11.3% year-on-year for the year ended 31 March 2018.

Key car park performance indicators

	Year ended 31 March 2018	Year ended 31 March 2017
Car park income per space per month (HK\$)	2,492	2,239
	As at 31 March 2018	As at 31 March 2017
Total valuation (HK\$'M)	34,510	30,813
Average valuation per space (HK\$'000)	567	446

Mainland China Portfolio

Our Mainland China portfolio – comprising EC Mall in Beijing, Link Square in Shanghai and Metropolitan Plaza in Guangzhou (which was acquired during the year) – reported a solid set of results during the year with total revenue of HK\$884 million (2017: HK\$574 million) and net property income of HK\$684 million (2017: HK\$459 million), up respectively 54.0% and 49.0% year-on-year.

Since the completion of acquisition of Metropolitan Plaza in May 2017, we have enhanced the trade mix and

achieved near full occupancy. EC Mall's performance is testimony to our proven expertise in investing and managing regional shopping centres in Mainland China. Link Square continued to deliver stable and satisfactory results.

As at 31 March 2018, occupancy of EC Mall and Metropolitan Plaza stood at 100.0% and 99.2% respectively. Reversion rate of EC Mall remained strong at 29.4% while reversion rate of Metropolitan Plaza was 61.2%. Our Mainland China office property was 99.3% occupied and the reversion rate also improved to 13.3% during the year.

Portfolio lease expiry profile

(as at 31 March 2018)

	Retail		Office	
	% of total area %	% of monthly rent %	% of total area %	% of monthly rent %
2018/2019	18.6	18.3	9.7	9.6
2019/2020	23.4	32.0	20.5	22.0
2020/2021 and Beyond	57.5	49.7	69.1	68.4
Vacancy	0.5	–	0.7	–
Total	100.0	100.0	100.0	100.0

Enhancement

Enhancement of our properties unlocks the growth potential of our portfolio. Through our asset enhancement programme, we transform ageing assets into modernised shopping centres with more shopping varieties and good shopping experiences for our shoppers, and much-improved operating environment for our tenants. The repositioning of our shopping centres adds value to our Unitholders and the community around them.

During the year, we completed 14 asset enhancement projects all of which exceeded 15% return on investment. Among them, the asset enhancement projects at T Town (formerly known as Chung Fu Plaza) and TKO Market are

major overhaul and showcase Link's abilities as a leading owner and manager of retail assets in Hong Kong.

The full upgrade of Temple Mall South is a continuation of the enhancement work of Temple Mall North. The aged and underutilised fresh market had been converted to a well-designed retail and food and beverage arcade which complemented the retail offerings of Temple Mall North and South and brought the best out of their growth potential. Footfall of Temple Mall South has also improved as the new food and beverage arcade draws traffic from the MTR station. We also carried out refurbishments in three Community Shopping Centres (namely Siu Sai Wan Plaza, Tsz Wan Shan Shopping Centre and Tin Chak Shopping Centre) to upkeep the properties' competitiveness.

Performance Review: Strategic Priorities

We maintain a pipeline of asset enhancement projects to keep growing our properties and the return to Unitholders. Currently, we have 10 projects underway with another four projects to commence. There are also over 20 projects under planning feeding the pipeline well into 2023.

This year is a record year for fresh market upgrades. 12 fresh market enhancement projects were completed with three under direct-management and nine by our market operator partners. We have accelerated the pace of fresh market revitalisation in view of increasing shopper demands and very encouraging feedback from the market tenants.



TKO Gateway one-stop retail hub with a wider appeal

Completed in 2016, asset enhancement of TKO Gateway involved upgrading the shopping arcade and rebranding Hau Tak Shopping Centre into a Destination Shopping Centre in Tseung Kwan O. This year, we further upgraded the fresh market in TKO Gateway with revamped market stalls, new layouts and prominent entrances. A dedicated Food Lane has been introduced for light meals and late night snacks, drawing young shoppers and families for casual dining experience. Well connected to other districts by extensive transportation network, TKO Gateway together with the transformed TKO Market has become a unique one-stop retail hub and gateway to the area, attracting shoppers within and outside Tseung Kwan O.



Return on investment of asset enhancement projects completed in the year ended 31 March 2018

	Total project capex HK\$'M	Estimated return on investment ⁽¹⁾ %
Lung Hang Commercial Centre	58	21.4
T Town	260	19.1
Cheung Wah Shopping Centre	101	17.6
Kwong Fuk Commercial Centre ⁽²⁾	31	20.4
Fu Tung Market ⁽²⁾	29	25.9
Tin Tsz Shopping Centre	38	37.7
Temple Mall South	151	30.7
Siu Sai Wan Plaza	56	25.0
Lok Wah Commercial Centre	46	15.3
Tsz Wan Shan Shopping Centre – Retail	70	24.8
Tsui Ping North Shopping Circuit	37	30.1
TKO Market ⁽²⁾	91	15.3
Hin Keng Shopping Centre	35	40.4
Tin Chak Shopping Centre	41	15.2
Total	1,044	

Notes:

(1) Estimated return on investment is calculated based on projected net property income post project minus net property income pre project divided by estimated project capital expenditures and loss of rental.

(2) Include a fresh market upgrade.

Asset enhancement pipeline

	Number of projects	Estimated costs HK\$'M
Underway	10	912
Pending statutory approval	4	559
Others under planning	> 20	> 1,300
Total	> 34	> 2,771

Approved asset enhancement projects underway

	Estimated costs HK\$'M	Target completion date
Wan Tsui Commercial Complex	151	Mid 2018
Homantin Plaza ⁽¹⁾	124	Mid 2018
Sam Shing Commercial Centre	32	Mid 2018
Fu Shin Shopping Centre ⁽¹⁾	93	Mid 2018
Kai Tin Shopping Centre Phase 1	34	Late 2018
Cheung Fat Plaza	98	Late 2018
Fu Tai Shopping Centre	59	Late 2018
Shun Lee Commercial Centre	76	Early 2019
Lok Fu Place	151	Early 2019
Choi Ming Shopping Centre	94	Early 2019
Total	912	

Note:

(1) Include a fresh market upgrade.

Performance Review: Strategic Priorities

Acquisition

Our performance is underpinned by a resilient portfolio with focus on sustainable DPU growth. In May 2017, we completed the acquisition of Metropolitan Plaza in Guangzhou for RMB4,065 million.

We see growth potential with Metropolitan Plaza. It is strategically located at the core of Liwan district and enjoys good connectivity via direct connection with the Huangsha metro station. Food and beverage, leisure and entertainment accounted for over 40% of the space by area, offering a unique shopping, dining and entertainment experience for shoppers and visitors in the area. With outstanding reversion, Guangzhou Metropolitan Plaza has contributed significantly to our overall portfolio.

The tower portion of 700 Nathan Road in Mong Kok was opened for operation in late 2017. It has received strong interest from medical clinics, beauty and co-working business centres and around 70% of space has been committed or under advanced negotiation as at 31 March 2018. Retail podium — branded T.O.P This is Our Place — is scheduled for launch in mid-2018. T.O.P will feature food and beverage, lifestyle and fashion and beauty brands popular among youngsters. We expect T.O.P to become an iconic destination for exciting urban entertainment in a prime area, retaining and growing Link's share of our shoppers' wallets.

Going forward, we will continue to explore acquisition opportunities in retail properties in suburban areas and premium grade-A offices located in core CBDs in Hong Kong and tier-one cities in Mainland China with a view to enhance quality mix of our portfolio.

Divestment

We pursue a capital recycle strategy to enhance our portfolio quality. During the year, upon a portfolio strategic review, we divested 17 properties for HK\$23 billion. In aggregate, a premium of 52% over their appraised value (as at 30 September 2017) was achieved. The divestment attracted strong interests among local property investors as well as global property investment funds, and raised the profile of our retail properties among institutional investors beyond Hong Kong.

The divestment marks the completion of a milestone in portfolio upgrades and capital recycling in the long-term growth trajectory of Link, when non-core or slow growth properties were replaced with quality assets in Hong Kong and Mainland China. Proceeds would be used to neutralise the DPU loss from the divestment through continued unit

buyback where market conditions and regulations permit, fund new acquisitions of quality assets when opportunities arise, repay debts and for general working capital purposes.

Development

The Quayside, our joint venture project with Nan Fung Development Limited at 77 Hoi Bun Road in Kowloon East, will be completed in early 2019. J.P. Morgan has committed to take up about 32% of the office space. Featuring large floor plates and a podium garden with sports and recreational facilities, The Quayside is set to become a new grade-A office landmark in the vibrant business district of Kowloon East. The HKSAR Government has rolled out many initiatives to promote and make the Kowloon East Action Area attractive to business and corporations seeking expansion or relocation from core-CBD areas. Construction and leasing are both progressing well.

Designed and developed as an environmentally-friendly low carbon building, The Quayside has achieved LEED Platinum, BEAM Plus Platinum and WELL Gold pre-certifications and will offer over 400 electric vehicle ready parking spaces.

Environmental Excellence

Maintaining our progress to enable the creation of better places and meeting our environmental targets, we continued to install energy efficient lighting and equipment, implement retro-commissioning initiatives and fine tune control systems to optimise building service system's energy efficiency. As a result, our year-on-year annual consumption was reduced by 4.3% corresponding to 31.3% cumulative reduction in Hong Kong since 2010. This marks our achievement in reaching our 20/30 vision two years ahead of schedule. Our carbon footprint, comprising mainly electricity consumption, has been successfully reduced by 40.2% since 2010. To achieve another milestone, we have begun researching on Science Based Target methodologies, aiming to set our next energy target and continue to align with global best practices.

Continuing with our waste management efforts through surplus food collection, we partner with NGOs and tenants. During the year, approximately 126.2 tonnes of waste were diverted from landfills. A total of 31.5 tonnes of packaged food were redistributed and over 437,400 meals were produced for people in need using surplus food collected from our fresh markets.

Portfolio Management Strategy to Sustain Growth

We adopt a prudent approach by divesting non-core properties and acquiring higher-quality properties. We are pleased that this year marks the completion of a milestone in our portfolio upgrades and capital recycling, bringing about enhancement in overall portfolio quality and sustainable return to Unitholders.

Active portfolio management

**Spending
HK\$31 billion
since April 2011**



Acquisitions

- 4 properties in Hong Kong
- 3 properties in Mainland China
- 1 property development project in Hong Kong

**Raising
HK\$35 billion
since April 2011**



Divestment

- 45 non-core properties

Improved portfolio efficiency

Better resource allocation

Better quality portfolio

Valuation

+17.1%
CAGR⁽¹⁾

Promising return on investment

Unit Price

+15.5%
CAGR⁽¹⁾

Distribution per unit

+12.4%
CAGR⁽¹⁾

Improved market value

Net asset value per unit

+18.9%
CAGR⁽¹⁾

Note:

(1) Represents compound annual growth rate from 2011/2012 to 2017/2018.

Performance Review: Strategic Priorities



Maintain a balanced capital structure

Link remains focused on maintaining a prudent and flexible capital structure that enables us to weather market fluctuations and be agile in capturing business opportunities including acquisitions and divestments. The four pillars of our capital management strategy are:

- Optimising long-term capital structure and maintaining near-term flexibility;
- Maintaining strong corporate credit ratings to secure low funding cost;
- Extending debt maturity profile to mitigate refinancing risks; and
- Managing exposure to interest rate and foreign exchange volatility.



11.9%

Gearing ratio



75.8%

Fixed rate debt/
total debt



2.89%

Effective interest rate



HK\$22.7 billion

Total liquidity



A/A2 stable

Credit ratings



64.5 million units

Unit buyback
in 2017/2018

Capital Management

During the year under review, US Federal Reserve increased interest rate three times (for a total of 0.75%) as US employment and inflation continued to pick up. However, HKD interest rates increased at a much slower pace due to liquidity flooding the Hong Kong banking system. Interest rate differential between USD LIBOR and HKD HIBOR exceeded 1%, a level not seen in the last decade.

HK\$ loan margins were also under pressure and squeezed to the lowest level since financial crisis in 2009. We took the opportunity to refinance a HK\$1 billion bank loan with 5-year maturity at an all-in cost of HIBOR + 0.8% per annum.

17 properties were divested during the year under review for a total of HK\$23 billion, of which HK\$12 billion has been applied to revolving bank loan repayment. While achieving interest cost savings, we are able to maintain the flexibility to redraw such amount when cash flow needs arise.

As at 31 March 2018, total debt was HK\$26.3 billion (31 March 2017: HK\$28.0 billion) and our available liquidity increased to HK\$22.7 billion (31 March 2017: HK\$10.7 billion), comprising HK\$11.7 billion cash and deposit (31 March 2017: HK\$0.7 billion), and HK\$11.0 billion undrawn committed facilities (31 March 2017: HK\$10.0 billion). Increase in year-end cash and deposit balance was primarily due to the cash retained from divestment.

Gearing ratio reduced to 11.9% (31 March 2017: 15.6%) mainly due to a higher property valuation during the year under review. Average life of committed debt facilities stood at a healthy level of about 4 years (31 March 2017: 4.7 years).

Looking ahead, the financial market generally expects at least two more interest rate hikes by US Federal Reserve by the end of 2018. If liquidity in the HKD banking market starts to reduce, HKD interest rate may increase faster than US\$ interest rate. However, we believe that Link is well positioned to face the potential challenge. As at 31 March 2018, 75.8% of our total debt was maintained at fixed interest rate (31 March 2017: 61.4%). Average life of fixed

rate debt, representing the average period of interest rate protection provided by fixed rate debt, stood at 5.3 years (31 March 2017: 6.3 years). Due to the increased hedging percentage, effective interest cost of our debt portfolio increased to 2.89% (31 March 2017: 2.65%).

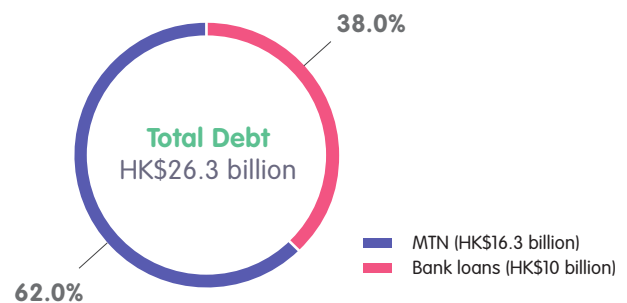
As part of Link's capital management strategy, we used some of the proceeds from divestment to buy back 64.5 million units during the year under review at an average price of HK\$67.43 per unit. We expect to continue with further unit buyback of up to 80 million more units in the coming months to neutralise loss in distribution from divestment where market conditions and regulations permit.

On 21 July 2017, Standard & Poor's upgraded Link's anchor rating from "a" to "a+" in view of our strong market position, strengthened asset quality and improving geographic diversification. Link's key rating trigger (ratio of funds from operation to debt) was relaxed from 15% to 12% while our overall credit rating was affirmed at "A/Stable". As a result of this relaxation of rating trigger, coupled with the increased available liquidity we have after the divestment, Link has more flexibility in raising funds and a higher acquisition buffer for future acquisition when opportunities arise. On 8 May 2018, Moody's affirmed Link's credit ratings at "A2/Stable".

Proceeds from the 2016 green bond issuance were fully allocated in 2016/2017 and verified by the Hong Kong Quality Assurance Agency. Status of the projects funded by proceeds from the green bond can be found on our website.

Funding base

(as at 31 March 2018)



Performance Review: Strategic Priorities

Committed debt facilities ⁽¹⁾

(as at 31 March 2018)

(HK\$ billion)	Fixed rate debt ⁽²⁾	Floating rate debt ⁽²⁾	Utilised facilities	Undrawn facilities	Total committed facilities
Unsecured bank loans	10.0	–	10.0	11.0	21.0
MTN	9.9	6.4	16.3	–	16.3
Total	19.9	6.4	26.3	11.0	37.3
Percentage	75.8%	24.2%	70.5%	29.5%	100%

Notes:

(1) All amounts are at face value.

(2) After interest rate swaps.

Facility maturity profile ⁽¹⁾

(as at 31 March 2018)

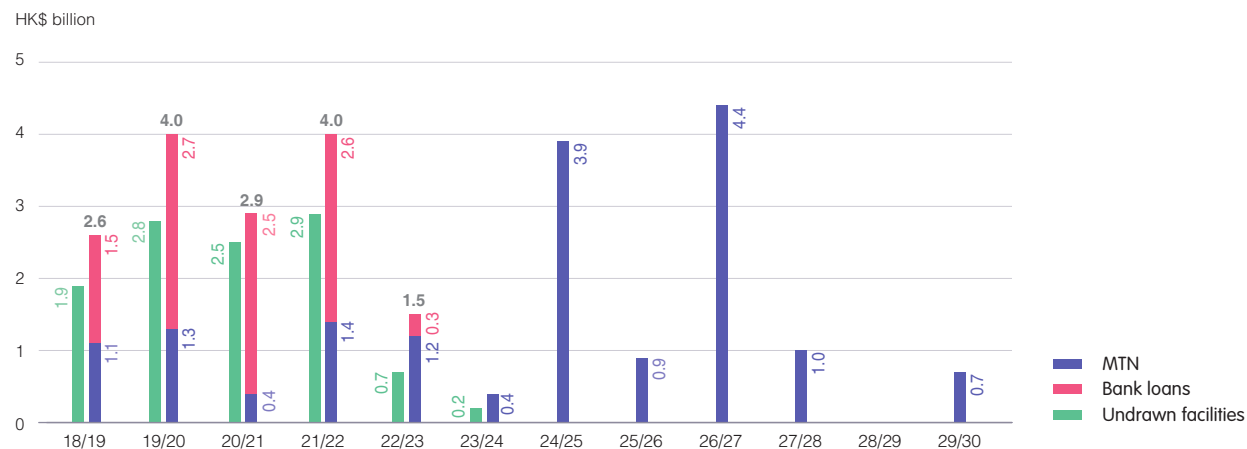
(HK\$ billion)	Unsecured bank loans	MTN	Undrawn facilities	Total
Due in 2018/2019	1.5	1.1	1.9	4.5
Due in 2019/2020	2.7	1.3	2.8	6.8
Due in 2020/2021	2.5	0.4	2.5	5.4
Due in 2021/2022	2.6	1.4	2.9	6.9
Due in 2022/2023 and beyond	0.7	12.1	0.9	13.7
Total	10.0	16.3	11.0	37.3

Note:

(1) All amounts are at face value.

Facility maturity profile ⁽¹⁾

(as at 31 March 2018)



Note:

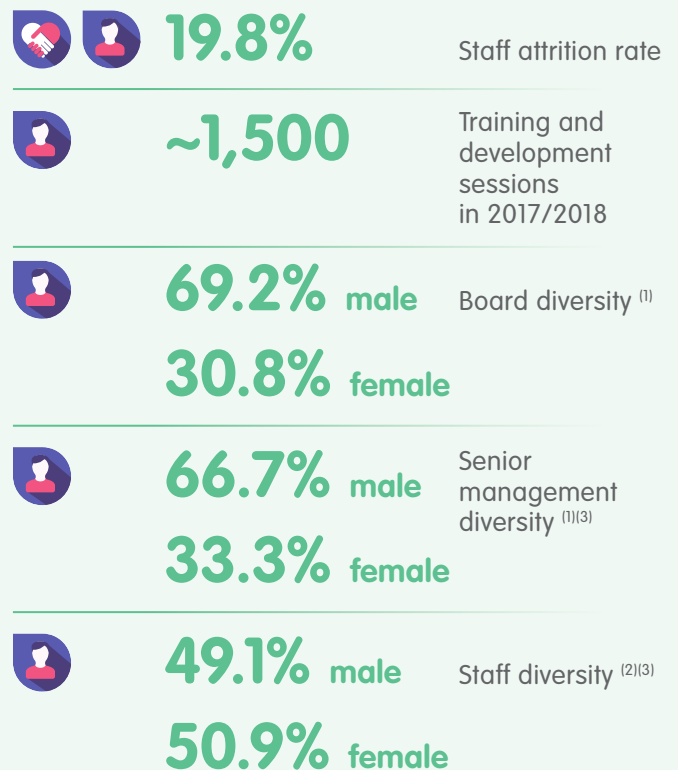
(1) All amounts are at face value.



Develop a strong team

Link's continuous growth is underpinned by the effort and contribution of our team comprising nearly 900 people. We believe the key to building a talented, fully-aligned and high performing team lies in our commitment to provide opportunities for our staff to learn, grow, and be inspired. We ensure that our people are well prepared for future business dynamics facing challenges and opportunities.

To maintain our productivity and ensure that our overall salary, bonus and other benefits remain competitive, we regularly review our talent strategy and plan such as workforce planning, total reward programmes and the learning and development initiatives.



Notes:

(1) Figures as at date of this report.

(2) Excluding senior management, as at 31 March 2018.

(3) Excluding CEO and COO.

Performance Review: Strategic Priorities

Attracting and Retaining Talent

Having the best fit in each work position builds a strong platform for us to elevate Link to a higher level of success. At Link we constantly assess our talent pipeline and mobility to identify and capture opportunities to grow our human capital.

Strengthening Leadership Bench

This year we reinforced our human capital foundation and developed a bench of capable and aligned leaders to help our business grow. At senior executive level, we introduced the new roles of COO supervising the project and development, property management and operations, legal and company secretarial and information technology functions, and CSO who will help develop our corporate strategy and oversee the implementation of initiatives agreed with the Board.

In the year, we also expanded our talent pool with new hires of professional managers from diverse industries, professions, and backgrounds in lock-step with our growth and the expansion of our business in Hong Kong and Mainland China.

Building and Developing People Capabilities

Building a pipeline of talent is the first critical step of enhancing our people capabilities. The introduction of Link's Management Associate Program with well-designed career development roadmap helps attract young talent for our human capital stockpile. In 2017/2018, we continued our investment in learning and development to prepare our workforce for their career development. To this end, we put in place a progressive competency-based approach in people development. This ensures that members of our

team not only know what is expected of them in their current roles, but also the competencies and attributes they should bring to bear on Link's future. This is in addition to the continuous efforts in reviewing learning needs and developing just-in-time learning tools for our workforce to sharpen their capabilities.

Leadership Development

Building leaders today for tomorrow is critical for long term and sustainable growth of an organisation. This year, we launched the Leaders Development Centre (the Development Centre) as part of our people capability acceleration initiative. With the focus of "Fit for Future", the Development Centre serves as the platform in developing leadership competencies for strategic execution capability. Since the launch of the Development Centre in early 2018, a series of leadership development initiatives have been mapped and rolled out including the Leaders Forum which was a thought-exchange session to develop strategic thinking capabilities through simulated case-based learning. To embed a sense of joint-ownership in their own development journeys, all staff have mapped their development key performance indicators into the individual annual objectives to ensure continuous and lifelong learning.

Staff Engagement

To deliver excellent performance as well as being closely connected and aligned with our business strategy, we see the significance in having open communication with our staff. We value and listen to our staff's feedback through various engagement initiatives. In 2017/2018, we conducted a company-wide employee survey to gather views on Link's policies and initiatives. Post-survey staff

Property Asset Management Training



62 Participants

1,212 Training Hours

In the year under review, we had the Property Council Academy coming from Australia to run a series of property asset management advanced trainings for not only our Directors and senior executives, but also members of our asset management team and its internal partners. The series of trainings covered not only business modelling but also technical areas like town planning, valuation methodologies, building design and facilities management for energy-saving and environmental friendliness for staff to have a thorough understanding of the strategic role of asset management in the business of Link.

focus groups were organised to follow up on areas identified. An open and transparent dialogue with staff ensures business plans are well understood on execution, and openness in staff communication helps retain talents.

This past year, we continued to support volunteer works. We encouraged our staff to participate in various community works or our Link Together Initiatives. To acknowledge their contribution to society and community, we grant volunteer leave to volunteering staff.

Health, Well-Being and Safety

At Link, health and safety are not only about statutory compliance. We care about the well-being of not only our own staff but also staff of the contractors who work at and visitors who visit our properties. Our operations comply with industry regulations. In the year under review, we reviewed and updated our health and safety policy and had zero accidents at the work place. We provided training on health and work safety for our staff and contractors and had zero work day loss across our business operations. We conducted routine emergency drills at our properties and emergency response operations as part of our disaster recovery plan.

Work-life balance enhances productivity and performance. We promote staff well-being by encouraging them to live a healthy lifestyle. During the year, we introduced a Wellness Programme – themed “We Link People to a Healthy Future” – bringing together activities such as Green Monday emphasising healthy diet, providing in-office fatigue/relaxation equipment and therapeutic programmes by The Hong Kong Society for the Blind and employees assistance hotline on mental health and stress management.

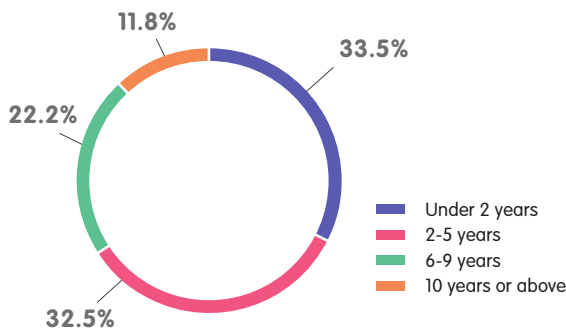
Diversity and Inclusion

We recognise the value of diversity and inclusion in building an agile, dynamic team to serve tenants and other stakeholders living around our properties. At Link, we welcome talent from all races, backgrounds, skill set and experiences. We are the first REIT in Asia to endorse the Women’s Empowerment Principles – a closely tied collaboration between UN Women and the UN Global Compact and are committed to respecting and implementing the principles at all levels of our business.

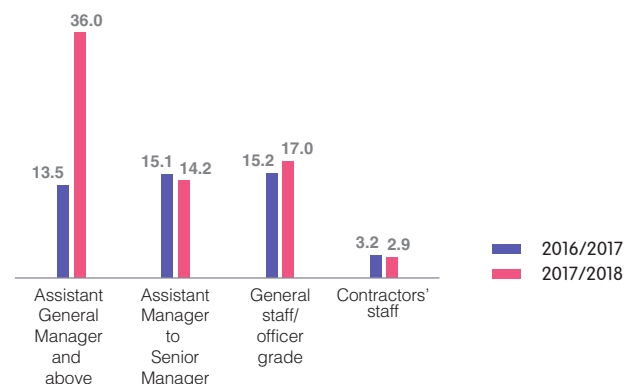
As of 31 March 2018, half of our workforce is female. We have four females among our senior executives and four female Board members. We ranked second among 51 Hong Kong listed companies surveyed on percentage of women directors serving at board level. On age, our employees are evenly spread across different age groups.

As of 31 March 2018, we have 895 employees, including 15 Mainland China staff. In the year under review, our staff attrition rate for Hong Kong operations was approximately 19.8% (2017: 19.4%), which was roughly in line with previous year and reflected keen competition for labour across industries in Hong Kong. Attrition rate was, however, low among staff with good performance rating. We continue to refine our talent management strategy to attract and retain staff.

Employees’ years of service



Average hours of training



Performance Review: Strategic Priorities



Help our communities flourish

Creating places that offer compelling and enjoyable experiences for our shoppers is what we do best. We develop strong relationships with our tenants and support them in their omni-channel businesses. When our communities do well, we do well.



~19,000

Link Tenant Academy Participants since 2008



+8.0%

Tenant Sales Growth in Hong Kong



79/100

Mystery Shopper Programme score



96%

“Neutral” to “Positive” perception ⁽¹⁾



~HK\$9 million

Earmarked to support 2017/2018 Link Together Initiatives



114

Link Community Sentiment Index

Note:

(1) Total 1,020 street intercepts (face-to-face) with Hong Kong general populations, completed between 6 February and 11 March 2018. Data weighted to general population following the quota sampling methods.



Park & Dine App

~ 260,000
downloads
since launch
(as at 31 May 2018)



We launched the first integrated payment platform in Hong Kong in January 2018, which offers both e-payment and mobile parking payment through our award winning mobile app. To enhance our customer experiences, real-time information on parking availability, our brand new “e-parking” function, enables drivers to access car parks and pay parking fees by scanning a QR code via mobile phones. E-coupons can be redeemed by drivers for free parking awards. We are currently piloting these new services at selected car parks, with plans for further expansion over the next two years.

Building Better Places and Meeting our Communities Needs

Consumer trends change and they change fast. We help our tenants adapt to modern-day shopping environments and grow their business. We continuously renovate and upgrade our retail facilities. We constantly assess and improve our property management standards in lockstep with the upgrade and improvements we are making to our properties. These efforts aim to provide good operating environment for our tenants and enjoyable shopping experience to shoppers.

Our Mystery Shopper Programme – launched in 2011 – has been an integral part of our continuous efforts to enhance customer shopping satisfaction. It was conducted by independent party which injected objectivity, credibility, and valuable input in our assessment on the quality of our property management service standards and amenities across our portfolio. The results of the Mystery Shopper Programme are announced as part of a competition among property clusters and analysed to improve the efficiency of our operations. Through results collected, we update property management standards of our staff and provide

Tenant Mix

Our portfolio is well-structured with more than 9,500 tenancies across Hong Kong, offering diversified shopping experiences to shoppers. District-level analyses and tenant surveys are key approaches we use to identify opportunities and understand local demand and preferences. In response to changing customers' needs, we continuously refine our trade mix to create a vibrant ambience and good footfall for tenants. Compared to the last financial year, our average monthly retail sales per square foot of our Hong Kong portfolio grew gradually at 8.0%, outperforming the general Hong Kong retail market. Dominant daily

necessity trades such as “Food and Beverage” and “Supermarket and Foodstuff” remained robust and recorded a year-on-year growth in retail sales per square foot of 11.9% and 3.7% respectively, while “General Retail” had an 8.1% increase.

Rent-to-sales ratio of the overall Hong Kong portfolio was 12.9% for the year. On specific trade categories, our tenants' rent-to-sales ratios for “Food and Beverage”, “Supermarket and Foodstuff” and “General Retail” were 13.0%, 11.4% and 14.3% respectively for the year under review.

Hong Kong portfolio retail trade mix

(as at 31 March 2018)

Trade	By monthly rent %	By leased area %
Food and Beverage	27.6	28.1
Supermarket and Foodstuff	21.9	18.1
Markets/Cooked Food Stalls	14.6	8.8
Services	10.5	9.7
Personal Care/Medicine	5.7	3.8
Education/Welfare and Ancillary	0.9	7.2
Valuable goods (Jewellery, watches and clocks)	0.8	0.4
Others ⁽¹⁾	18.0	23.9
Total	100.0	100.0

Note:

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

Performance Review: Strategic Priorities

business guidance for tenants to attract and delight shoppers in the omni-channels retail business environment. Our portfolio-wide performance has remained consistent, particularly in categories such as environment and barrier-free accessibility.

Since 2013, we commissioned external consultants to conduct independent perception audits, covering the opinions of our stakeholders. Audit results continued to show progress in achieving “Neutral” to “Positive” perception, which accounted for 96%. As we grow, it is vital that we continue to assess our performance from the perspectives of those around us and find new ways to ensure our properties remain the preferred destination for our shoppers and tenants.

To understand our customers' spending patterns, profiles, needs and expectations, we began tracking the Link Community Sentiment Index (Link CSI) since 2014. In the 4th quarter of 2017, Link CSI was 114, which has continued to outperform Hong Kong Consumer Confidence Index (HK CCI). A steadied level has been maintained over the year and resulted in a 6.5% increase, when compared to the same quarter last year.

Link Tenant Academy

Good relationship with our tenants is essential to understanding their retail requirements and helping them flourish. In addition to providing a welcoming environment to do business, we build our relationships through our quarterly Link Tenant Academy events. In the past year, approximately 750 participants joined the events, which offered a platform to:

- Open two-way engagement with our tenants to voice their opinions;
- Provide and share the latest retail industry best practices to improve tenant's operational efficiency; and
- Foster awareness of the latest local retail trends specific to their business environment.

This year, we collaborated with the Hong Kong Institute of Financial Analysts and Professional Commentators (IFAPC) to provide wealth management and investment knowledge to both our tenants and shoppers. We launched three Link Tenant Academy Mall Talks that were held at our shopping centres, attracting approximately 190 participants throughout the year.

Our Tenant Excellence Awards – introduced last year – employed a “mystery shoppers” approach to help our tenants improve their services and offerings and grow their businesses against ever-evolving shopper preferences. To build on our awards scheme, the top ten tenants are presented with trophies and given an opportunity to join a mentorship programme organised by IFAPC.

Link Together Initiatives Updates

We understand that building and maintaining strong relationships with our communities is essential to the

sustainable success of our business. To this end, we implemented various projects through Link Together Initiatives, is our flagship charity and community engagement programme. Each year, we allocate up to 0.25% of our net property income of our last financial year to fund charitable projects. For 2017/2018 we approved approximately HK\$9 million for seven projects. Since 2013/2014, under the Link Together Initiatives we have earmarked approximately HK\$47 million for community and charitable projects.

The programme focuses on two core areas, Major Project Fund and Link First Generation University Student Scholarship. The Major Project Fund, in its fifth year of operation, contributed HK\$6.1 million to six community projects including “Food Angel-Love and Food Sharing” and “Music for Everyone @ Link”. The “Food Angel-Love and Food Sharing” is a comprehensive surplus food recycling programme at our fresh markets and shopping centres, which aims to reach approximately 1.3 million people and recover about 345,000 kg of food from being wasted during the second year of programme, starting from October 2017. A Total Impact Assessment was conducted for this programme, and results indicated that in the first year of funding every HK\$1 we invested created HK\$2.1 worth of socio-environmental benefits to the community.

Introducing musical instruments to children in need through interactive music performances from “Music for Everyone @ Link” creates opportunities for them, while developing their music careers through Link's Music Scholarship.



In line with our pledge that **“We Link People to a Brighter Future”**, we established our First Generation University Student Scholarship to support students in need. Since launch, the programme has supported 370 students who are the first from among three generations of their families to study at one of Hong Kong's universities. In 2017/2018 a total of HK\$2.8 million was awarded to 140 students. The programme was independently supervised by HKCSS WiseGiving Limited of The Hong Kong Council of Social Service with nominations coming directly from high school principals, 40 of which are second and third year university students that have independently applied online. Awardees are admitted into the Link Scholars Alumni and are given priority consideration on Link's internship programmes.

Performance Review: Financial Review

Link has concluded 2017/2018 with remarkable accomplishments. Complemented by the successful divestments following the completion of strategic review, we have achieved another set of solid financial results.



249.78

Distribution per unit
(HK cents)



27.6%

Total return for the year

Overall Financial Results

During the year, revenue and net property income increased by 8.3% and 9.6% year-on-year to HK\$10,023 million (2017: HK\$9,255 million) and HK\$7,663 million (2017: HK\$6,994 million), respectively. On a like-for-like basis excluding properties divested and acquired during the periods under analysis, revenue and net property income increased by 9.4% and 10.7% year-on-year respectively. DPU for the year increased by 9.4% to HK249.78 cents (2017: HK228.41 cents), comprising an interim DPU of HK121.50 cents (2017: HK111.75 cents) and a final DPU of HK128.28 cents (2017: HK116.66 cents). As at the last trading day of the 2017/2018 on 29 March 2018, the closing market price of the units was HK\$67.00 (31 March 2017: HK\$54.45). Together with the DPU, Link delivered a total return of 27.6% for the year with a distribution yield of 3.7%.

Valuation of the investment properties portfolio (including property under development and renovation and properties in Mainland China) continued to improve and reached HK\$203,091 million, representing an increase of 16.7% compared to 31 March 2017. On a like-for-like basis excluding properties divested and acquired during the periods under analysis, valuation of the investment properties portfolio (including property under development

and properties in Mainland China) increased by 25.4% year-on-year. Net asset value per unit grew 33.0% year-on-year to HK\$83.06 (31 March 2017: HK\$62.47).

Hong Kong Portfolio

Revenue Analysis

Growth of retail and car park portfolios remained steady and promising. Total revenue rose 5.3% to HK\$9,139 million (2017: HK\$8,681 million), comprising rental income from retail properties of HK\$6,691 million (2017: HK\$6,352 million), car parks of HK\$2,046 million (2017: HK\$1,940 million) and other property related revenue of HK\$402 million (2017: HK\$389 million).

While the Hong Kong retail market regained its momentum gradually in 2017, Link pursued active tenant mix enhancement and marketing programmes to create a better operating and shopping environment for our tenants. Retail rentals recorded a 5.3% increase with high reversion and occupancy. Car park rentals have also increased by 5.5% in view of the high demand of car parking spaces and the increase in visitations to our shopping centres. Excluding properties divested and acquired during the periods under analysis, retail rentals and car park rentals increased satisfactorily by 9.5% and 10.9% respectively.

Revenue breakdown

	Year ended 31 March 2018 HK\$'M	Year ended 31 March 2017 HK\$'M	Year-on-year change %
Retail rentals:			
Shops ⁽¹⁾	5,460	5,140	6.2
Markets/Cooked Food Stalls	905	893	1.3
Education/Welfare and Ancillary	149	147	1.4
Mall Merchandising	177	172	2.9
Car parks rentals:			
Monthly	1,537	1,456	5.6
Hourly	509	484	5.2
Expenses recovery and other miscellaneous revenue:			
Property related revenue ⁽²⁾	402	389	3.3
Total revenue	9,139	8,681	5.3

Notes:

- (1) Rental from shops included base rent of HK\$5,339 million (2017: HK\$5,015 million) and turnover rent of HK\$121 million (2017: HK\$125 million), respectively.
- (2) Property related revenue included other revenue from retail properties of HK\$397 million (2017: HK\$385 million) and car parks of HK\$5 million (2017: HK\$4 million).

Performance Review: Financial Review

Expense Analysis

Total property operating expenses increased by 0.7% during the year as a result of the divestment of 17 properties. Net property income margin improved to 76.4% (2017: 75.3%) under our disciplined cost control. Excluding properties divested and acquired during the periods under analysis, net property income margin improved to 77.0%.

Despite the 6.2% increase in statutory minimum wage in May 2017 and the increase in car park operators' contract fee, property managers' fees and security and cleaning expenses increased slightly by 2.3%. To enhance the attractiveness of our destination centres, promotion and marketing expenses increased by 12.4%. Investments in energy saving programme and building management system improvement contributed to lowered utility expenses by 2.4%.

Property operating expenses breakdown

	Year ended 31 March 2018 HK\$'M	Year ended 31 March 2017 HK\$'M	Year-on-year change %
Property managers' fees, security and cleaning	570	557	2.3
Staff costs	431	417	3.4
Repair and maintenance	211	219	(3.7)
Utilities	284	291	(2.4)
Government rent and rates	288	282	2.1
Promotion and marketing expenses	136	121	12.4
Estate common area costs	100	106	(5.7)
Other property operating expenses	140	153	(8.5)
Total property operating expenses	2,160	2,146	0.7

Mainland China Portfolio

The satisfactory results achieved by our Mainland China portfolio in the first half of the financial year were extended to the second half. With the contributions of our three properties, total revenue and net property income increased 54.0% and 49.0% year-on-year to HK\$884 million (2017: HK\$574 million) and HK\$684 million (2017: HK\$459 million) respectively, mainly attributable to the newly acquired Metropolitan Plaza.

Our retail portfolio achieved outstanding results. EC Mall in Beijing has achieved strong reversion at 29.4% and full occupancy. We churned over-size restaurant space at EC Mall into a mix of retail offerings with large varieties. The newly acquired Metropolitan Plaza in Guangzhou lifted our Mainland China portfolio's performance with outstanding rental reversion at 61.2% and increased occupancy to 99.2%.

Our office property – Link Square in Shanghai – recorded satisfactory reversion as a result of existing tenants' expansions.

Valuation Review

Notwithstanding the divestment of 17 properties in the year, total value of investment properties (including properties under development and renovation and properties in Mainland China) grew 16.7% from HK\$174,006 million as at 31 March 2017 to HK\$203,091 million as at 31 March 2018. On a like-for-like basis excluding properties divested and acquired during the periods under analysis, valuation of the investment properties portfolio (including property under development and properties in Mainland China) increased by 25.4% year-on-year.

Following the completion of strategic review, our valuer carried out a valuation review as at 31 December 2017 with a compression of capitalisation rates to reflect the high transacted price achieved in the successful divestment of 17 retail properties. As at this financial year end, value of our Hong Kong retail properties increased 13.4% to HK\$141,513 million (31 March 2017: HK\$124,739 million) and value of car parks increased 12.0% to HK\$34,510 million (31 March 2017: HK\$30,813 million) driven by the continuous improvement in our portfolio quality and the

compression of capitalisation rates. As at 31 March 2018, capitalisation rates compressed by 0.55% to 3.98% (31 March 2017: 4.53%) for retail and 0.60% to 4.14% (31 March 2017: 4.74%) for car parks. Value of the Hong Kong property under development in Kowloon East – The Quayside – also increased to HK\$8,733 million (31 March 2017: HK\$7,349 million).

Properties in Mainland China were valued at HK\$18,335 million (31 March 2017: HK\$11,105 million) upon the addition of Metropolitan Plaza in Guangzhou which increased the value of our Mainland China portfolio by 65.1% as at 31 March 2018.

Jones Lang LaSalle Limited, our Principal Valuer, valued our completed properties in Hong Kong and Mainland China using income capitalisation and DCF approaches, having also cross-referenced market comparables via direct comparison approaches. For the property under development, the residual method was used. For the property under renovation, the income capitalisation approach was used and cross-checked with the direct comparison approach.

Valuation approach

	As at 31 March 2018	As at 31 March 2017
Income capitalisation approach – capitalisation rate		
Hong Kong		
Retail properties: weighted average	3.98%	4.53%
Car parks: weighted average	4.14%	4.74%
Overall weighted average	4.01%	4.57%
Mainland China		
Retail properties	4.50% – 4.75%	4.50%
Office properties	4.25%	4.25%
DCF approach – discount rate		
Hong Kong		
	7.50%	7.50%
Mainland China		
Retail properties	7.25% – 7.75%	7.25% – 7.50%
Office properties	7.25%	7.25%

High Quality Investments – Mainland China Footprint



Expanding our portfolio to Mainland China marked an important milestone for Link. Our three Mainland China assets – EC Mall in Beijing, Link Square in Shanghai and Metropolitan Plaza in Guangzhou – have proven to be solid performers, strengthening our growth potential and opening new channels to create value.



EC Mall, Beijing



Link Square, Shanghai



Metropolitan Plaza, Guangzhou

Together with our holistic asset management expertise, our Mainland China portfolio further reinforces our business resilience and performance. We have been actively optimising tenant mix at Metropolitan Plaza to strengthen its reputation as shopping landmark in Guangzhou Liwan district.

Link Square has obtained LEED-EBOM Platinum certification to offer an environmentally friendly and healthy office building in a sought after location in Shanghai attracting renowned multinational corporations. EC Mall continues to maintain its position as an iconic shopping destination with high footfall and outstanding performance.

To extend our best practice in asset management across the Mainland

China portfolio, an integrated asset management dashboard will be introduced in the coming fiscal year. This will help streamline the reporting process and advance capability for monitoring and analysing critical performance parameters. Staff orientation sessions are also organised to integrate Link's culture, ensuring consistency in policies and procedures as well as tenant and shopper experience across our entire portfolio. This places Link in good position for future acquisition opportunities.

Our Mainland China investment focus will continue to be on quality retail and office properties with excellent growth prospects that complement our current portfolio.

Risk Management

During 2017/2018, we continued to improve our risk management policies and to strengthen an already robust risk culture within our business where we align risk management with strategies in our decision making process. Our risk management is as much about recognising and leveraging opportunities as about mitigating risks which have placed us in a competitive position to achieve our strategic objectives in a challenging environment.

Three Lines of Defence

A robust enterprise risk management framework coupled with strong internal control processes are cornerstones for our ongoing business development and growth. With clearly established roles and responsibilities for Three Lines of

Defence, our integrated risk management framework provides a basis for implementing a consistent and effective approach to identify, evaluate and respond to principal risks.



Roles and Responsibilities

Board of Directors/Audit and Risk Management Committee (the ARMC)

The Board has overall accountability for Link's risk management. The Board has delegated to the ARMC the responsibility for determining the nature, assessing likelihood and impact of risks on Link's business and ensuring appropriate internal control strategies are in place. The Board receives regular reports through the ARMC and from the Risk Management and Compliance Function and the Internal Audit Function.

1st Line of Defence – Operational Management

Being the first line of defence, operational management are in charge of business risk decision making. In order to manage the risks of our business, internal controls over risk management have been integrated into the daily operations with clearly established policies and procedures. Operational management is responsible for the implementation of effective internal controls to ensure business units are operating within the guidelines of our established control framework. During the year under review, management had updated relevant policies and procedures to cater for the evolving needs of Link's existing business or newly acquired business. Additional internal control measures have been put in place to anticipate and manage risks associated with Link's new business initiatives particularly in the Mainland China portfolio and property development project.

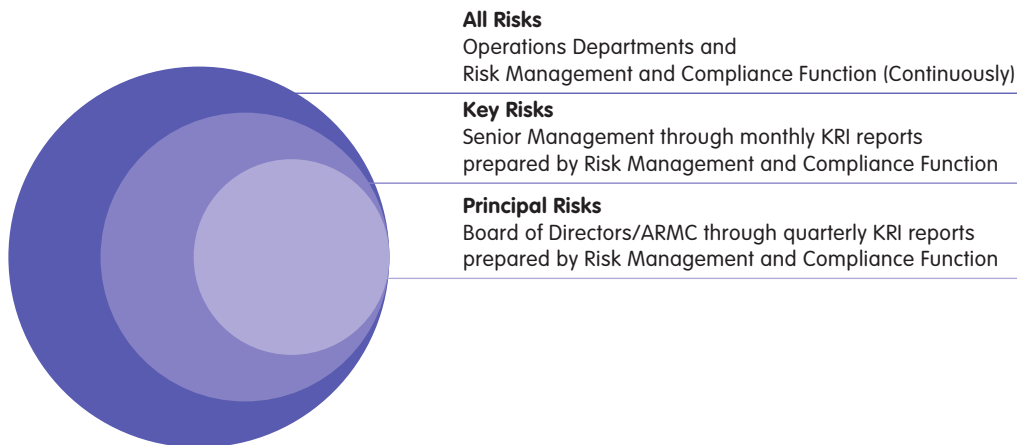
2nd Line of Defence – Risk Management and Compliance Function

The Risk Management and Compliance Function, as the second line of defence, monitors the effectiveness of the enterprise risk management framework. In particular, it provides guidelines to business units to facilitate the risk management processes, support management in assessing known and emerging risks, conduct risk analysis and risk workshops, maintain key risk indicators (KRI), develop risk

reports, follow up on internal controls and assist in developing escalation policies. As part of our risk reporting, internal control issues identified at the business unit level, if any, will be reported to the Board/ARMC/senior management to ensure that the risk oversight responsibilities could be carried out effectively.

(A more detailed explanation of the ARMC's activities is included in the Governance, Disclosures and Financial Statements report on pages 25-28.)

Link's risks are monitored by



3rd Line of Defence – Internal Audit

By carrying out independent reviews of key business processes and controls in accordance with the annual audit plan approved by the ARMC, the Internal Audit Function, as the third line of defence, provides independent objective assurance to the ARMC on whether the control environment within the business are adequate. The Internal Audit Function periodically reports to the ARMC and has regular meetings with the chairman of the ARMC bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. A whistle blowing policy has been in place such that possible improprieties may be detected earlier and brought to the attention of management and the ARMC.

Recognised Risk Management and Assessment Framework

With reference to a globally recognised risk management framework (ISO 31000:2009), establishing context is about setting the parameters around Link's risk appetite and risk management activities. It is important to ensure that the internal control measures and the objectives defined for the risk management processes have taken both the

organisational and external environment into account. The step aims to provide a comprehensive appreciation of all factors that may have influence on the ability of Link to achieve its business goals.

Risks identified through our risk management processes are prioritised based on the impact and likelihood criteria which have been clearly defined and approved by the Board.

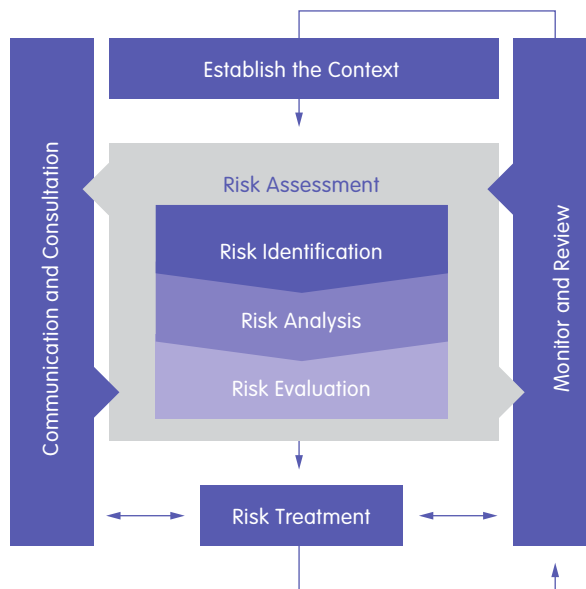
After assessing the inherent risks by possible causes, sources, likelihood and impact of the risk event, we can lower the risk by reducing the likelihood of the risk event occurring or by reducing the significance of the risk impact if it does occur through implementation of effective internal controls. Residual risk remains after internal controls are applied to an identified inherent risk.

An annual risk assessment, through various risk workshops, has been performed in an integrated top-down and bottom-up approach. Existing internal controls have been discussed and risks are evaluated at the entity level as well as the individual business unit level to determine the residual risk ratings. In addition, effectiveness of internal controls are monitored by the Risk Management and Compliance Function and reported to the ARMC periodically.

Risk Management

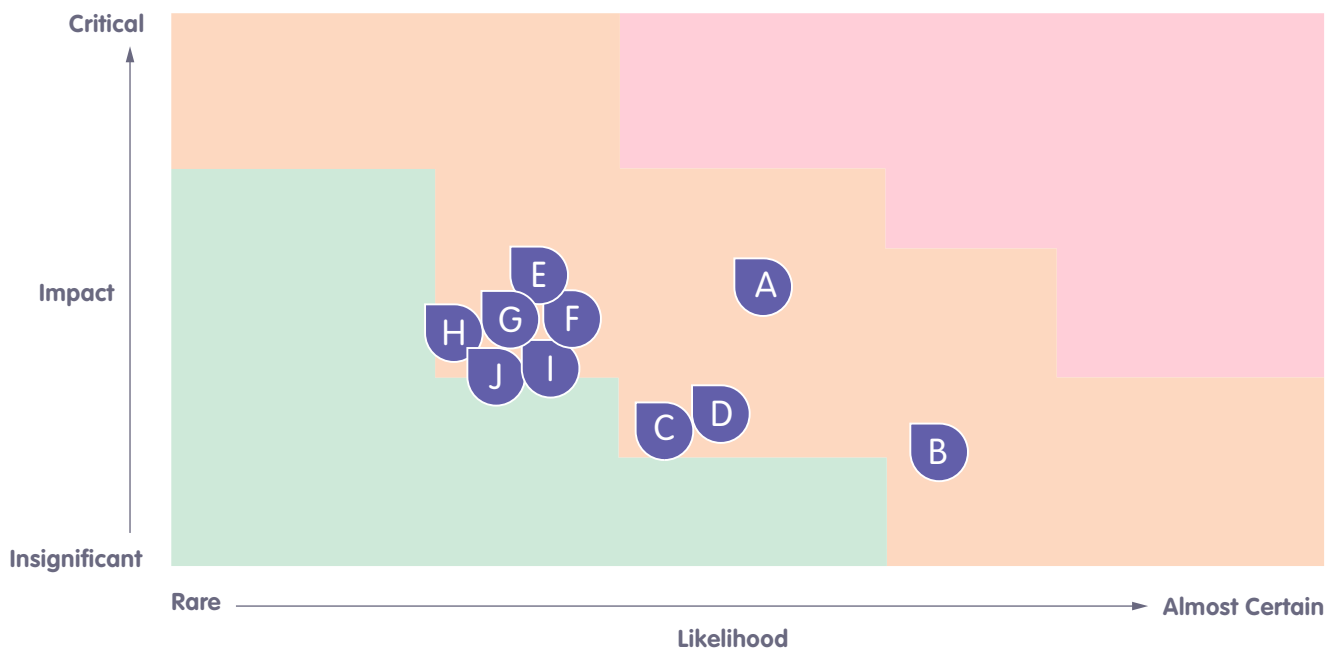
Such risks are discussed and responsibility for them is assigned to individual business unit most suitable to manage the risk. Assigned risk owners are required to continually monitor, evaluate and report on risks which they are responsible for.

Risk management process



(Source: The ISO 31000:2009 Risk Management Process)

Residual risk heat map



A – Economic Outlook

B – Brand and Reputation

C – Political

D – Financial Market Volatilities

E – Legal and Regulatory Compliance

F – Information Technology

G – Rental Income Sustainability

H – Management of Asset Enhancement and Property Development Projects

I – Asset Investment

J – Investor Relations

We have performed our annual risk assessment for 2017/2018 where we have reviewed and assessed the momentum of key risk areas which may affect the achievement of our strategic priorities and capitals. Based on the results of the 2017/2018 risk assessment, we concluded that the risk momentum of Link remains stable and our updated principal risks are as follows:

Link's Principal Risks



Financial



Placemaking



Talent



Environmental



Relationship



Innovation

Principal risks	Risk descriptions	Key mitigation/internal controls
Economic Outlook 	Unexpected adverse changes in macroeconomic environment could limit the ability of Link to meet investors' expectations on sustainable high growth in distribution yield and asset valuation	<ul style="list-style-type: none"> Continuous monitoring of key economic indicators Review of tenant and trade mix strategies to cope with economic changes Continuous focus on non-discretionary retail market segment
Brand and Reputation 	Significant time and resources may be required to cope with public criticisms, media scrutiny, protests and other negative actions relating to our business practices and may impact our brand value/reputation as well as our relationships with stakeholders	<ul style="list-style-type: none"> Dedicated teams to handle media/public enquiries On-going monitoring and understanding of stakeholders' view on Link Established policy for communication and branding
Political 	Changes in political landscape or relevant government policies may create difficulties or uncertainties towards the operating environment of Link and its tenants	<ul style="list-style-type: none"> Continuous monitoring of political agenda or relevant political topics Dedicated team to handle political issues Maintain direct and open dialogue with the community to enhance transparency
Financial Market Volatilities 	Unbalanced capital structure and unbudgeted volatilities in financial markets may have a material impact on Link's financing costs and portfolio valuation	<ul style="list-style-type: none"> Finance and Investment Committee oversees key financial matters Apply prudent capital management strategy and maintain diversified sources of financing
Legal and Regulatory Compliance 	Significant time and resources may be required to review business strategies/policies and procedures to cope with legal and/or regulatory changes	<ul style="list-style-type: none"> Trainings on regulatory requirements for relevant staff Legal advice to be sought from in-house legal counsel or external legal consultant when necessary
Information Technology 	Link may not be sufficiently prepared to prevent, detect and respond to the ever-changing cyber-threats which may cause business interruption and/or leakage of confidential information	<ul style="list-style-type: none"> Regular review and update of IT infrastructure Established policy or guidelines for the uses of information technology
Rental Income Sustainability 	Unexpected reduction of rental income due to loss of major tenants or changes in tenant's own strategy or customer shopping behaviours may affect our rental income sustainability	<ul style="list-style-type: none"> Tenant and trade mix strategies to cope with the needs of individual assets Direct and on-going engagement with existing and potential tenants
Management of Asset Enhancement and Property Development Projects 	Inadequate project monitoring on the scope, design, costs, quality, time, variation orders and communication may have a material adverse impact to Link's return on investment relating to property development and asset enhancement projects	<ul style="list-style-type: none"> Engage experienced business partners or consultants to work on projects Continuous monitoring of project status and progress
Asset Investment 	Fundamental assumptions and processes that underpin Link's investment strategies may be undermined, potentially impairing our ability to build a productive portfolio, achieve financial performance targets and attain efficient business operations	<ul style="list-style-type: none"> Regular evaluation of investment strategies and decisions Establish policies for acquired businesses to align operational practices
Investor Relations 	May not be able to successfully position Link units as an investment of choice, maintain and expand its investor base in a volatile business environment as sustainability of profits and valuation are under challenge	<ul style="list-style-type: none"> Continuous monitoring of Link's unit performance in the equity market Active engagement with investors and analysts

Corporate Governance

Link believes responsible governance should transcend mere fulfilling of regulatory requirements to becoming a value that is shared and upheld within Link for long-term success.

Our Board

The Board aims to promote Link's long-term success, deliver sustainable value to Unitholders and other stakeholders, and promote a culture of openness and debate.

Led by the Chairman, the Board sets strategy and risk appetite, leads and provides insight to management, monitors business progress against agreed business targets, and approves recommendation of Board Committees on matters delegated to them. Matters crucial to corporate governance such as changes to Articles of Association, Trust Deed and corporate governance policy, appointment and removal of Directors and their remuneration are specifically reserved for the Board ^(Note).

Currently, there are 13 Board members comprising two Executive Directors (EDs) who are the CEO and the COO, one Non-Executive Director (NED) and 10 Independent Non-Executive Directors (INEDs). The two EDs are full-time employees of Link, while the NED and the INEDs are not.

Biographies of our Directors as at the date of this report appear on pages 44 to 47 of our Governance, Disclosures and Financial Statements Report.

These elements accentuate our high corporate governance standards:

High independence	Higher diversity	Strong Board process
<ul style="list-style-type: none"> Total 13 Directors with 10 INEDs – 77% Board and all Board Committees are chaired by INEDs 	<ul style="list-style-type: none"> Diversity on range of expertise Gender – Female 31% 	<ul style="list-style-type: none"> Annual strategic review Number of Board/Board Committee meetings during the year – total 25 Average duration per meeting – approximately 2.3 hours (excluding the one-day off-site Board strategy meeting) Regular Board performance evaluation Vigorous induction, training and supports for all Directors Private session of INEDs and NED without EDs

Separate & Clearly Defined Roles

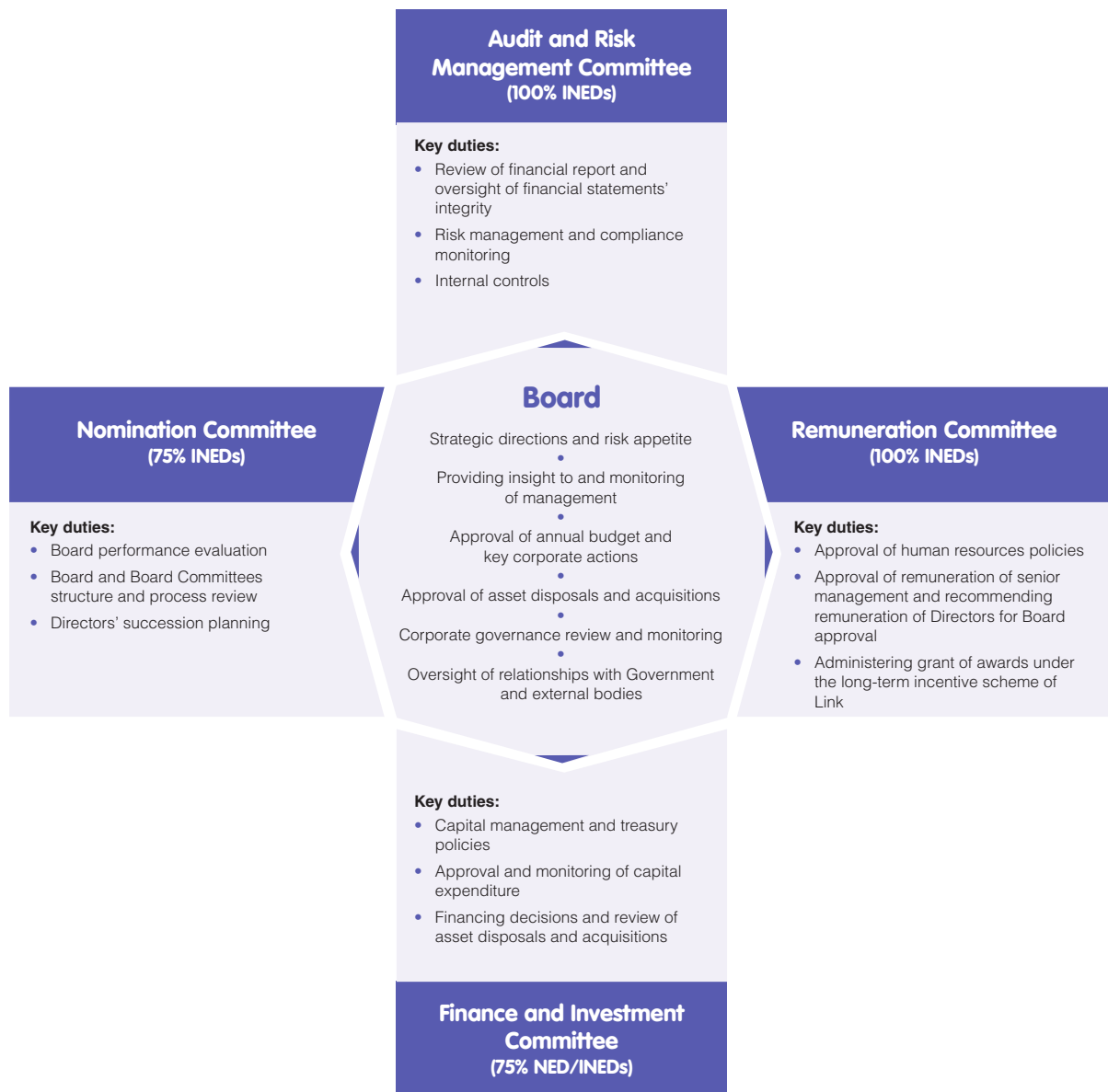
The Chairman and the CEO

The Board Chairman (who is an INED) leads and is responsible for running the Board. The CEO leads the management and is responsible for running Link's business and daily operations. The two roles are separate and performed by different individuals.

Note: For details of the matters specifically reserved for the Board, please see the "Corporate Governance" homepage on Link's corporate website at Linkreit.com.

The Board and the Board Committees

The Board is assisted by the Audit and Risk Management Committee, the Finance and Investment Committee, the Nomination Committee and the Remuneration Committee, with each operating under specific terms of reference as approved and reviewed from time to time by the Board. These updated terms of reference are posted on Link's corporate website (Linkreit.com).



The reports of the Audit and Risk Management Committee, the Finance and Investment Committee, the Nomination Committee and the Remuneration Committee for the year under review are set out on pages 25 to 34 of our Governance, Disclosures and Financial Statements Report.

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 2,150,058,972 units in issue as at 31 March 2018. Further details of units in issue are set out in Note 25 to the consolidated financial statements.

Financial Calendar

Final results announcement for the financial year ended 31 March 2018	6 June 2018
Ex-final distribution date	20 June 2018
Closure of register of Unitholders (for final cash distribution) ⁽¹⁾	22 June to 26 June 2018 (both days inclusive)
Record date for final cash distribution	26 June 2018
Final cash distribution payment date	5 July 2018
Closure of register of Unitholders (for the 2018 AGM) ⁽²⁾	20 July to 25 July 2018 (both days inclusive)
2018 AGM	25 July 2018
Interim results announcement for the six months ending 30 September 2018	November 2018

Notes:

- (1) In order to qualify for the final cash distribution of HK128.28 cents per unit for the year ended 31 March 2018, 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 21 June 2018.
- (2) In order for Unitholders to be eligible to attend and vote at the 2018 AGM, all transfer documents accompanied by the relevant unit certificates must be lodged with Link's unit registrar, Computershare Hong Kong Investor Services Limited (at the address above), for registration not later than 4:30 p.m. on 19 July 2018.

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)

Mobile App



Linkhk.com

Park & Dine Mobile App

Index Inclusion

Link is a component of the following selected indices:

Dow Jones Sustainability Asia Pacific Index

FTSE4Good Index

FTSE All-World Index Series

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

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

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

FTSE RAFI All World 3000

Russell RAFI 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

GPR⁽³⁾ General Quoted (World) Index

GPR⁽³⁾ General Quoted Asia Index

GPR⁽³⁾ General Quoted Hong Kong Index

GPR⁽³⁾ Global 100 Index

GPR⁽³⁾ IPCM⁽⁴⁾ LFFS⁽⁵⁾ Sustainable GRES⁽⁶⁾ Index

Hang Seng Index

Hang Seng REIT Index

Hang Seng Corporate Sustainability Index

GPR⁽³⁾/APREA⁽⁷⁾ Composite Index

GPR⁽³⁾/APREA⁽⁷⁾ Composite Hong Kong Index

GPR⁽³⁾/APREA⁽⁷⁾ Composite REIT Index

GPR⁽³⁾/APREA⁽⁷⁾ Composite REIT Hong Kong Index

GPR⁽³⁾/APREA⁽⁷⁾ Investable 100 Index

GPR⁽³⁾/APREA⁽⁷⁾ Investable 100 Hong Kong Index

GPR⁽³⁾/APREA⁽⁷⁾ Investable REIT 100 Index

Notes:

(1) European Public Real Estate Association

(2) National Association of Real Estate Investment Trusts

(3) Global Property Research

(4) Inflection Point Capital Management

(5) La Française Forum Securities

(6) Global Real Estate Securities

(7) Asia Pacific Real Estate Association

Definitions and Glossary

2007 LTI Plan	the long-term incentive plan of Link adopted by Unitholders on 23 July 2007 and expired on 22 July 2017
2017 LTI Scheme	the long-term incentive scheme of Link adopted by the Board on 10 July 2017
2017 AGM	the annual general meeting of Unitholders held on 26 July 2017
2018 AGM	the annual general meeting of Unitholders scheduled to be held on 25 July 2018
Articles of Association	articles of association of the Manager
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
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	the 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
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 (among others) the key processes, systems and measures in respect of Link’s operations and the corporate governance policy of Link
COO	Chief Operating Officer of the Manager
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(s)	Executive Director(s) of the Manager (unless the context requires otherwise)
ESG	environmental, social and governance
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, 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) as a cap to property development activities of Link under the REIT Code
Group	Link and its subsidiaries (unless the context requires otherwise)

HK CCI	Hong Kong Consumer Confidence Index, which is developed by The Nielsen Company (Hong Kong) Limited. Target respondents are Hong Kong general consumers who aged 15 and above. Interviews are conducted via online for around 500 samples in each quarter
Hong Kong or HKSAR	Hong Kong Special Administrative Region of The People's Republic of China
Hong Kong Stock Exchange or Stock Exchange or SEHK	The Stock Exchange of Hong Kong Limited
INED(s)	Independent Non-Executive Director(s) of the Manager (unless the context requires otherwise)
KPI(s)	Key Performance Indicator(s)
KRI	Key Risk Indicators
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
LEED-EBOM	LEED for Existing Buildings: Operations & Maintenance
Link or Link REIT	Link Real Estate Investment Trust
Link Corporate Governance Policy	the corporate governance policy set out in the Compliance Manual
Link CSI	Link Community Sentiment Index, which is developed based on the methodology of HK CCI. The target respondents are shoppers aged 15 and above of Link's shopping centres, across 16 districts in Hong Kong. Face to face interviews are conducted per quarter in 20 selected shopping centres for 720 samples. Interview period of Link CSI may be different from HK CCI within the quarter
Link Securities Dealing Code	the code governing dealings in securities of Link by Directors, senior management and other employees of certain senior grades of the Manager
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Listing Rules Corporate Governance Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules
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	note(s) issued or to be issued from time to time pursuant to the Guaranteed Euro Medium Term Note Programme established by The Link Finance (Cayman) 2009 Limited (a wholly-owned subsidiary of Link) in May 2009
NED	Non-Executive Director of the Manager (unless the context requires otherwise)
NGO(s)	Non-governmental organisation(s)
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

Definitions and Glossary

Principal Valuer	the Principal Valuer (as defined in the REIT Code) of Link, which is currently Jones Lang LaSalle Limited
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 The People's Republic of China
SFC	Securities and Futures Commission of Hong Kong
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
significant holder or significant Unitholder	has the meaning of "significant holder" under 8.1(d) of Chapter 8 of the REIT Code (i.e. holder of an interest of 10% or more in the units of Link)
SPVs	special purpose vehicles (within the meaning of the REIT Code and the Trust Deed)
sqm	square metre
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 Operating Officer)

Non-Executive Director

Ian Keith GRIFFITHS

Independent Non-Executive Directors

Christopher John BROOKE⁽¹⁾
William CHAN Chak Cheung⁽²⁾
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

Chief Financial Officer of the Manager

NG Kok Siong

Company Secretary of the Manager

Ricky CHAN Ming Tak

Responsible Officers of the Manager⁽³⁾

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

Authorised Representatives⁽⁴⁾

Andy CHEUNG Lee Ming
Ricky CHAN Ming Tak

Trustee

HSBC Institutional Trust Services (Asia) Limited

Auditor

PricewaterhouseCoopers

Principal Valuer

Jones Lang LaSalle 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) Appointed on 1 May 2018

(2) Retired on 9 November 2017

(3) Required by the SFO

(4) Required by the Listing Rules

Link Real Estate Investment Trust
[Linkreit.com](https://www.linkreit.com)





Link Real Estate Investment Trust
Stock code: 823

Annual Report 2017/2018

Governance, Disclosures
and Financial Statements

We **Link** People to
a Brighter Future



About Link

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

About this Report

We produce this standalone Governance, Disclosures and Financial Statements report in order to improve reporting transparency by making information easily and readily accessible to interested parties. This report complements our 2017/2018 Strategic Report which highlights our corporate performance and values created over the past year.

Complete 2017/2018 Reports and Presentations

Our complete suite of reports and supporting compliance documentation can be accessed and downloaded from our corporate website at Linkreit.com

This report covers 138 properties owned by Link across Hong Kong and three properties across Mainland China.

STRATEGIC REPORT

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

GOVERNANCE, DISCLOSURES AND FINANCIAL STATEMENTS

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

VALUATION REPORT

This report summarises the market value of Link's individual properties as valued by Jones Lang LaSalle Limited.

SUSTAINABILITY WEBSITE

Up until 2013/2014, Link prepared separate annual sustainability reports which are on our corporate sustainability website. Since then we update our corporate sustainability performance solely on our website. This can be accessed at Linkreit.com/sustainability

COMPLIANCE DOCUMENTATION

- Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited
- Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines – Comprehensive Option
- United Nations Global Compact



Access our corporate website for further information

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Corporate Governance Report

Link believes responsible governance should transcend mere fulfilling of regulatory requirements to becoming a value that is shared and upheld within Link for long-term success. These elements accentuate our high corporate governance standards:

High independence	Higher diversity	Strong Board process
<ul style="list-style-type: none"> Total 13 Directors with 10 INEDs – 77% Board and all Board Committees are chaired by INEDs 	<ul style="list-style-type: none"> Diversity on range of expertise Gender – Female 31% 	<ul style="list-style-type: none"> Annual strategic review Number of Board/Board Committee meetings during the year – total 25 Average duration per meeting – approximately 2.3 hours (excluding the one-day off-site Board strategy meeting) Regular Board performance evaluation Vigorous induction, training and supports for all Directors Private session of INEDs and NED without EDs

Our Board

The Board aims to promote Link's long-term success, deliver sustainable value to Unitholders and other stakeholders, and promote a culture of openness and debate.

Led by the Chairman, the Board sets strategy and risk appetite, leads and provides insight to management, monitors business progress against agreed business targets, and approves recommendation of Board Committees on matters delegated to them. Matters crucial to corporate governance such as changes to Articles of Association, Trust Deed and corporate governance policy, appointment and removal of Directors and their remuneration are specifically reserved for the Board^(Note).

Currently, there are 13 Board members comprising 2 Executive Directors (“EDs”) who are the CEO and the COO, 1 Non-Executive Director (“NED”) and 10 Independent Non-Executive Directors (“INEDs”). The 2 EDs are full-time employees of Link, while the NED and the INEDs are not.

Biographies of our Directors as at the date of this report appear on pages 44 to 47.

Separate & Clearly Defined Roles

The Chairman and the CEO

The Board Chairman (who is an INED) leads and is responsible for running the Board. The CEO leads the management and is responsible for running Link's business and daily operations. The two roles are separate and performed by different individuals.

Note: For details of the matters specifically reserved for the Board, please see the “Corporate Governance” homepage on Link's corporate website at Linkreit.com.

The Board and the Board Committees

The Board is assisted by the Audit and Risk Management Committee, the Finance and Investment Committee, the Nomination Committee and the Remuneration Committee, with each operating under specific terms of reference as approved and reviewed from time to time by the Board. These updated terms of reference are posted on Link's corporate website (Linkreit.com).



The reports of the Audit and Risk Management Committee, the Finance and Investment Committee, the Nomination Committee and the Remuneration Committee for the year under review are set out on pages 25 to 34 of this report.

Corporate Governance Report

The Board and Management

The Board is responsible for formulation of strategies and monitoring of management performance. It delegates the day-to-day running of the business to the management team led by the CEO.

The Board



Board Chairman

1. Nicholas Charles ALLEN

(INED)

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

NED/INEDs

2. Ian Keith GRIFFITHS

(NED)

3. Christopher John BROOKE

4. Ed CHAN Yiu Cheong

5. Blair Chilton PICKERELL

6. Poh Lee TAN

7. May Siew Boi TAN

8. Peter TSE Pak Wing

9. Nancy TSE Sau Ling

10. David Charles WATT

11. Elaine Carole YOUNG

(all INEDs)

- Overseeing Link's affairs through serving on the Board and Board Committees
- Taking lead when potential conflict of interest arises
- Scrutinising and challenging management's performance in achieving agreed corporate goals and business objectives
- Monitoring compliance and financial reporting
- Helping develop strategies
- Overseeing the risk profile, risk management and internal controls
- Scrutinising and challenging management's proposals
- Reviewing remuneration policies and approving remuneration to Directors
- Reviewing staff leadership, training and development proposals

Management



CEO & Executive Director

12. George Kwok Lung HONGCHOY

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

COO & Executive Director

13. Andy CHEUNG Lee Ming

- Supporting the CEO in supervising the following functions:
 - project and development
 - property management and operations
 - legal and company secretarial
 - information technology
 - (shared with CFO) internal control on central procurement and quantitative survey
- Assisting the CEO in meeting investors and analysts to explain performance and operational results

CFO

NG Kok Siong

(appointed on 3 May 2018)

- Supporting the CEO in supervising the following functions:
 - financial reporting and treasury
 - insurance
 - risk management
 - research and data analytics
 - (shared with COO) internal control on central procurement and quantitative survey
- Assisting the CEO in meeting investors and analysts to explain performance and operational results

Corporate Governance Report

Strong Independence of the Board

Key independence features	Additional independence requirements mandated in Link Corporate Governance Policy
<ul style="list-style-type: none"> 10 out of 13 are INEDs and 1 is a NED 	<ul style="list-style-type: none"> INED cannot serve beyond nine years
<ul style="list-style-type: none"> the Board and all the Board Committees are chaired by INEDs 	<ul style="list-style-type: none"> INED can only re-join the Board three years after last stepping down
<ul style="list-style-type: none"> the Audit and Risk Management Committee and the Remuneration Committee are not only chaired by but comprise only INEDs 	<ul style="list-style-type: none"> the Audit and Risk Management Committee and the Remuneration Committee can only consist of INEDs
<ul style="list-style-type: none"> High majority of INEDs at the Nomination Committee and the Finance and Investment Committee 	<ul style="list-style-type: none"> Members of the Finance and Investment Committee cannot sit on the Audit and Risk Management Committee

The above independence requirements as mandated in the Link Corporate Governance Policy are specific and higher than the independence guidelines of the Listing Rules. The Manager lived up to such requirements throughout the year under review.

During the year, the INEDs/NED held a closed-session among themselves when issues were discussed to the exclusion of the EDs and management.

Our INEDs/NED bring constructive analysis and critical judgement on management proposals, scrutinise business performance against business goals, and monitor risks and compliance. Assessment of independence of INEDs is carried out before each appointment, annually, and at any other time where the circumstances warrant re-consideration. Our assessment of independence of an INED is based on the independence criteria set out in the Link Corporate Governance Policy which is modelled on (and, in some aspects, exceeds) the independence guidelines of the Listing Rules. We reference from time to time major proxy advisors' voting recommendations and guidelines in approaching the issue of INED's independence.

Directors have disclosed to the Manager the number and nature of office held in Hong Kong and overseas listed companies and organisations, and their other significant commitments.

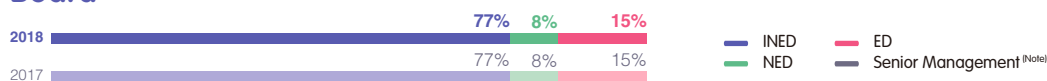
INEDs/NED have also indicated the amount of time he/she was involved in his/her outside-Link commitments and confirmed with the Board Chairman that he/she has given sufficient time to the affairs of Link. No current Director holds directorships in more than three public/listed companies (including Link).

The 2 EDs have not held any directorship in other listed company but have participated in professional bodies, academic and public organisations.

Independence Weighting

(13 members as of 6 June 2018 against 13 members as of 7 June 2017)

Board



Audit and Risk Management Committee



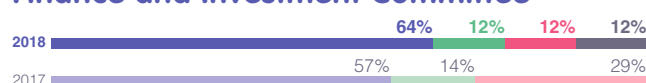
Nomination Committee



Remuneration Committee



Finance and Investment Committee



Note: CFO is a member of the Finance and Investment Committee but not a member of the Board.

The Manager has received from each INED his/her annual confirmation of independence in accordance with the Link Corporate Governance Policy. Based on such confirmations received, the Nomination Committee assessed and the Board considered that all the INEDs have maintained their independence throughout the year under review and up to the date of this report.

Board Diversity

It is our philosophy that a balanced and diversified Board brings a broad range of views to bear upon discussions and critical decision-making, and balances against “group thinking”. Our Board Diversity Policy is multi-faceted stressing business experience, skill-sets, knowledge and professional expertise in addition to gender, ethnicity and age.

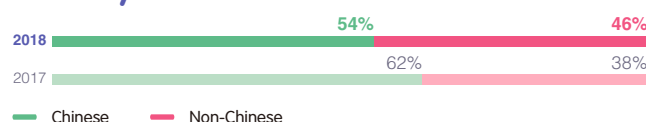
Members Diversity

(13 members as of 6 June 2018 against 13 members as of 7 June 2017)

Gender



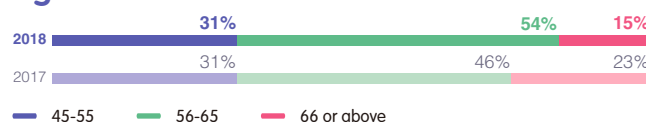
Ethnicity



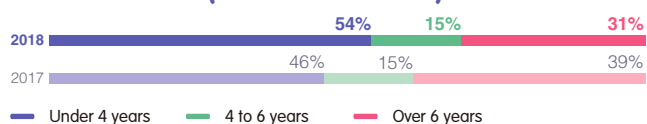
Designation



Age



Service Term (Years with Link)



Core Expertise

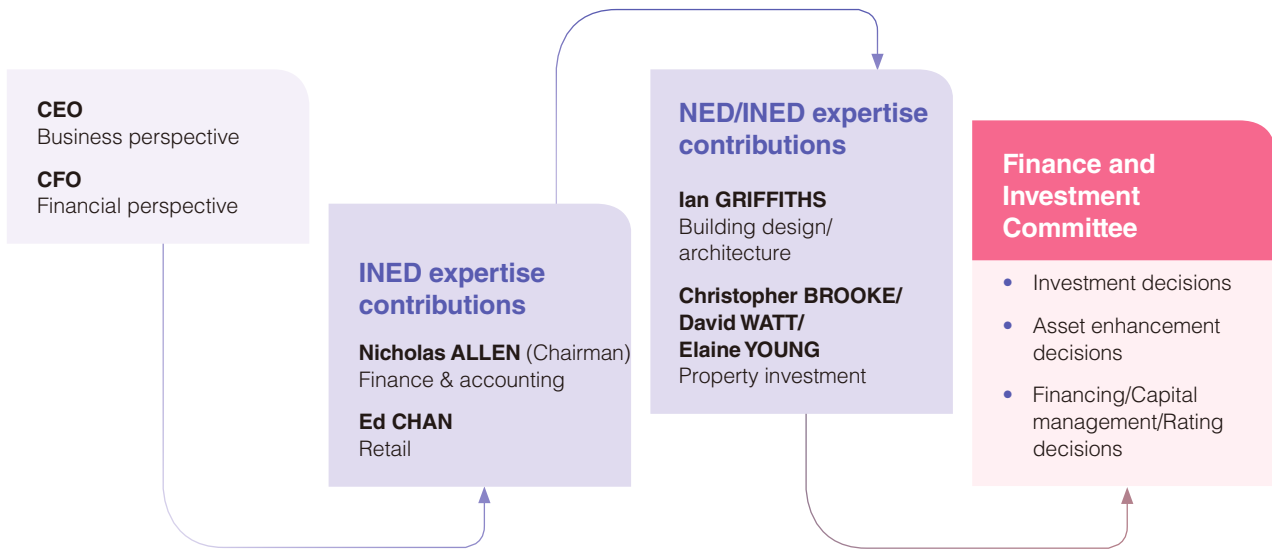


In accordance with its annual practice of monitoring progress towards diversity, the Nomination Committee had reviewed Board Diversity Policy of Link and was satisfied that the diversity of the Board was optimal.

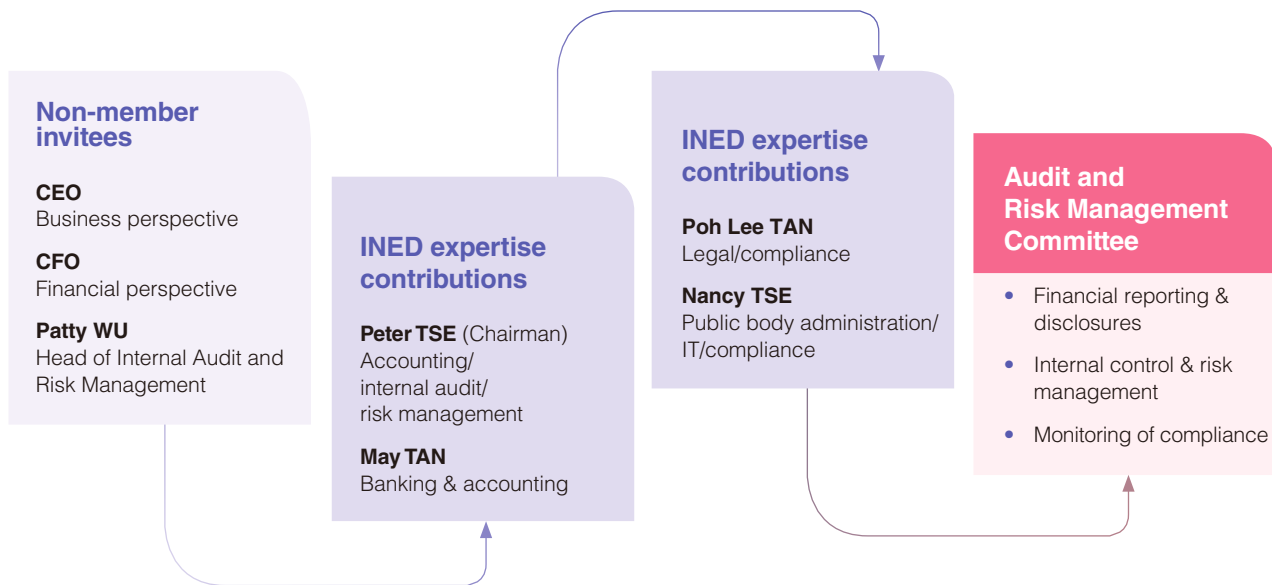
Corporate Governance Report

How Diversity Works in Shaping Decisions

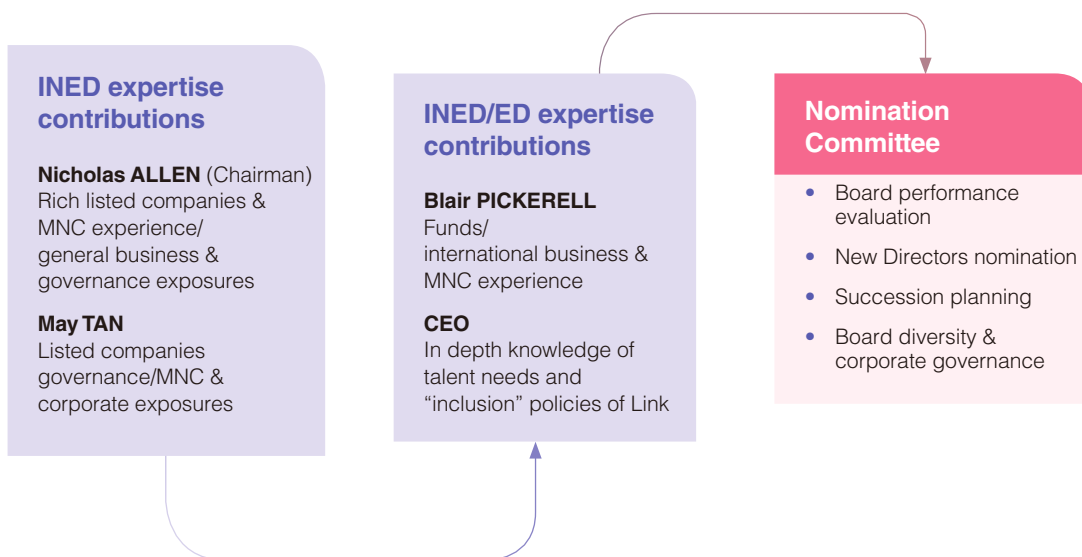
Finance and Investment Committee



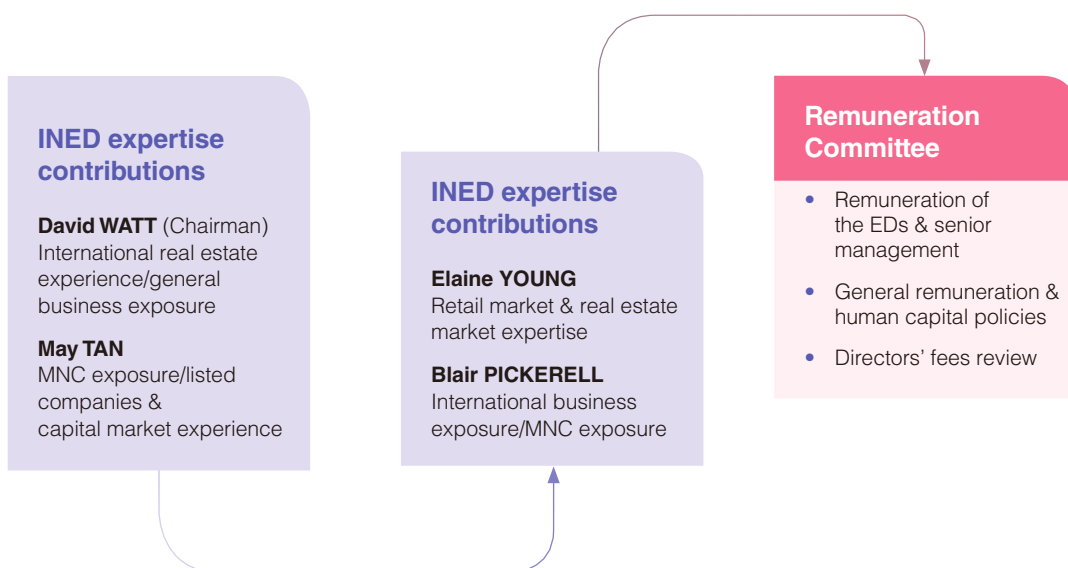
Audit and Risk Management Committee



Nomination Committee



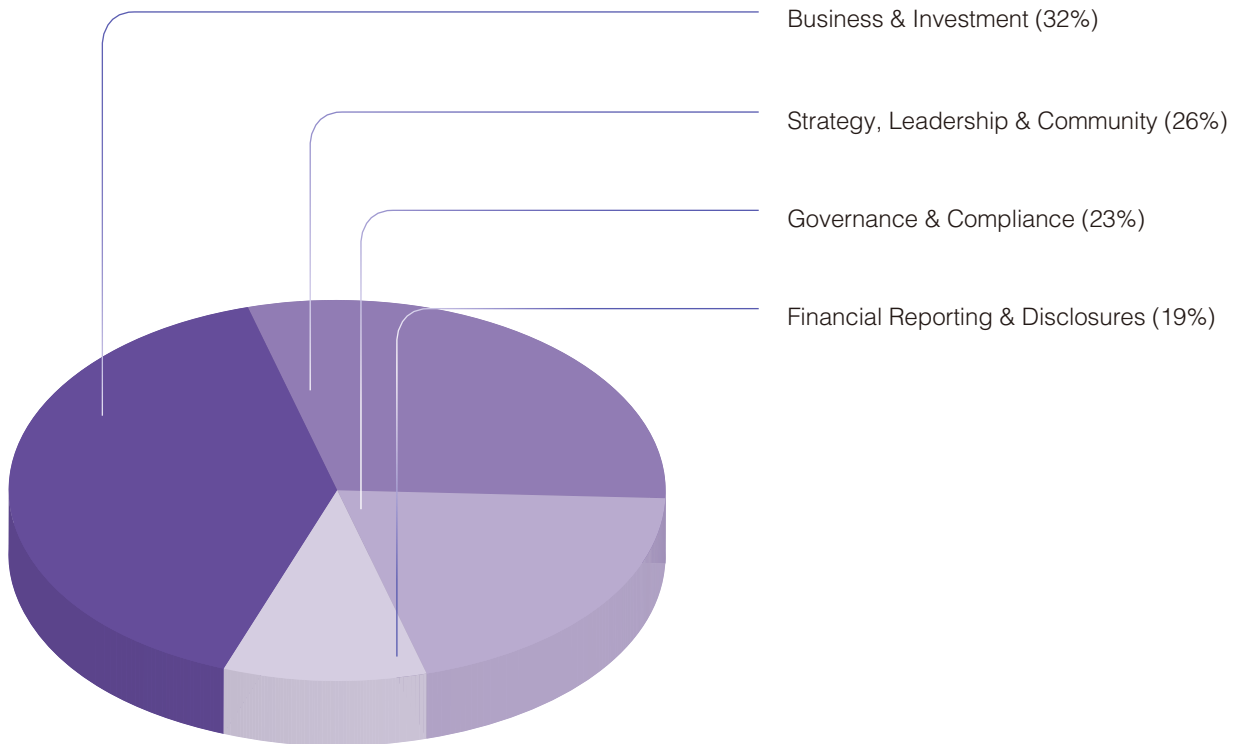
Remuneration Committee



Corporate Governance Report

Operation of the Board

How the Board spent its time during the year ended 31 March 2018



The Board spent its time on making the following key decisions:

Business & Investment	Assets management, properties valuation, disposal/acquisition of properties & investment projects, etc.
Strategy, Leadership & Community	Corporate strategic decisions, succession planning, leadership planning & public affairs, etc.
Governance & Compliance	Board committee composition, statutory compliance review, operational compliance review, internal control, risk management & connected transactions monitoring, etc.
Financial Reporting & Disclosures	Interim results review, annual results review, budget review, distribution payment, capital management & auditor's fees review, etc.

Board and Board Committee Meetings, Information and Support

Annual strategic review	<ul style="list-style-type: none"> • An off-site full-day Board strategy meeting is held in autumn each year by way of a retreat outside Hong Kong where Directors review, discuss and set Link's strategies. When necessary, industry leaders and consultants would be invited to make deliberations to the Board on specific topics • The Board has adopted the practice of holding a pre-meeting – normally in April – at which management will suggest agenda items and solicit views from Board members on the breadth and depth of the topics they want to cover at the upcoming Board strategy meeting. The Board in its regular meetings in between times will also review the agenda items of the Board strategy meeting for more ideas
Regular reports & updates	<ul style="list-style-type: none"> • The CEO, the COO and the CFO regularly report to the Board on progress against business targets and other developments of Link • Board Committee chairmen report their decisions and recommendations at Board meetings • The Board receives monthly business updates and investors' feedback through briefings by management after their annual results and interim results roadshows
3-years meeting calendar	<ul style="list-style-type: none"> • A three-year meeting calendar is adopted to facilitate the NED/INEDs to plan their schedules in advance
Notice	<ul style="list-style-type: none"> • At least 14 days in advance for regular Board/Board Committee meetings
Agenda, meeting & supporting materials	<ul style="list-style-type: none"> • Arrangements are put in place by the Board to ensure Directors receive notice, agenda and meeting materials on time to digest the information and prepare for the meeting • Agenda and meeting papers will be uploaded to the electronic platform at least three days in advance • Board agenda items are reviewed by the Board Chairman/CEO • Standing Board/Board Committee agenda items are set to ensure that critical matters such as financial reporting, progress of major projects, internal controls and risk management, and compliance issues will be covered at regular intervals for the Board and Board Committees to review
Electronic & paperless meetings	<ul style="list-style-type: none"> • Board meeting papers and supporting materials are circulated to Directors through a private, secured electronic platform. This enables timely supply of information to Directors, as well as speedy online reference by and interactive exchange of views among Directors • Monthly business updates, reading materials, and other information are also sent to all Directors through this electronic platform
Meeting proceedings	<ul style="list-style-type: none"> • Telephone participation is arranged for any Director who is not able to attend a meeting in person • The company secretary keeps full record of meeting attendance • Senior representatives from the Principal Valuer and the external auditor of Link are invited to attend the Audit and Risk Management Committee meetings and the Board meetings for approving the interim and final results of Link • The external auditor of Link has a closed-session with the Audit and Risk Management Committee members in the absence of management each year • Management regularly attends Board and Board Committee meetings to deliberate on proposals and presents updates on operations. External speakers, guests and consultants are invited to participate on specific topics

Corporate Governance Report

Minutes of meetings of Board/Board Committees	<ul style="list-style-type: none"> • The company secretary attends all Board/Board Committee meetings (except meetings of the Remuneration Committees where the Director of Human Resources acts as the committee secretary) • Minutes in draft form will be circulated for comments before they are signed • Final versions of Board Committee minutes will be copied to Directors who are not members of that Board Committee to keep them abreast of matters discussed and decisions made thereat • All signed Board/Board Committee minutes and resolutions are kept by the company secretary • Minutes are uploaded to the electronic platform for online reference by Directors
Professional advice	<ul style="list-style-type: none"> • All Directors are entitled to independent professional advice on issues relevant to their functions and duties at the Manager's expenses. They have free and open contact with management team at all levels. The Board Chairman also met and had lunch and gatherings with members of the management to understand their work
Reporting back	<ul style="list-style-type: none"> • The company secretary circulates to the Board all announcements immediately after their publication on the websites of the Stock Exchange and Link • Management also reports back to the Board/Board Committee on matters outstanding from previous meetings
Alerts	<ul style="list-style-type: none"> • The company secretary alerts Directors on securities dealings before the commencement of the annual or interim results "black-out" period and other ad hoc "black-out" period in accordance with the Link Securities Dealing Code when an inside information situation has developed

Role of the Company Secretary

The company secretary supports the Board Chairman in running the Board, and assists in the running of the Board Committees.

All Directors have access to the services of the company secretary, who is responsible for ensuring that the practice and procedures of the Board and Board Committees are followed and applicable rules and regulations are complied with. The company secretary facilitates good information flows between the Board and management, induction to new Director and professional training of Directors. During the year under review, the company secretary undertook over 15 hours of professional training.

The company secretary also heads the legal function of the Manager and is the SFC-compliance manager of Link. The profile of the company secretary appears on page 49 of this report.

Our Directors

NED/INEDs

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

EDs

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

Directors' Attendance at Meetings

A total of 8 Board meetings and 17 Board Committee meetings were held in the year under review. Average duration of such meetings was approximately 2.3 hours (excluding the full-day Board strategy retreat) when Directors critically reviewed and challenged proposals by, shared views with and gave constructive guidance to the management.

Total number of meetings held by the Board and Board Committees has consistently exceeded the number of board/board committee meetings recommended by the Listing Rules Corporate Governance Code. Among the Board meetings, one was the annual strategy Board meeting held outside Hong Kong.

Name	Directors' meeting attendance during the year (Number of meetings attended/eligible to attend)					2017 AGM
	Board	Audit and Risk Management Committee	Remuneration Committee	Nomination Committee	Finance and Investment Committee	
Current Directors						
Nicholas Charles ALLEN	8/8(C)	–	–	3/3(C)	6/6(C)	1/1
George Kwok Lung HONGCHOY	8/8	–	–	3/3	6/6	1/1
Andy CHEUNG Lee Ming	8/8	–	–	–	5/5 ⁽¹⁾	1/1
Ian Keith GRIFFITHS	7/8	–	–	–	5/5 ⁽²⁾	0/1
Christopher John BROOKE ⁽³⁾	–	–	–	–	–	–
Ed CHAN Yiu Cheong	7/8	–	–	–	6/6	0/1
Blair Chilton PICKERELL	8/8	–	4/4	3/3	–	1/1
Poh Lee TAN	8/8	4/4	–	–	–	1/1
May Siew Boi TAN	8/8	4/4	2/2 ⁽⁴⁾	3/3	–	1/1
Peter TSE Pak Wing	7/8	4/4(C)	2/2 ⁽⁵⁾	–	–	1/1
Nancy TSE Sau Ling	8/8	4/4	–	–	–	1/1
David Charles WATT	8/8	–	4/4(C)	–	6/6	1/1
Elaine Carole YOUNG	8/8	–	4/4	–	6/6	1/1
Senior Management						
Hubert CHAK ⁽⁶⁾	–	–	–	–	1/1	–
Former Director						
William CHAN Chak Cheung ⁽⁷⁾	5/5	3/3	2/2	2/2	–	1/1
In attendance						
External auditor	3/3	2/2	–	–	–	1/1
Head of Internal Audit and Risk Management	–	4/4	–	–	–	–
Principal Valuer	3/3	2/2	–	–	–	–
Total no. of meetings held	8	4	4	3	6	1
Minimum no. of meetings required ⁽⁸⁾	4	3	2	2	4	1
Approximate average duration per meeting (hour)	3 ⁽⁹⁾	2	3	2	2	1

C: Chairman

Notes:

(1) Ceased to act as a member of the Finance and Investment Committee after changing executive role from the CFO to the COO on 1 February 2018

(2) Abstained from one Finance and Investment Committee meeting to avoid potential conflict of interest

(3) Appointed as an INED on 1 May 2018 and joined the Finance and Investment Committee as a member on 6 June 2018

(4) Joined the Remuneration Committee as a member on 9 November 2017

(5) Ceased to act as a member of the Remuneration Committee on 9 November 2017

(6) Appointed as Acting CFO and became a member of the Finance and Investment Committee from 1 February 2018 to 2 May 2018

(7) Retired as an INED on 9 November 2017

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

(9) Excluding the full-day off-site Board strategy meeting

Corporate Governance Report

The Board Chairman and the chairmen of Board Committees, the 2 EDs and 9 INEDs attended the 2017 AGM to meet and answer questions from Unitholders. The CEO followed up on questions raised at prior-year annual general meeting and reported to Unitholders actions since taken.

Our Directors also participated actively in the affairs of Link outside the board room. They participated in community events organised under the Link Together Initiatives programme and seminars sponsored or participated by Link in the year under review.

Supports to Directors

Induction to New Directors

A comprehensive and tailored orientation programme is arranged for each newly-appointed Director. The induction kit contains key materials on the regulatory framework of Link including the Trust Deed, the Compliance Manual and other regulatory updates, which are regularly reviewed by the company secretary to ensure they are updated.

In addition, an orientation was arranged for Mr Christopher John BROOKE in which the CEO and the senior management members attended to brief Mr BROOKE on Link's latest developments and the operations of the core function units.

Continuous Professional Development of Directors

Our Directors undertook continuous professional and training programmes in the year to keep themselves abreast of the latest developments in the fields relevant to their respective expertise and professions. They received briefings from the company secretary on the latest legal and regulatory developments which have a bearing on their duties. They also attended externally-run seminars by professional bodies and industry associations which the company secretary regularly recommended. The Board Chairman spoke at industry conferences and seminars of professional associations.

The EDs developed and refreshed their skills and knowledge of Link's business through making presentations to investors and analysts, speaking at industry conferences and meeting with Government officials as well as attending externally-run seminars by professional bodies. The CEO attended the Advisory Services Program held by Urban Land Institute in Singapore from 28 January to 2 February 2018; and spoke at the events held by MIPIM Asia from 28 to 29 November 2017 and Property Council Academy from 17 to 19 January 2018. The Chairman attended the Asia Pacific Owner and CEO Forum organised by JP Morgan in Shanghai from 26 to 27 October 2017, INED Forum organised by KPMG on 12 March 2018; and spoke at the 17th Annual Conference Asian Business Dialogue on Corporate Governance 2017 held by Asian Corporate Governance Association in Mumbai, India on 15 November 2017.

The company secretary keeps records of Directors' training for the Nomination Committee's annual review.

On-going training and professional developments undertaken by current Directors in the year under review are as follows:

Name	Reading materials	Attending seminars/ training courses/ talks/ other professional developments ^(Note)
Nicholas Charles ALLEN	✓	✓
George Kwok Lung HONGCHOY	✓	✓
Andy CHEUNG Lee Ming	✓	✓
Ian Keith GRIFFITHS	✓	✓
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	✓	✓

Note: Other professional developments included attending or speaking at forums, visiting Link's properties, and participating in conferences and other briefings organised by the SFC, Stock Exchange or other professional bodies, etc.

Succession Planning

The Board has a strong culture of integrity, professionalism, and responsible governance. The Nomination Committee has an on-going programme on Board succession. This serves to maintain the culture of the Board and ensure that transition is smooth. An external executive search firm has been retained to advise the Nomination Committee on expertise gaps that could arise when Directors go on scheduled retirement and identify appropriate candidates for it to consider. The need to replenish and upgrade Board competence timely has become increasingly relevant when Link is expanding its business. Board appointments are recommended by the Nomination Committee and made by the Board on merits and in line with the Board Diversity Policy of Link.

In the year under review, the Nomination Committee discussed and reported to the Board on succession plans, reviewed potential INED candidates, and set and prioritised with the assistance of the independent external consultant the selection criteria for new Board member.

The Board has the overall responsibility of overseeing the succession plan for the EDs and senior management. During the year, the Board discussed and reviewed both the contingency and longer term plans for CEO succession, considered the leadership development plan for senior management, and approved the creation of the position of COO and CSO (chief strategy officer) and appointment of the new CFO.

On-going Board Performance Evaluation

The Board is committed to regular, independent evaluation of its own effectiveness and that of its Committees. Board performance is evaluated on an on-going basis by the Nomination Committee which reports its findings to the Board.

Formal Board Performance Evaluation & follow-up

The Board has set the practice of carrying out a formal evaluation of its performance through the facilitation of independent external consultant every three years, which it did in 2016/2017 with Russell Reynolds Associates (“**RRA**”). Follow-on actions identified in the 2016/2017 formal Board performance evaluation were also addressed in the year under review. Actions that have not already been closed out from the 2016/2017 formal Board performance evaluation form an ongoing improvement to the Board process and effectiveness being led by the Chairman.

Board Performance Review in between Formal Evaluation

In between formal Board performance evaluations, Board performance will be reviewed internally by the Nomination Committee chairman (who is also the Board Chairman).

In year 2017/2018, the Board performance was reviewed by the Nomination Committee chairman. For individual performance evaluation, NED/INEDs directly responded to structured questionnaire sent by the Nomination Committee chairman and held an one-on-one discussion with the Nomination Committee chairman on how he/she perceived the performance of the Board as a whole and the performance of his/her fellow Director in the year under review, his/her individual contribution, individual training and development needs, and the time commitment that is required to continue to deliver the role effectively. Members of the senior management also directly responded to another set of questionnaire sent by the Nomination Committee chairman on Board performance during the year.

EDs' individual performance evaluation is undertaken as part of the performance management process for all employees, when the results are considered by the Remuneration Committee and ultimately by the Board when determining variable pay awards each year, as set out in the Remuneration Committee's Report. The Chairman attended the Remuneration Committee to speak on the performance of the CEO.

Based on the findings of the 2017/2018 Board performance evaluation, the Nomination Committee and the Board considered that the Board performed effectively in the year under review.

Corporate Governance Report

Our Remuneration Policy

The Remuneration Philosophy

Our approach to reward is meritocratic and market competitive, underpinned by an ethical and value-based performance culture that aligns the interest of our employees with those of our Unitholders. Our remuneration strategy supports this objective through balancing business goals against long-term sustainable performance.

We judge performance not only by what has been achieved, but also by how it is and will continue to be achieved on a sustainable basis. Individual remuneration is determined through the assessment of performance delivered against short-term and long-term business targets as well as adherence to Link's vision, mission and values.

The 3 Cornerstones of our Remuneration Strategy

No individual is involved in determining his/her own remuneration

- A 2-tier model on executive pay
 - the remuneration of Directors being approved by the Board after review and upon recommendation of the Remuneration Committee, with the advice of an independent external consultant; and
 - the remuneration of the senior management being reviewed and approved by the Remuneration Committee

Aligning with market and peers which compete with Link for talents

- Formal independent review on market pay level and compensation practice by independent external consultant every year
- Directors' fees and pay level of EDs and senior management benchmarked against local public/listed corporations and overseas peers in the same business

Reflecting performance, complexity, and responsibility as well as Link's vision, mission and values

- Competency Framework – employees' performance and remuneration being comprehensively assessed against a spectrum of evaluators with balanced weighting on financial outcome and non-financial contributions
- Total remuneration strategy with components of variable pay (discretionary cash bonus) and performance-linked pay (unit-based incentive awards) driving performance of EDs and senior management for Link's long-term success

Approval Process of Remuneration

BOARD

(chaired by INED and comprising high majority of INEDs and NED)

- Approval of the remuneration of EDs upon the recommendation of the Remuneration Committee in private discussion in the absence of EDs and management
- Approval of Directors' fees upon the recommendation of the Remuneration Committee
- Approval of the grant of long-term incentive awards to Directors upon the recommendation of the Remuneration Committee
- Review of the remuneration policy of Link's employees to ensure that they are in line with the market and stay competitive for the Manager to attract and retain high performing employees for Link's growth

REMUNERATION COMMITTEE

(all INEDs)

- Review of and recommendation to the Board the remuneration packages and grant of long-term incentive awards to EDs
 - Board Chairman to brief the Remuneration Committee on the performance of the CEO
 - the CEO to brief the Remuneration Committee on the performance of the COO/CFO
- Review of and recommendation to the Board Directors' fees based on market data and independent external consultant's advice
- Approval of pay increase, discretionary bonus and grant of long-term incentive awards to senior management

MANAGEMENT

Individuals whose biographies appear on pages 48 to 50 of this report are the senior management of the Manager

- Annual performance appraisal based on Link's competency framework
- EDs and senior management performed 360° performance and leadership assessment with independent external consultant's facilitation
- Pay level, discretionary bonus and pay increment benchmarked against market level
- A significant portion of the EDs and senior management's remuneration is linked to their individual performance on agreed KPIs in addition to the financial outcome of Link, and in appropriate cases, with deferral elements

Corporate Governance Report

Structure of Remuneration

Types of remuneration & benefits	Year 2017/2018				Further details
	NED and INEDs	EDs	Senior management	Other employees	
Directors' fees ⁽¹⁾	✓	✗	✗	✗	See page 18
Basic salary	✗	✓	✓	✓	See page 18
Discretionary cash bonus	✗	✓	✓	✓	See page 18
Long-term incentive awards	✓ Tenure-based	✓ Performance-linked	✓ Performance-linked	✗ ⁽³⁾	See pages 18 to 19
EUPP	✗	✗	✗	✓	–
Mandatory Provident Fund and other benefits	✗ ⁽²⁾	✓ ⁽²⁾	✓	✓	See page 19

Notes:

(1) Directors' fees are not payable to EDs.

(2) All Directors are covered by directors & officers liabilities insurance.

(3) Selected manager-grade or above employees may be granted long-term incentive awards upon EDs' recommendation and Remuneration Committee's approval and such awards are performance-linked.

Remuneration for Directors and Management

Types of remuneration and benefits	Framework and Policy	Governance
Directors' fees (INEDs & NED only)	Base-fees only and payable according to roles, responsibilities, and time commitment and benchmarked against market level	<ul style="list-style-type: none"> – Review of fees by the Remuneration Committee and approval by the Board on a yearly basis – Full review of fees with external independent consultant's inputs every 3 years – Increase spread over 3 years
Long-term incentive awards (INEDs & NED)	Based on a pre-set and fixed percentage of their fees and vested on a tenure basis with no performance-linked target	<ul style="list-style-type: none"> – Approval of grants by the Board – Approval of vesting by the Remuneration Committee
Basic salary (EDs & senior management)	Fixed cash component of total remuneration benchmarked against comparable peers to recruit and retain key leaders and managers	<ul style="list-style-type: none"> – Review every year with the assistance of external independent consultant by the Remuneration Committee, and in the case of the EDs, for Board approval
Discretionary cash bonus (EDs & senior management)	<ul style="list-style-type: none"> • Variable cash component of total remuneration to drive and reward performance • Discretionary nature depending on the achievement of financial and non-financial KPIs measured against Link's strategic objectives • Significant portion of the discretionary bonus for EDs and an appropriate portion of the same for senior management may be payable, in appropriate case, on a deferred basis to commensurate with the progress in achieving such objectives, which will be forfeited if the individual resigns or is dismissed "for-cause" during the deferral period 	<ul style="list-style-type: none"> – The aggregate total pool for all employees as well as EDs is under full review and approval by the Remuneration Committee, and in the case of the EDs, approval by the Board – Market survey against local and international peers, with the support of external independent consultant, every year

Types of remuneration and benefits	Framework and Policy	Governance
Long-term incentive awards (EDs & senior management)	<ul style="list-style-type: none"> • Unit-based component of total remuneration to attract talent, incentivise performance and retain key personnel for achieving the strategic goals of Link • Discretionary in nature and subject to a three-year vesting period and satisfaction of vesting conditions which is calibrated against business performance, as measured by NPI, and total unit return to Unitholders • Vesting references unit price of Link over a period of consecutive trading days after announcing financial results on a volume-weighted average basis 	<ul style="list-style-type: none"> – Approval by the Remuneration Committee on grants to senior management and key performing employees – Approval by the Board on grants to the EDs (upon recommendation of the Remuneration Committee) – Grantees receiving long-term incentive awards are not eligible to participate in the EUPP – Remuneration Committee to approve vesting on satisfaction of relevant KPIs with advice from the external auditor
Pension and other benefits	<ul style="list-style-type: none"> • Providing employment benefits in compliance with statutory requirements • Providing other benefits in line with market practices, such as: <ul style="list-style-type: none"> – annual leave, maternity/paternity leave, and birthday leave – medical insurance, life and personal accident insurance – reimbursement of monthly subscription of clubs, reimbursement of professional memberships and seminar course fees, and Link-sponsored learning and development programmes 	

Details of remuneration to EDs, NED and INEDs for the year ended 31 March 2018 are set out on pages 107 to 109.

The Remuneration Committee (with input from an independent external consultant) also reviewed and approved the remuneration packages of the senior management for the year under review. The remuneration (comprising basic salaries and other incentives) of the 2 EDs and the senior management for the year under review in bands is as follows:

Remuneration Range (HK\$)	No. of Persons
3,000,001 – 5,000,000	2
5,000,001 – 7,000,000	5
7,000,001 – 9,000,000	2
9,000,001 – 11,000,000	2
22,000,001 – 24,000,000	1
65,000,001 – 67,000,000	1
Total No. of Persons	13

Corporate Governance Report

NED/INEDs Fees

The last review took place in 2015 with no increase in fees. Fees had been increased for FY2016/2017 after an internal review conducted in 2016. There has been no increase in the fees for FY2017/2018.

In 2018, the Remuneration Committee has performed a review of fee levels with independent advice from Mercer (Hong Kong) Limited (“**Mercer**”). The outcome of the review was that NED/INEDs fees had fallen below appropriate peer benchmarks since the last review. Rather than making the full adjustment in the current year, the Remuneration Committee recommended, and the Board agreed, to spread the increase with effect from 1 April 2018 over the next three financial years. The annual NED/INEDs fees for FY2017/2018, FY2018/2019, FY2019/2020 and FY2020/2021 are as follows:

	FY2017/2018		FY2018/2019		FY2019/2020		FY2020/2021	
	Chairman HK\$	Member HK\$	Chairman HK\$	Member HK\$	Chairman HK\$	Member HK\$	Chairman HK\$	Member HK\$
Board	1,720,000	500,000	1,836,500	540,000	1,960,600	582,900	2,094,000	630,000
Audit and Risk Management Committee	200,000	150,000	204,400	150,000	209,400	150,000	215,000	150,000
Remuneration Committee	100,000	60,000	105,000	61,500	110,600	62,900	116,500	64,400
Nomination Committee	100,000	55,000	101,200	55,000	102,600	55,000	103,500	55,000
Finance and Investment Committee	155,000	77,500	157,000	79,400	159,100	81,500	161,200	83,500

Internal Control and Risk Management

Board Responsibility

The Board (as assisted by the Audit and Risk Management Committee) is responsible for maintaining and reviewing the effectiveness of the internal controls and risk management systems and determining the nature and extent of the significant risks Link may take in achieving its strategic objectives. It acknowledges that such controls and systems can only manage but not eliminate risks and provide reasonable and not absolute assurance against loss or material misstatement.

With the assistance of the Audit and Risk Management Committee, the Board had reviewed and was satisfied with the effectiveness and adequacy of the internal controls and risk management systems for the year under review, having had regard to the key processes of Link. This was achieved primarily through:

- approving the scope of the annual internal audit plan,
- reviewing the findings, recommendations, and follow-on actions of internal audit work,
- reviewing statutory and operational compliance reports,
- approving work plan of the risk management function,
- reviewing quarterly risk management activity reports,
- reviewing the corporate risks register and monitoring movements of key risks,
- reviewing controls and procedures of financial reporting and the annual and interim financial statements, and
- reviewing the nature, scope of work and reports of the external auditor.

Structure of Controls and Risk Management

Led by the Board, management monitors the risks associated with Link's business and activities on an on-going basis.

Procedures and control measures have been implemented including the setting up of a corporate risks register where elements of business risks, operations risks, financial risks, compliance and reputational risks are recorded and calibrated according to severity of impact and probability of occurrence. The risks recorded are monitored by the risk management team and head of business unit as risk owner.

The key risks are reported monthly to the EDs and senior management for monitoring and action, and quarterly to the Audit and Risk Management Committee for review and monitoring. The Board also reviews the principal risks annually.

Details of the internal control processes and risk management framework are discussed on pages 46 to 49 of the Strategic Report of Annual Report 2017/2018.

Monitoring and controls have also been set up on specific compliance areas such as anti-competition behaviour, data privacy, Common Reporting Standard and FATCA in addition to other on-going regulatory compliance and monitoring.

Audit and Risk Management Committee's Review

The Audit and Risk Management Committee – assisted by the internal control and risk management functions – reports to the Board on mitigating measures and key risk indicators in the risk management process. Regular reports from the internal control and risk management functions are submitted to senior management and the Audit and Risk Management Committee. The Head of Internal Audit and Risk Management functions attends all Audit and Risk Management Committee meetings. The Audit and Risk Management Committee also reviews and endorses the annual risk assessment results, and recommends the principal risks for the Board's review and approval.

Whistle-blowing and Anti-corruption

The Manager has a whistle-blowing policy to help detect possible improprieties for management's attention and actions as well as for reporting to the Audit and Risk Management Committee. The chairman of the Audit and Risk Management Committee is also available to receive any complaint directly.

To set the business standards and enforce integrity in business practices, the Manager has embedded in the code of conduct of staff a set of anti-bribery and anti-corruption policies, and arranged for staff from different function units to attend seminars on prevention of corruptions organised by the Hong Kong Independent Commission Against Corruption.

External Auditor

The external auditor reports on any control issues identified in the course of its interim review and annual audit work on Link's financial and business results. Management has periodically engaged the external auditor of Link to review and advise on the adequacy of Link's internal controls and risk management systems.

Conflict of Interest

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

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

Corporate Governance Report

Communications with Unitholders and Unitholders' Rights

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

EDs and our investor relations team attend conferences and seminars organised by the investment community and hold regular meetings with institutional investors and analysts. The Board receives from management regular investor relations activity reports and briefings, which include feedback from meetings with institutional investors, institutional and retail stockbrokers, and debt investors, analysts' forecasts, information from research reports, latest market developments and Link's unit price performance.

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

Investors and Unitholders may at any time send their enquiries to the Board in writing at the Manager's registered office (at 33/F., AXA Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong) or by email (ir@linkreit.com) or through the investor hotline (telephone no. at (852) 2122 9000). Any Unitholder who wishes to put forward a proposal may also send written request to the Manager (for the attention of the company secretary). Details of Unitholder's right and the procedures to put forward a proposal are set out in the paragraph titled "Right to Convene Meetings and Procedures for Putting Forward Proposals" on page 39 below.

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

- holding press conferences with media and analysts' briefings after announcing the interim and final results of Link. The Board Chairman, the CEO and the COO attended the press conferences. The CEO, the CFO and Head of Investor Relations & Corporate Finance attended the analysts briefings to answer queries on financial results;
- holding the 2017 AGM where Directors met Unitholders "face-to-face" to have a direct "Q&A" dialogue and the CEO reported back to Unitholders on matters and comments raised at the prior year's annual general meeting;
- holding post-results investors' conferences and non-deal roadshows both in Hong Kong and overseas to explain the strategies, business developments, and the sustainability efforts of Link and promote transparency and interactive communications with Unitholders and the investment community, and also arranging visits by analysts and representatives from major Unitholders to selected properties of Link in Hong Kong and Mainland China;
- attending regular meetings with the media, and live TV and radio interviews, to articulate the position of Link on current social, business and other issues that are of interest to the community;
- proactively engaging proxy advisors on the corporate governance expectations of major Unitholders; and
- updating Link's corporate website (Linkreit.com) on an on-going basis to keep Unitholders abreast of latest developments of Link; and
- responding to questions from Unitholders in a timely manner.

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 20 equity research analysts covering Link. Since April 2017, the Manager participated in the following events:

<p>over 530</p> <p>Individual meetings and conference calls</p>	<p>12</p> <p>Investors' conferences/ corporate days</p>	<p>8</p> <p>Post results/non-deal roadshows to Asia, Australia, Europe and the United States</p>	<p>24</p> <p>Site visits for interested parties</p>
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Reporting and Transparency

Link maintains a high standard of transparency and keeps Unitholders well apprised of Link's developments in a timely manner through:

- publishing annual report within three months after the financial year end and interim report within two months after the half-year period end as well as results highlights in major newspapers to broaden dissemination;
- publishing announcements (and circulars, where required) on material information or developments as required by the REIT Code, the Listing Rules and/or the SFC, or voluntarily as the Board considers appropriate;
- publishing Link's interim and annual reports on its corporate website;
- publishing on corporate website all corporate communications issued by Link in accordance with the requirements of the REIT Code and/or the Listing Rules, the profiles of the Directors (including information on their roles and functions) and the senior management, and the business and sustainability developments, financial calendar and other news and latest developments of Link; and
- making available constitutive documents for inspection at the registered office of the Manager including, among others, the Trust Deed.

General Meetings

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

• 2017 AGM

At the 2017 AGM held on 26 July 2017, Unitholders approved, by separate ordinary resolution, the re-election of Ms May Siew Boi TAN, Ms Nancy TSE Sau Ling and Ms Elaine Carole YOUNG as INEDs, and the renewal of the unit buy-back mandate. The relevant poll vote results announcement dated 26 July 2017 can be found on websites of Link and the Stock Exchange.

The Board Chairman (who is also chairman of the Nomination Committee and the Finance and Investment Committee), the chairmen of the Audit and Risk Management Committee and the Remuneration Committee, other INEDs, the CEO, the COO as well as Link's external auditor attended the 2017 AGM to meet and answer questions from Unitholders.

• 2018 AGM

The 2018 AGM will be held on 25 July 2018. Notice and agenda are set out in the circular to Unitholders accompanying this Annual Report 2017/2018.

• Directors Retiring at the 2018 AGM

At the 2018 AGM, Mr Nicholas Charles ALLEN, Mr Ian Keith GRIFFITHS, Ms Poh Lee TAN and Mr Peter TSE Pak Wing will retire by rotation in accordance with Article 125 of the Articles of Association and the Compliance Manual and, being eligible, offer themselves for re-election by Unitholders.

At the 2018 AGM, Mr Christopher John BROOKE, Director appointed to the Board on 1 May 2018, will retire in accordance with Article 121 of the Articles of Association and offers himself for election by Unitholders.

All the retiring Directors, being eligible, will stand for re-election at the 2018 AGM.

Corporate Governance Report

Regulatory & Compliance

For other regulatory and compliance information which forms an integral part of this corporate governance report, please refer to the “Regulatory & Compliance” section on pages 35 to 43.

Environmental, Social and Governance Performance

Development of a corporate culture in which ESG practices and reporting are fully integrated into business operations reinforces resilient risk management processes and allows for greater alignment with stakeholders' interests in the long term. Link strives to be recognised as a member of the global leaders on sustainability and continues to be a signatory of the United Nations Environment Programme Finance Initiative. In monitoring and measuring ESG performance, the Board takes into account international practices and standards.

Details of compliance with the Global Reporting Initiative (GRI) standards, the Stock Exchange's “Environmental, Social and Governance Reporting Guide” and the United Nations Global Compact (UNGC) principles are set out on pages 171 to 184 of this report.

Changes after Financial Year End

This report has taken into account changes occurred since the end of the financial year on 31 March 2018 up to the date of approval by the Board of this report on 6 June 2018.

By order of the Board
Ricky CHAN Ming Tak
Company Secretary

Hong Kong, 6 June 2018

Reports of Board Committees

Report of the Audit and Risk Management Committee

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

Composition & Attendance

Link Corporate Governance Policy mandates that the Audit and Risk Management Committee shall comprise only INEDs and no member of the Finance and Investment Committee shall be a member of the Audit and Risk Management Committee.

Members	Independent	Attended/ Eligible to attend	Invitees for specific topics	Attended/ Eligible to attend
Peter TSE Pak Wing <i>(Chairman since 8 June 2017)</i>	✓	4/4	CEO ⁽²⁾	4/4
Poh Lee TAN	✓	4/4	COO ⁽²⁾⁽³⁾	4/4
May Siew Boi TAN	✓	4/4	Senior representatives from PwC (the external auditor) and JLL (Principal Valuer) ⁽⁴⁾	2/2
Nancy TSE Sau Ling	✓	4/4		
William CHAN Chak Cheung ⁽¹⁾	✓	3/3	Head of Internal Audit and Risk Management ⁽²⁾	4/4

Notes:

(1) Retired on 9 November 2017

(2) Non-member but attended all relevant sections of the Audit and Risk Management Committee meetings

(3) The then CFO before change of executive role on 1 February 2018

(4) Senior representatives from PricewaterhouseCoopers ("PwC") and Jones Lang LaSalle Limited ("JLL") attended the sessions of the Audit and Risk Management Committee meetings to discuss the review of the portfolio valuation and the review of the interim and final results of Link

Reports of Board Committees

Work of the Audit and Risk Management Committee during the year and up to the date of this Report

During the year ended 31 March 2018, the Audit and Risk Management Committee met four times.

Key areas of review	Tasks performed
<p>A. Integrity of financial reporting, endorsement of financial statements of Link and the Manager and the disclosures therein, disclosures in the interim and annual report of Link</p>	<p>A.1. Reviewed the 2017/2018 interim and final results announcements and the 2017/2018 interim and annual report and financial statements of Link in conjunction with the external auditor (PricewaterhouseCoopers) and Link's Principal Valuer (Jones Lang LaSalle Limited) (with respect to property valuations) to ensure compliance with applicable legal, accounting and financial reporting and other regulatory requirements, and recommended them for approval by the Board</p> <p>A.2. Reviewed circulars and other corporate communications issued by Link to Unitholders for annual general meeting, investors/analysts presentations and press release on interim and annual results</p> <p>A.3. Reviewed accounting policies and practices, including approval of critical accounting policies</p> <p>A.4. Considered and discussed with the external auditor its report on interim and full year review of financial information</p> <p>A.5. Reviewed to ensure that the annual report and financial statements for the year ended 31 March 2018 of Link, taken as a whole, are fair, balanced and understandable</p> <p>A.6. Discussed with the external auditor key audit matters and had a private session when members discussed with the external auditor in the absence of management</p> <p>A.7. Reviewed and recommended the Directors' report and financial statements of the Manager for approval by the Board</p>
<p>B. Appointment and re-appointment/removal of external auditor, review of external auditor's performance and audit and non-audit service fees</p>	<p>B.1. Reviewed the work scope, quality, fees and terms of engagement of the audit and non-audit services provided by the external auditor</p> <p>B.2. Assessed external auditor's independence and based on its review and assessment, recommended to the Board on the re-appointment of the external auditor of Link</p>
<p>C. Internal audit plan and audit work</p>	<p>C.1. Reviewed internal audit activity reports on a quarterly basis, monitored and followed up on the implementation of recommended actions</p> <p>C.2. Approved the yearly internal audit plan including Link's PRC operations for the new financial year</p> <p>C.3. Reviewed and satisfied itself that the internal audit function was independent, effective and adequately resourced in staffing and staff training</p> <p>C.4. Discussed privately and from time to time with the Head of Internal Audit and Risk Management on internal control and internal audit issue</p>

Key areas of review	Tasks performed
<p>D. Internal controls and risk management</p>	<p>D.1. Quarterly reviewed the effectiveness of Link's internal controls and risk management systems and monitored risks specified on Link's corporate risks register on an on-going basis by identifying new risks, monitoring of movement of risks and receiving management's representations thereon</p> <p>D.2. Endorsed the corporate risks register and the risk management report for yearly review and approval by the Board</p> <p>D.3. Quarterly reviewed statutory and operational compliance reports on an on-going basis, and monitored compliance issues (including compliance with competition law)</p> <p>D.4. Quarterly reviewed suspected or potential corruption cases and whistle-blowing cases and followed up actions (if any)</p> <p>D.5. Discussed privately and from time to time with the Head of Internal Audit and Risk Management on risk management issue</p> <p>D.6. Reviewed and considered through the assistance of the human resources function as to the adequacy of resources, staff qualifications and experience, training programmes and budget of the finance and accounting functions of the Manager</p> <p>D.7. Reviewed and satisfied itself that the risk management function was independent, effective, and adequately resourced in terms of staffing and staff training</p>
<p>E. Compliance with REIT Code, the Listing Rules, and other statutory compliance:</p> <ul style="list-style-type: none"> – connected party transactions as within the requirements of the relevant SFC waivers – provisions of the Compliance Manual (including the Link Securities Dealing Code and the Link Corporate Governance Policy) and the code of conduct applicable to Directors – disclosures in the interim and annual report and interim and annual results announcements – other statutory and operational compliance 	<p>E.1. Reviewed and monitored connected party transactions through quarterly reports submitted by the company secretary and half-yearly review by internal audit and ensured compliance with the requirements of the REIT Code and the conditions of the relevant SFC waivers</p> <p>E.2. Reviewed disclosures in the corporate governance report, monitored the compliance with the Listing Rules Corporate Governance Code, and endorsed the going concern statement and the statement of compliance with the Listing Rules Corporate Governance Code for inclusion in the annual report and financial statements</p> <p>E.3. Reviewed quarterly updates on property development and related activities and the extent, in percentage terms, to which the GAV Cap has been applied and reviewed the disclosures in annual report in relation thereto</p> <p>E.4. Monitored compliance with the Compliance Manual (which sets out the Link Corporate Governance Policy and the Link Securities Dealing Code) through quarterly reports submitted</p> <p>E.5. Reviewed reports from management on Common Reporting Standards, FATCA and competition law compliance</p>
<p>F. Others</p>	<p>F.1. Review of the terms of reference of the Audit and Risk Management Committee</p>

Reports of Board Committees

Mr William CHAN Chak Cheung retired as chairman and became member of the Audit and Risk Management Committee on 8 June 2017 and retired from the Audit and Risk Management Committee on 9 November 2017 after long period of service as such. On behalf of all the committee members, I would like to thank Mr William CHAN Chak Cheung for his contributions to the work of the committee in the past 8 years. I would also like to thank all the other committee members for the dedicated efforts they put in the work of the committee during the year under review.

None of the members of this committee was a partner or a former partner of Link's external auditor within one year immediately before his/her appointment.

Peter TSE Pak Wing

Chairman of the Audit and Risk Management Committee

Hong Kong, 6 June 2018

Report of the Finance and Investment Committee

The Finance and Investment Committee is responsible for overseeing the business and financial matters of Link.

Composition & Attendance

According to the Link Corporate Governance Policy, members of the Finance and Investment Committee cannot be a member of the Audit and Risk Management Committee.

Members ⁽¹⁾	Independent	Attended/ Eligible to attend	Invitees for specific topics	Attended/ Eligible to attend
Nicholas Charles ALLEN (<i>Chairman</i>)	✓	6/6	Director (Finance)	5/5
George Kwok Lung HONGCHOY		6/6	Director (Investment)	2/2
Andy CHEUNG Lee Ming ⁽²⁾		5/5	Head of Capital Markets	5/5
Ian Keith GRIFFITHS ⁽³⁾		5/5	Head of Project & Development	4/4
Ed CHAN Yiu Cheong	✓	6/6		
David Charles WATT	✓	6/6	General Manager - Asset Planning	5/5
Elaine Carole YOUNG	✓	6/6		

Notes:

- (1) Mr Christopher John BROOKE joined the Finance and Investment Committee as a member on 6 June 2018.
- (2) Mr Andy CHEUNG Lee Ming ceased to act as a member of the Finance and Investment Committee after changing executive role from the CFO to the COO of the Manager on 1 February 2018. Mr Hubert CHAK was appointed as Acting CFO from 1 February 2018 to 2 May 2018 and attended one Finance and Investment Committee meeting during the period. Mr NG Kok Siong joined the Manager as the CFO and became a member of the Finance and Investment Committee on 3 May 2018.
- (3) Abstained from one Finance and Investment Committee meeting to avoid potential conflict of interest.

Reports of Board Committees

Work of the Finance and Investment Committee during the year and up to the date of this Report

During the year ended 31 March 2018, the Finance and Investment Committee met six times.

Key areas of review	Tasks performed
A. Investment, acquisition & capital recycle decisions	<p>A.1. Evaluated various investment opportunities as within the investment criteria approved by the Board</p> <p>A.2. Approved the disposal of 17 non-core properties in Hong Kong; received performance reports on acquired assets and issues that arose from disposed assets</p> <p>A.3. Reviewed and recommended for approval by the Board the renewal of unit buy-back execution mandate and monitoring its implementation</p> <p>A.4. Reviewed the investor relations activity reports from management</p>
B. Financing matters	<p>B.1. Reviewed and recommended for approval by the Board the upsizing of the MTN Programme from US\$3 billion to US\$5 billion and the renewal of general mandate for management to issue notes under the MTN Programme</p> <p>B.2. Reviewed policies of Link including the mix of fixed/floating rate liabilities, and developments and trend of the capital market</p> <p>B.3. Reviewed and recommended for approval by the Board bank loans and other banking matters</p>
C. Budget and forecasts	C.1. Reviewed and recommended for approval by the Board the 3-year budget and business plans
D. Financing plans and strategies, and changes to financial authority, policies or procedures	<p>D.1. Reviewed RMB hedging strategies and evaluated the impact of RMB currency change on Link's investment in the PRC</p> <p>D.2. Reviewed regularly capital management reports and treasury reports and considered capital market conditions as regularly reported by treasury team</p> <p>D.3. Reviewed Link's gearing ratios, various financing/refinancing/investment proposals and their impact on credit ratings</p>
E. Asset enhancement	E.1. Approved new asset enhancement projects within the revised authority limits; reviewed regularly the progress of existing asset enhancement projects against approved capital expenditure; evaluated performance of post-asset enhancement assets; and reviewed other capital expenditure proposals
F. Others	F.1. Reviewed the portfolio assets valuation by the Principal Valuer as of 31 December 2017 and endorsed the same for Board approval

I would like to thank all the committee members for their dedication in discharging their duties.

Nicholas Charles ALLEN

Chairman of the Finance and Investment Committee

Hong Kong, 6 June 2018

Report of the Nomination Committee

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

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

Composition & Attendance

Members	Independent	Attended/ Eligible to attend	Invitee for specific topics	Attended/ Eligible to attend
Nicholas Charles ALLEN (<i>Chairman</i>)	✓	3/3	Senior representative from RRA	2/2
George Kwok Lung HONGCHOY		3/3		
Blair Chilton PICKERELL	✓	3/3		
May Siew Boi TAN	✓	3/3		
William CHAN Chak Cheung ^(Note)	✓	2/2		

Note: Retired on 9 November 2017

Work of the Nomination Committee during the year and up to the date of this Report

During the year ended 31 March 2018, the Nomination Committee met three times.

Key areas of review	Tasks performed
A. Appointment, re-appointment and removal of Directors, nomination of Directors for re-election by Unitholders at annual general meeting	A.1. Reviewed and recommended for approval by the Board the appointment of Mr Christopher John BROOKE as an INED for three years A.2. Recommended the re-election of four retiring Directors who will stand for re-election at the forthcoming 2018 AGM after considering their respective contributions, skills and experience, and expertise as well as assessing their independence
B. Board diversity	B.1. Reviewed the Board Diversity Policy of Link and monitored regularly its implementation progress
C. Composition of the Board and Board Committees as within the Link Corporate Governance Policy	C.1. Reviewed the composition, size and structure, and memberships of the Board and Board Committees by (i) taking into account the expertise, time commitment, and skills and experience of the members; (ii) with particular reference to the Board Diversity Policy of Link; and (iii) taking into consideration the Link Corporate Governance Policy and the Listing Rules Corporate Governance Code

Reports of Board Committees

Key areas of review	Tasks performed
D. Succession planning	D.1. Reviewed the succession planning of Directors, the creating of the roles of the COO and CSO and the recruitment of the new CFO D.2. Reviewed succession planning of the EDs D.3. Reviewed the engagement of independent external consultant (being RRA) in the search for potential candidates for INEDs D.4. Maintained and regularly reviewed a running list of potential candidates for INEDs and set and prioritised the selection criteria and talent required from new Board member(s)
E. Board performance evaluation	E.1. Reviewed Directors' time commitment through, among others, monitoring their meeting attendance for the year and number of outside directorships E.2. Reviewed training and continuous professional development undertaken by each Director in the year E.3. Carried out Board Performance Review through the chairman as described on page 15
F. Assisted the Board in ensuring compliance with Link Corporate Governance Policy and practices	F.1. Assessed the independence of each INED, and the time required from the NED and INEDs (including any prospective Director) to fulfil their fiduciary duties of overseeing Link's business and serving the Board and various Board Committees F.2. Monitoring latest developments of corporate governance practices and regulatory changes as well as leading proxy advisors' latest voting recommendation policies that have a bearing on corporate governance practices or may affect the Board's composition

Mr William CHAN Chak Cheung retired from the Nomination Committee on 9 November 2017. On behalf of all the committee members, I would like to thank Mr William CHAN Chak Cheung for his contributions in the past years. I would also like to thank all the other committee members for the dedicated efforts they put in during the year.

Nicholas Charles ALLEN

Chairman of the Nomination Committee

Hong Kong, 6 June 2018

Report of the Remuneration Committee

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

Composition & Attendance

Members	Independent	Attended/ Eligible to attend	Invitees for relevant agenda items	Attended/ Eligible to attend
David Charles WATT (<i>Chairman</i>)	✓	4/4	Board Chairman ⁽⁴⁾	3/3
Blair Chilton PICKERELL	✓	4/4	CEO ⁽⁴⁾	4/4
May Siew Boi TAN ⁽¹⁾	✓	2/2	Senior representatives from Mercer (an independent external consultant)	2/2
Peter TSE Pak Wing ⁽²⁾	✓	2/2		
Elaine Carole YOUNG	✓	4/4		
William CHAN Chak Cheung ⁽³⁾	✓	2/2	Director (Human Resources) ⁽⁴⁾	4/4

Notes:

- (1) Joined the Remuneration Committee as a member on 9 November 2017
- (2) Ceased to act as a member of the Remuneration Committee on 9 November 2017
- (3) Retired on 9 November 2017
- (4) Non-member but attended all relevant sections of the Remuneration Committee meetings

Work of the Remuneration Committee during the year and up to the date of this Report

The Remuneration Committee is the administrator of the 2007 LTI Plan as well as the 2017 LTI Scheme. It determines the grant of awards to senior management (excluding the CEO, the COO and the CFO) and selected key management staff as well as recommends grant of awards to the CEO, the COO, the CFO and other Directors for approval by the Board. It also determines the vesting of the long-term incentive awards.

The Board Chairman attends relevant sections of the meetings to provide his input on the performance of the CEO, and the CEO presents his performance assessment of the COO and the CFO, to assist the Remuneration Committee to review the remuneration packages of the 2 EDs. The Director of Human Resources regularly attended Remuneration Committee meetings to brief members on market pay trends, talent development and training, and other employment matters.

An independent external consultant is engaged to provide input to assist the Remuneration Committee in reviewing and setting new fee level of NED/INEDs and determining the remuneration packages of EDs.

No Director is involved in deciding his/her own remuneration.

During the year ended 31 March 2018, the Remuneration Committee met four times.

Reports of Board Committees

Key areas of review	Tasks performed
A. Remuneration policies concerning Directors	A.1. Reviewed the remuneration framework, policy and structure for EDs, senior management (including the CFO) and key employees
B. Remuneration strategy and policies for senior management and staff and the training and continuous professional development of senior management	B.1. Reviewed the general market pay trend and endorsed the budgets for salary increment and performance bonus for staff B.2. Reviewed the leadership development programme submitted by Director of Human Resources B.3. Discussed training and continuous professional development of senior management
C. Remuneration packages of EDs and senior management	C.1. Reviewed and recommended, with the assistance of an independent external consultant, Mercer, to the Board on the remuneration packages of the CEO (with input from the Board Chairman), the COO and the CFO (with input from the CEO) C.2. Determined the remuneration package of the CFO
D. Fee level of NED and INEDs	D.1. Reviewed, with the assistance of an independent external consultant, Mercer, the level and structure and recommended the increase of fees for NED and INEDs
E. Grant and vesting of long-term incentive awards in favour of Directors and senior management under the 2007 LTI Plan and the 2017 LTI Scheme	E.1. Reviewed and recommended for approval by the Board the proposed grant of restricted unit awards to the CEO, the COO (the then CFO before change of executive role on 1 February 2018) and the Directors E.2. Approved the grant of restricted unit awards to the senior management and certain other key staff under the 2017 LTI Scheme in the year E.3. Reviewed the vesting results of restricted unit awards vested under the 2007 LTI Plan in the year E.4. Determined the salary increases and bonus payments for the senior management (except the EDs) and other employees
F. Others	F.1. Reviewed and endorsed the Special Strategic Awards to selected group on portfolio asset disposal

Mr William CHAN Chak Cheung retired from the Remuneration Committee on 9 November 2017. On behalf of all the committee members, I would like to thank Mr William CHAN Chak Cheung for his contributions in the past years. I would also like to thank all the committee members for their dedicated efforts.

David Charles WATT

Chairman of the Remuneration Committee

Hong Kong, 6 June 2018

Regulatory & Compliance

Regulatory Framework

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

- **The Manager**

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

- **The Trustee**

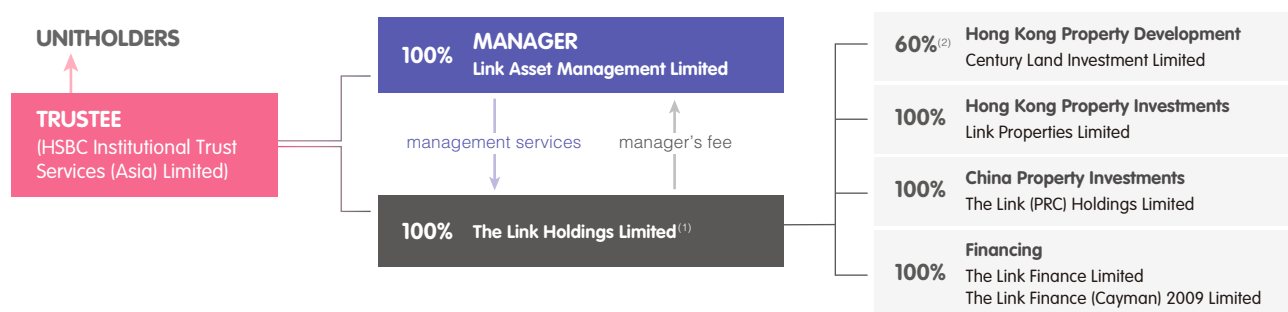
The Trustee is a registered trust company for collective investment schemes under the SFO and the REIT Code, holding all the Link's assets in trust for and in the sole interest of all our Unitholders. The Trustee and the Manager operate independently.

The respective rights and obligations of the Manager and the Trustee are governed by the Trust Deed. The Trustee carries out periodic reviews on the Manager, in addition to the reviews performed by the internal auditor and external auditor. The Trustee's Report is set out on page 76 of this report.

The activities of the Manager and Link are regulated by the SFC pursuant to the REIT Code and the SFO. During the year ended 31 March 2018, the Manager managed Link, in all material aspects, in accordance with the provisions of the Trust Deed and the Compliance Manual.

The names of the five responsible officers of the Manager for the purposes of the SFO appear in the "Corporate Information" section of this report.

Corporate Structure



Notes:

(1) The Link Holdings Limited is the holding company of all SPVs of Link, and Link's principal subsidiaries as at 31 March 2018 are set out in Note 32 to the consolidated financial statements. The Trustee is the sole owner, on behalf of all our Unitholders, of both the Manager and The Link Holdings Limited, which holds all of the Link's assets. The units of Link represent stapled interest in these two companies.

(2) 40% interests are held by Nan Fung Development Limited.

Regulatory & Compliance

Compliance with Listing Rules Corporate Governance Code & Other Regulations

Throughout the year ended 31 March 2018,

- (i) Link and the Manager complied with the REIT Code, the SFO, applicable provisions of the Listing Rules, the Trust Deed, and the Compliance Manual; and
- (ii) Link and the Manager applied the principles and complied with, to the extent appropriate, the code provisions in the Listing Rules Corporate Governance Code, save and except code provision A.4.2. The Manager considers that rigid application of code provision A.4.2 to our EDs is not in the interest of our Unitholders. Business continuity and longevity at top management level work for the long-term benefit of Link. Frequent re-shuffle in executive directorate, absent the anchor of a controlling Unitholder, tends to promote “short-termism”. Any risk of entrenchment in office is counter-balanced by an overwhelmingly high majority of INEDs on our Board, who have the collective power (and the Unitholders also have the same power under the Trust Deed) to remove a recalcitrant ED.

Compliance with Link Securities Dealing Code

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

All the Directors, after making specific enquiry on each of them, confirmed that they complied with the required standard set out in the Link Securities Dealing Code throughout the year ended 31 March 2018.

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

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

Compliance with Inside Information Requirements

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

Compliance with Manager-in-charge Regime

During the year under review, the Manager updated the roles and responsibilities of the executive officers in order to comply with the new manager-in-charge regime imposed by the SFC in 2017. Relevant notifications had been filed with the SFC accordingly.

Directors' Responsibility for the Financial Statements

The Directors acknowledged their responsibilities for the preparation of the consolidated financial statements of Link for the year ended 31 March 2018, which had been reviewed by the Audit and Risk Management Committee and approved by the Board.

The statement of the auditor regarding its reporting responsibilities on the consolidated financial statements of Link is set out in the Independent Auditor's Report on pages 77 to 81 of this report.

Auditor's Re-appointment and Remuneration

The Audit and Risk Management Committee reviewed and recommended to the Board the re-appointment of the existing external auditor (PricewaterhouseCoopers).

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

All services provided by the external auditor in the year were reviewed and approved by the Audit and Risk Management Committee which has set guidelines governing the engagement of the external auditor for provision of non-audit services and pre-approval amounts and thresholds for non-audit services. The Manager considered (and the Audit and Risk Management Committee also agreed) that the external auditor's review of interim results and report and annual tax filings services for Link's entities (as tax representative) are recurring items, and the rendering by the external auditor of such recurring services did not impact its objectivity or any perceived independence in auditing the financial statements of Link.

Non-audit services of a non-recurring nature for the year included ad hoc assignments such as setting up procedures and controls in relation to the Common Reporting Standard under the Inland Revenue Ordinance, transaction due diligence and assurance as well as IT security assessment and accounting and tax advisory services. An analysis of the fees paid/payable to the external auditor for audit and non-audit services for the year ended 31 March 2018 is set out in Note 10 to the consolidated financial statements.

Updates on Directors' Biographical Information since Interim Report 2017/2018

- Ms Elaine Carole YOUNG was appointed as a director and also a special advisor to one of the Warburg Pincus' joint ventures in Shanghai, NOVA Property Investment Co. Ltd., with effect from 31 October 2017.
- Mr Blair Chilton PICKERELL resigned as an independent non-executive director and ceased to act as a member of the audit committee of Dah Sing Financial Holdings Limited (which is listed on the Main Board of the Stock Exchange) with effect from 20 December 2017. Also, Mr Blair Chilton Pickerell was appointed as an independent non-executive director of Dah Sing Bank, Limited and Dah Sing Banking Group Limited (which is listed on the Main Board of the Stock Exchange) with effect from 19 and 20 December 2017 respectively.
- Ms May Siew Boi TAN was appointed as an independent non-executive director of HSBC Insurance (Asia) Limited and HSBC Life (International) Limited both with effect from 5 January 2018.
- Mr Andy CHEUNG Lee Ming became the COO and ceased to act as a member of the Finance and Investment Committee of the Manager ("FIC") with effect from 1 February 2018.
- Mr Ed CHAN Yiu Cheong resigned as an executive director and the vice chairman of C.P. Lotus Corporation (which is listed on the Main Board of the Stock Exchange) with effect from 28 February 2018.
- Mr Christopher John BROOKE was appointed as an INED of the Manager with effect from 1 May 2018 and joined the FIC as a member with effect from 6 June 2018.

Regulatory & Compliance

Information to Unitholders

Right to Appoint, Remove and Re-appoint Directors

By the Board

The Trust Deed provides that the Board may (on the recommendation of the Nomination Committee):

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

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

By the Unitholders

The Trust Deed provides that Unitholders may appoint, re-appoint or remove any Director by an ordinary resolution:

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

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

Retirement by Articles of Association

The Articles of Association require that:

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

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

Right to Convene Meetings and Procedures for Putting Forward Proposals

According to the Trust Deed, a general meeting of Unitholders may be convened:

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

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

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

Matters Required to be Decided by Special Resolution

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

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

Directors' Service Contracts

There is no service contract, which is not determinable by the Manager within one year without payment of compensation (other than statutory compensation) in respect of those Directors who are due to retire and offer for re-election at the 2018 AGM.

Regulatory & Compliance

Directors' Interests in Transactions, Arrangements or Contracts

Save as disclosed under the "Connected Party Transactions" section on pages 64 to 70 of this report and in Note 30 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to Link's business to which the Manager was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

The Manager entered into agreements with Directors and certain key employees in respect of the grant of restricted unit awards under the 2017 LTI Scheme in the year under review. Other than the 2017 LTI Scheme, there was no arrangement in the year under review whose objects are to enable Directors to acquire benefits by means of acquisition of units of Link, or shares in, or debenture of, any other body corporate. Further details of the 2017 LTI Scheme are disclosed in the "Long-term Incentive Schemes" section on pages 54 to 63 and Note 20 to the consolidated financial statements. There is no equity-link agreement entered into by the Manager in the year under review.

Permitted Indemnity Provisions

There are permitted indemnity provisions in the Articles of Association of the Manager and relevant SPVs of Link to provide indemnity to directors of the Manager and other members of the Group against any third party liability incurred by them in discharging their duties.

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

Link Together Initiatives

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

In the year under review, upon the recommendation of the selection committee, the Board approved approximately HK\$9 million to fund selected projects under the Link Together Initiatives. The themes of all these selected projects are in line with the objectives of the Link Together Initiatives which are to support the well-being of the elderly and the disadvantaged and education, training and development of children and youth services in the communities around Link's properties. Details of selected projects under the Link Together Initiatives in the year under review are set out on pages 71 to 75 of this report.

Employee Unit Purchase Plan

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

In the year under review, 516 eligible employees of the Manager participated in the EUPP who together purchased 244,244 units on the Stock Exchange at a total consideration of HK\$16,174,542 of which HK\$2,304,668 were subsidised by the Manager.

Information on Units of link

Issue of New units

During the year under review, 1,561,196 new units were issued pursuant to the 2007 LTI Plan. Based on 2,150,058,972 units in issue as at 31 March 2018, the number of new units issued in the year represented approximately 0.07% of the issued units of Link.

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

During the year under review, the Manager (on behalf of Link) bought back a total of 64,504,500 units on the Stock Exchange at an aggregate consideration (excluding expenses) of approximately HK\$4,349 million. Further details are set out as follows:

Month	Number of units bought back	Purchase price per unit		Approximate aggregate consideration (excluding expenses) HK\$'M
		Highest HK\$	Lowest HK\$	
2017				
July	153,500	62.00	61.55	9.5
August	13,194,000	64.00	62.40	833.7
September	1,339,500	64.00	63.05	84.7
November	1,950,000	69.65	68.95	135.4
December	9,177,000	70.00	68.65	636.7
2018				
January	13,106,000	70.50	68.90	921.6
February	6,000,500	69.00	64.45	398.7
March	19,584,000	69.00	66.15	1,329.2

All the units bought back were cancelled prior to the financial year end. Unit buy-backs by the Manager in the year under review were carried out pursuant to the general mandate to buy back units granted by the Unitholders at the 2017 AGM 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\$67.43 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 year under review.

Unitholders Statistics

An analysis of the registered Unitholders as at 31 March 2018 according to the register of Unitholders of Link was as follows:

Range of holdings	Number of registered Unitholders	Aggregate number of units held	Percentage %
0 – 1,000	7,515	4,987,898	0.23
1,001 – 5,000	13,832	30,790,784	1.43
5,001 – 10,000	1,051	7,341,125	0.34
10,001 – 100,000	695	18,970,206	0.88
100,001 or over	87	2,087,968,959	97.12
Total	23,180	2,150,058,972	100.00

HKSCC Nominees Limited (through which most holders hold their units in Link) was the single largest registered Unitholder, holding 2,061,271,104 units (approximately 96%) as at 31 March 2018.

Based on the closing price of HK\$67.00 per unit and 2,150,058,972 units then in issue, the market capitalisation of Link as at 31 March 2018 was approximately HK\$144.1 billion. Further details are set out in Note 25 to the consolidated financial statements.

Regulatory & Compliance

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 nor significant Unitholder (i.e. having an unitholding of 10% or more).

Directors of Subsidiaries

Directors of the Manager

The names of the current Directors of the Manager appear in the “Corporate Information” section of this report. During the year under review, Mr William CHAN Chak Cheung retired as a Director. Subsequent to the financial year end, Mr Christopher John BROOKE was appointed as a Director.

Directors of Link’s SPVs

Mr George Kwok Lung HONGCHOY and Mr Andy CHEUNG Lee Ming are directors of all Link’s SPVs. In addition, five SPVs also have Mr Gary FOK Yip Sang, Ms Peionie KONG Po Yan and/or Ms Phyllis NG Yuen Fan as their directors.

Acquisition and Disposal of Real Estate

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

- (i) acquisition of Metropolitan Plaza in Liwan District, Guangzhou, the PRC for a consideration of RMB4,065,000,000 which was completed on 11 May 2017; and
- (ii) disposals of 17 properties for a total consideration of HK\$23,000,000,000 which were all completed on 28 February 2018.

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

Property Development and Related Activities

Link, through the joint venture with Nan Fung Development Limited on, respectively, 60% to 40% equity ratio, acquired a piece of land (N.K.I.L. 6512) for development of the property now known as The Quayside.

Updates on the commercial development project pursuant to 7.2A of the REIT Code since Link’s interim report 2017/2018 are as follows:

- Construction of The Quayside continues to progress on schedule. With the current construction progress, it is targeted to complete the building works in early 2019.
- Based on (i) the total development costs (including land premium) of HK\$9.9 billion and (ii) Link’s 60% interest in the joint venture, Link’s portion of the total development costs is estimated at approximately HK\$5.94 billion, which (a) represents approximately 2.9% of the total gross asset value of Link as at 31 March 2018 (after adjusting for the impact of the final distribution for the year ended 31 March 2018); and (b) is within the GAV Cap.

Other Information Updates

Major Real Estate Agents/Advisors

During the year under review, commissions paid to the top five real estate agents/advisors engaged by Link and their respective services rendered are as follows:

Name	Nature of services	Commission/ advisory fees paid HK\$'M	Percentage of relevant costs %
Cushman & Wakefield (HK) Limited	Real estate advisor to the disposal of 17 properties	119.6	31.9
UBS AG, Hong Kong Branch	Financial advisor to the disposal of 17 properties	119.6	31.9
The Hongkong and Shanghai Banking Corporation Limited	Financial advisor to the disposal of 17 properties	119.6	31.9
Jones Lang LaSalle Limited	Lease agency	8.1	2.2
北京世邦魏理仕物業管理服務有限公司 上海分公司 (Beijing CBRE Property Management Services Limited, Shanghai Branch*)	Lease agency	2.1	0.6

* English trade name or transliteration of official Chinese name

Major Contractors

During the year under review, the value of service contracts of the top five contractors engaged by Link and their respective services rendered are as follows:

Name	Nature of services	Value of services paid HK\$'M	Percentage of relevant costs %
Gammon Construction Limited	Main contractor, pile foundation and lateral support services	617.9	19.4
Ching Lee Engineering Limited	Project and maintenance	302.4	9.5
Pat Davie Limited	Project and maintenance	244.3	7.6
Jetline Company Limited	Project and maintenance	127.5	4.0
Wan Chung Construction Company Limited	Project and maintenance	85.0	2.7

Major Customers and Suppliers

For the year under review, the five largest customers combined accounted for less than 30% of Link's total revenue.

For the year under review, the five largest suppliers combined and the largest supplier accounted for, respectively, approximately 43.2% and approximately 19.4% of Link's total purchases.

None of the Directors, any of their associates or Unitholders (which, to the best knowledge of the Directors, own more than 5% of the units of Link in issue) had an interest in any of the top five suppliers.

Biographical Details of Directors and Management Team

Directors of the Manager

Mr Nicholas Charles ALLEN

Chairman (also an Independent Non-Executive Director)

Mr ALLEN, aged 63, has been an Independent Non-Executive Director of the Manager since February 2016 and succeeded as the Chairman of the Board since April 2016. He is also the chairman of the Nomination Committee and the Finance and Investment Committee of the Manager.

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

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

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

Mr George Kwok Lung HONGCHOY

Executive Director & Chief Executive Officer

Mr HONGCHOY, aged 56, has been an Executive Director and Chief Executive Officer since 2009 and 2010 respectively, and a member of the Nomination Committee and the Finance and Investment Committee of the Manager. He is also a director of The Link Holdings Limited, Link Properties Limited, The Link Finance Limited and all other subsidiaries of Link.

He is chairman of the Supervisory Committee of the Tracker Fund of Hong Kong (a Hong Kong unit trust authorised under section 104(1) of the SFO whose units are listed on the Main Board of the Stock Exchange), a member of the Corporate Governance Committee of Charoen Pokphand Group, Thailand, a member of the Asia Executive Board of The Wharton School, a governor of the World Economic Forum's Infrastructure and Urban Development Community, a global governing trustee of the Urban Land Institute and an advisor of Our Hong Kong Foundation Limited.

Mr HONGCHOY began his career with Arthur Young (now EY) in New Zealand and has since moved into senior management positions in financial consulting, investment bank and real estate investment. He was previously Managing Director of Investment Banking at JP Morgan and N.M. Rothschild & Sons and, immediately prior to joining Link, Managing Director and Head of DBS Asia Capital Limited.

He was named the Country Winner of Hong Kong/Macau Region in the EY Entrepreneur of the Year 2017 China Award, Business Person of the Year by DHL/SCMP Hong Kong Business Awards in 2015, and was also presented with the Asian Corporate Director Award by Corporate Governance Asia in 2013-2016, the Director of the Year Award (Listed Companies – Executive Directors) by The Hong Kong Institute of Directors and the Outstanding Entrepreneurship Award by Enterprise Asia in 2011.

Mr HONGCHOY holds a Bachelor of Commerce degree from the University of Canterbury and an MBA degree from The Wharton School, University of Pennsylvania. He is a Chartered Accountant, a Senior Fellow and a member of the Corporate Advisory Council of the Hong Kong Securities and Investment Institute, a Fellow and Council Member of The Hong Kong Institute of Directors, and a Fellow member of the Hong Kong Institute of Certified Public Accountants, the Chartered Accountants Australia and New Zealand, the Royal Institution of Chartered Surveyors, and the Institute of Shopping Centre Management.

Mr Andy CHEUNG Lee Ming

Executive Director & Chief Operating Officer

Mr CHEUNG, aged 51, joined the Manager as an Executive Director and the Chief Financial Officer in June 2010, and became the Chief Operating Officer in February 2018. He is also a director of The Link Holdings Limited, Link Properties Limited, The Link Finance Limited and all other subsidiaries of Link.

Mr CHEUNG has over 26 years of experience in the areas of business development, finance and audit. He holds a Bachelor degree in Business Administration from the Boston University and a Master of Business Administration degree from the McMaster University. He is a Certified Public Accountant of the State of Illinois in the United States and also the Vice Chairman of the Real Estate and Infrastructure Committee of The Hong Kong General Chamber of Commerce, and a member of the General Committee of The Chamber of Hong Kong Listed Companies.

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

Mr Ian Keith GRIFFITHS

Non-Executive Director

Mr GRIFFITHS, aged 63, has been a Non-Executive Director of the Manager since September 2007. He is also a member of the Finance and Investment Committee of the Manager.

Mr GRIFFITHS has lived in Hong Kong since 1983. He is the founder and chairman of the architectural practice Aedas which has been one of the world's ten largest architectural practices since 2006. Aedas has its headquarter in Hong Kong and 13 global offices with 1,400 staff in Asia, the Middle East, Europe and North America.

Mr GRIFFITHS studied Architecture at St John's College, University of Cambridge, graduating with distinction in 1978 and was admitted to The Royal Institute of British Architects in 1980. He is a Fellow of The Hong Kong Institute of Architects and an Honorary Fellow of the University of Wales Trinity Saint David and Cardiff University. He has extensive experience in high density urban planning and in the design of high-rise commercial and residential buildings, airports and civic facilities throughout Asia. He lectures and writes widely upon high-density urbanization and the development of new building typologies to meet the demands of high density living.

Mr GRIFFITHS established the Griffiths-Roch Foundation in 2009 to purchase and restore listed historic buildings as luxury hotels operated by the Retreats Group Ltd.

Mr Christopher John BROOKE

Independent Non-Executive Director

Mr BROOKE, aged 49, has been an Independent Non-Executive Director of the Manager since May 2018. He is also a member of the Finance and Investment Committee of the Manager.

Mr BROOKE is a co-founder and director of Brooke Husband Limited, a real estate consulting practice based in Hong Kong. He is a Chartered Surveyor, Fellow of the Royal Institution of Chartered Surveyors (RICS) and a member of The Hong Kong Institute of Surveyors. Mr BROOKE is currently the global President Elect and a member of the Governing Council of the RICS. In addition, he is a member of the Urban Land Institute and a director of the Hong Kong Rugby Union. Mr BROOKE held a number of senior management positions at CBRE, relating to both China and Asia, between July 2002 and December 2015 (including his last position as Executive Managing Director, Consulting, Asia Pacific). He was also a long standing member of the Asia Pacific Strategic Group within CBRE. Mr BROOKE held various positions at Brooke Hillier Parker, Brooke International and Insignia Brooke between March 1992 and July 2003 before joining CBRE in 2003 via the acquisition of Insignia Brooke by CBRE. He started his career in 1989 as a graduate surveyor at Hillier Parker in the United Kingdom, prior to relocating to Hong Kong in 1992. Mr BROOKE obtained a Bachelor of Arts degree in Land Economy from the University of Cambridge, United Kingdom.

Mr Ed CHAN Yiu Cheong

Independent Non-Executive Director

Mr CHAN, aged 55, has been an Independent Non-Executive Director of the Manager since February 2016. He is also a member of the Finance and Investment Committee of the Manager. Mr CHAN is a non-executive director of Treasury Wine Estates Limited (which is listed on the Australian Securities Exchange) and an independent non-executive director of Yum China Holdings, Inc. (which is listed on the New York Stock Exchange). He was previously an executive director and the Vice Chairman of C.P. Lotus Corporation (which is listed on the Main Board of the Stock Exchange) and a Vice Chairman of Charoen Pokphand Group Company Limited. In addition, Mr CHAN was the president and chief executive officer of Walmart China from November 2006 to October 2011, and held senior positions with the Dairy Farm Group from November 2001 to November 2006 (including his last position as Regional Director, North Asia). He also led Bertelsmann Music Group business in Greater China. Mr CHAN began his career as a consultant with McKinsey & Co working in both Hong Kong and the United States. He obtained a Bachelor degree from The University of Chicago, USA and a Master degree from the Sloan School of Management, Massachusetts Institute of Technology, USA.

Biographical Details of Directors and Management Team

Mr Blair Chilton PICKERELL

Independent Non-Executive Director

Mr PICKERELL, aged 61, has been an Independent Non-Executive Director of the Manager since April 2016. He is also a member of the Remuneration Committee and the Nomination Committee of the Manager. Mr PICKERELL is an independent non-executive director and a member of the Finance Committee, Nominating and Governance Committee and Strategic Issues Committee of Principal Financial Group, Inc. (which is listed on NASDAQ). He is also an independent non-executive director of Dah Sing Banking Group Limited (which is listed on the Main Board of the Stock Exchange) and Dah Sing Bank, Limited. Mr PICKERELL is currently a member of the Supervisory Committee of the Tracker Fund of Hong Kong (a Hong Kong unit trust authorised under section 104(1) of the SFO whose units are listed on the Main Board of the Stock Exchange) and the International Advisory Board, Securities and Exchange Board of India. He has also been active in public service. He was a Court Member of The University of Hong Kong during December 2008 to November 2014 and is a Vice Patron of The Community Chest of Hong Kong and chairman of Harvard Business School Association of Hong Kong. Mr PICKERELL was Chairman, Asia of Nikko Asset Management Co., Ltd. up to July 2015. He joined Jardine Matheson Holdings Group in 1984 and held various positions in Jardine Matheson Holdings Group. In 2003, he joined HSBC Investments (Hong Kong) Limited (now known as HSBC Global Asset Management (Hong Kong) Limited) as the Chief Executive Officer, Asia Pacific. Mr PICKERELL served as the Managing Director and Chief Executive Officer, Asia of Morgan Stanley Investment Management from 2007 to 2010, and was also an independent non-executive director and a member of the audit committee of Dah Sing Financial Holdings Limited (which is listed on the Main Board of the Stock Exchange) from June 2013 to December 2017. Mr PICKERELL holds an MBA degree from Harvard Business School, U.S.A. and an MA degree (in East Asian Studies) and a BA degree (in Political Science) from Stanford University, U.S.A.

Ms Poh Lee TAN

Independent Non-Executive Director

Ms TAN, aged 59, has been an Independent Non-Executive Director of the Manager since November 2015. She is also a member of the Audit and Risk Management Committee of the Manager. Ms TAN was the managing partner of the Hong Kong, Beijing, Shanghai and Vietnam offices of the international law firm Baker & McKenzie from November 2010 till October 2012 and Chairman of Asia for Baker & McKenzie from October 2008 to October 2010. She was a solicitor, admitted to practice in Hong Kong, England and Wales, Australia and Singapore. She has extensive experience in mergers and acquisitions and private equity transactions in the Asia-Pacific region as well as outbound investments from Mainland China. Ms TAN has been active in community services. She is the founder and a director of Mighty Oaks Foundation Limited and was a member of the founding board of Independent Schools Foundation. Ms TAN holds a Bachelor of Laws degree from the London School of Economics and Political Science and a Master of Law degree from Queens' College, University of Cambridge.

Ms May Siew Boi TAN

Independent Non-Executive Director

Ms TAN, aged 62, has been an Independent Non-Executive Director of the Manager since February 2013. She is also a member of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee of the Manager. Ms TAN is currently an independent non-executive director of HSBC Insurance (Asia) Limited and HSBC Life (International) Limited. She was an executive director of Standard Chartered Bank (Hong Kong) Limited and was also its chief executive officer from July 2014 to February 2017. She was previously the chief executive officer of Cazenove Asia Limited and a partner of Cazenove and Co. Cazenove Asia Limited (now known as Standard Chartered Securities (Hong Kong) Limited) became part of Standard Chartered Hong Kong in January 2009. In 2016, Ms TAN was the chairman of The Hong Kong Association of Banks, the ex-officio member of Hong Kong Trade Development Council and a member of the Currency Board Sub-Committee of The Exchange Fund Advisory Committee of Hong Kong Monetary Authority. She was a member of the Listing Committee of the Stock Exchange from 4 May 2012 to 9 July 2015 and a member of the Takeovers and Mergers Panel and the Takeovers Appeal Committee of the SFC from 1 April 2001 to 31 March 2013. She is an executive committee member of Hong Kong Youth Arts Foundation and was a Council Member and the Vice Chairman of Oxfam Hong Kong. Ms TAN graduated from The University of Sheffield. She is a member of The Institute of Chartered Accountants in England and Wales and a Fellow of the Hong Kong Institute of Certified Public Accountants.

Mr Peter TSE Pak Wing**Independent Non-Executive Director**

Mr TSE, aged 67, has been an Independent Non-Executive Director of the Manager since July 2014. He is also the chairman of the Audit and Risk Management Committee of the Manager. Mr TSE was an executive director of CLP Holdings Limited (a company listed on the Main Board of the Stock Exchange) up till May 2012. He then became a non-executive director until he retired in April 2013. Before joining the CLP Group in January 1981, he worked with Deloitte & Co. in London and Hong Kong, and the Swire Group. Mr TSE is an independent non-executive director of Hong Kong Aircraft Engineering Company Limited (a company listed on the Main Board of the Stock Exchange) and an independent non-executive director of HSBC Bank (China) Company Limited. Mr TSE holds a Bachelor of Science degree in Mechanical Engineering from The University of Hong Kong and a Master of Science degree in Technological Economics from the University of Stirling in Scotland. He is a Fellow of The Institute of Chartered Accountants in England and Wales and a Fellow of the Hong Kong Institute of Certified Public Accountants.

Ms Nancy TSE Sau Ling**Independent Non-Executive Director**

Ms TSE, aged 65, has been an Independent Non-Executive Director of the Manager since July 2014. She is also a member of the Audit and Risk Management Committee of the Manager. Ms TSE joined the Hospital Authority in 1991 and was the chief financial officer and the Director (Finance and Information Technology Services) of the Hospital Authority before her retirement in August 2013. Ms TSE is a member of the audit committee of The University of Hong Kong and an Adjunct Professor at The Jockey Club School of Public Health and Primary Care of The Chinese University of Hong Kong. She also sits on the boards and committees of a number of charitable organisations and non-government organisations. Ms TSE is an independent non-executive director of Wheelock and Company Limited (a company listed on the Main Board of the Stock Exchange), DBS Bank (Hong Kong) Limited and HSBC Provident Fund Trustee (Hong Kong) Limited. She holds a Bachelor of Arts (Honours) degree in Mathematics and a Master of Business Administration degree in Finance/Accounting from the University of California, Los Angeles, the United States. Ms TSE is a Chartered Accountant qualified in Canada, a Fellow of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Hong Kong Institute of Directors.

Mr David Charles WATT**Independent Non-Executive Director**

Mr WATT, aged 68, has been an Independent Non-Executive Director of the Manager since August 2009. He is also the chairman of the Remuneration Committee and a member of the Finance and Investment Committee of the Manager. Mr WATT holds a Master of Arts in Modern History from the University of Oxford and completed the International Executive Programme at INSEAD, France in 1991. He is a Fellow of the Royal Institution of Chartered Surveyors. Mr WATT is Senior Advisor to InfraRed Capital Partners and Special Advisor to Macdonald & Company. He is also Senior Advisor to China Council for the Promotion of International Trade, Guangzhou Committee and China Chamber of International Commerce, Guangzhou Chamber of Commerce. Mr WATT was an International Director of DTZ with responsibility for business development and client services across the Asia-Pacific Region. He has over 45 years of international experience on a wide range of commercial development projects. He is a former member of the European Advisory Board of the International Council of Shopping Centres.

Ms Elaine Carole YOUNG**Independent Non-Executive Director**

Ms YOUNG, aged 53, has been an Independent Non-Executive Director of the Manager since February 2013. She is also a member of the Finance and Investment Committee and the Remuneration Committee of the Manager. Ms YOUNG is 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) and also sits on the audit committee. Ms YOUNG has extensive experience in both real estate and hospitality across Asia and is the co-founder of the boutique serviced apartment brand, Shama. After Shama was acquired by ONYX Hospitality Group in 2010, Ms YOUNG founded her own real estate and hospitality consultancy firm. She is a Special Advisor to one of Warburg Pincus' joint ventures in Shanghai, NOVA Property Investment Co. Ltd., and sits on the board. She was awarded "Entrepreneur of the Year" at the prestigious RBS Coutts/Financial Times Women in Asia Awards in 2009.

Biographical Details of Directors and Management Team

Management Team

Mr George Kwok Lung HONGCHOY

Executive Director and Chief Executive Officer

Mr Andy CHEUNG Lee Ming

Executive Director and Chief Operating Officer

Senior Management

Mr NG Kok Siong

Chief Financial Officer

Mr NG, aged 46, joined the Manager on 3 May 2018 after serving 13 years with CapitaLand Limited, (a company listed on the Singapore Exchange), in various senior positions including the role of chief financial officer of CapitaMalls Asia Limited. In his most recent role as the Group Chief Digital Officer of CapitaLand, he was responsible for developing technology strategy and building digitalisation capabilities. In addition, Mr NG had been a director and audit committee member of two real estate investment trust (REITs) in Singapore and Malaysia, namely CapitaLand Retail China Trust Management Limited (the manager of CapitaLand Retail China Trust listed on Singapore Exchange) and CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (the manager of CapitaLand Malaysia Mall Trust listed on Bursa Malaysia Securities Berhad). Prior to joining CapitaLand, Mr NG held various positions in planning and appraisal, information systems, finance and investment management in ExxonMobil and Royal Dutch Shell across Asia and Europe. Mr NG graduated with a Degree of Bachelor of Accountancy (Honours) from Nanyang Technological University of Singapore and attended the Tuck Executive Program at Dartmouth College.

Mr Eric YAU Siu Kei

Chief Strategy Officer

Mr YAU, aged 44, oversees the development and execution of corporate strategic initiatives as well as the management and alignment of all functions covering external affairs, dealing and working with various external stakeholders of the Manager. He is one of the responsible officers of the Manager for the purpose of the SFO. Mr YAU joined the Manager in November 2010 and was initially with the Investment team responsible for identifying and developing merger and acquisition initiatives for Link, as well as assisting in formulating the corporate sustainability strategy. Prior to joining Link, Mr YAU worked as an investment banker and corporate manager in DBS Asia Capital, CLP Holdings, UBS Investment Bank and Jardine Fleming. He holds a Master degree in Business Administration from Harvard Business School, a Master of Arts degree from Harvard University, and a Bachelor of Arts degree from Brown University.

Mr Hubert CHAK

Director (Finance)

Mr CHAK, aged 57, oversees the finance and capital markets functions of Link. Mr CHAK joined the Manager in June 2010 and is one of the responsible officers of the Manager for the purpose of the SFO. He holds a Master of Business Administration degree and a Bachelor of Science degree in Mechanical Engineering from Cardiff University. Before joining the Manager, he was an executive director of CSI Properties Limited. Mr CHAK held various senior management positions at PCCW Limited between 1999 and 2007 and was an executive director of Pacific Century Premium Developments Limited until February 2007. He is currently an independent non-executive director of Tradelink Electronic Commerce Limited and a member of the Financial and Treasury Services Committee of The Hong Kong General Chamber of Commerce.

Mr Ricky CHAN Ming Tak

Director (Legal) & Company Secretary

Mr CHAN, aged 59, oversees the legal and company secretarial affairs and regulatory compliance of Link. Mr CHAN joined the Manager in August 2010 and has over 34 years of experience in the legal profession with real estate, corporate finance, listing matters and cross-border transactions. He is a supervisor of three PRC subsidiaries of Link. Before joining the Manager, Mr CHAN was the Group General Counsel of Littauer Technologies Co., Ltd. (Kosdaq-listed), the Head Legal Counsel and Company Secretary of K. Wah International Holdings Limited and the General Counsel of Pacific Century Premium Developments Limited. Mr CHAN holds a Bachelor of Laws from The University of Hong Kong and a Master of Laws from University of London. He is a qualified solicitor in Hong Kong and a qualified lawyer of Singapore. He is also a member of the in-house lawyers committee of The Law Society of Hong Kong and a member of the listing-related issues concern group of The Chamber of Hong Kong Listed Companies.

Ms Christine CHAN Suk Han

Director (Investment)

Ms CHAN, aged 43, oversees asset investment of Link, including acquisition, new market development, and the related market study and research functions. She is one of the responsible officers of the Manager for the purpose of the SFO. Ms CHAN has over 20 years of experience in the real estate and fund management industry. Before joining the Manager in May 2013, Ms CHAN was the Director – Investment & Acquisition at Harvest Capital Partners Limited, a subsidiary of China Resources Group. Ms CHAN also held managerial positions in ARA Asset Management (Prosperity) Limited and Hutchison Whampoa Properties Limited in earlier years. Ms CHAN has extensive experience in direct asset investment, debt and equity investment and financing, asset management, REIT and private equity fund set up and management in the Greater China Region. Ms CHAN holds a Bachelor of Science degree in Surveying from The University of Hong Kong and a Master of Science degree in Global Finance jointly conferred by the New York University Stern School of Business and the HKUST Business School. She is a qualified General Practice Surveyor and a member of The Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors.

Mr Brian CHUANG Sze Bai

Head of Project & Development

Mr CHUANG, aged 53, is one of the co-heads of the project and development function who oversees jointly with another co-head the asset enhancement initiatives and asset development opportunities and explores business development potential of Link. Mr CHUANG joined the Manager in September 2010. He has over 28 years of experience in major architectural projects in the United States, Hong Kong, the PRC and Macau. Prior to joining the Manager, he was a Senior Project Manager of Sun Hung Kai Properties Limited. He also worked for Aedas Limited, Wong & Ouyang (HK) Limited and Dennis Lau & Ng Chun Man Architects & Engineers (H.K.) Limited. Mr CHUANG holds a Bachelor of Architecture from the University of Oregon. He is a Registered Architect in Hong Kong and also a member of The Hong Kong Institute of Architects.

Mr Gary FOK Yip Sang

Director (Asset Management – China)

Mr FOK, aged 51, oversees the management of Link's properties in China, including leasing, property management and asset upgrade. He joined the Manager in July 2014 and has over 26 years of solid and all-rounded experience in asset management of commercial properties in China and Hong Kong. He is a director of three subsidiaries of Link. Before joining the Manager, Mr FOK was the Head of Asset Management of InfraRed NF Investment Advisers Limited. He had also held various leadership roles in major asset development and management companies in China and Hong Kong such as Hutchison Whampoa Properties Limited, New World Group, Jones Lang LaSalle Limited and Henderson Land Development Company Limited. Mr FOK holds a Bachelor of Science in Surveying from The University of Hong Kong and he is a Registered Professional Surveyor, a Registered Real Estate Appraiser of PRC and a member of The Hong Kong Institute of Surveyors, the Royal Institution of Chartered Surveyors and the Hong Kong Institute of Real Estate Administrators.

Biographical Details of Directors and Management Team

Ms Aubrey HO Lau Fung

Director (Corporate Affairs & Marketing)

Ms HO, aged 53, oversees corporate communications, branding, marketing, customer experience management, and engagement with our key stakeholders including the media, government and the community at large. She joined the Manager in February 2017 with over 20 years of experience advising top executives across Asia on all aspects of strategic communications and brand management. She was previously Head of Corporate Communications at the Hong Kong Mercantile Exchange directing global communications and brand marketing; Group Head of Marketing, Asia at ABN AMRO; and Group Head of Communications and Marketing, Asia for all business franchises at UBS AG spanning investment banking, private banking, asset management and private equity. Before moving in-house, she was Managing Director of global consultancy Gavin Anderson & Company. Ms HO began her career in journalism in the U.S. and has since worked in Australia, Singapore, Pakistan, Taiwan, China and Hong Kong. She holds an MBA from The University of New South Wales and a Bachelor's degree in Journalism from the University of Georgia.

Ms Peonie KONG Po Yan

Director (Asset Management – Hong Kong)

Ms KONG, aged 48, oversees the asset management and leasing of Link's Hong Kong asset portfolio. Ms KONG joined the Manager in March 2005 and is a director of two subsidiaries of Link. She has 25 years of experience in the real estate industry. She has extensive experience in retail and commercial leasing as well as implementation of large scale renovation projects and trade-mix repositioning exercises. Prior to joining the Manager, she had held managerial positions in renowned property developers including Sun Hung Kai Properties Limited, New World Development Company Limited and Henderson Land Development Company Limited. Ms KONG holds a Bachelor of Arts degree in Geography from The University of Hong Kong.

Ms Phyllis NG Yuen Fan

Director (Human Resources)

Ms NG, aged 54, oversees the human resources, learning and development and general administration functions of Link. She joined the Manager in March 2016 and is a director of three subsidiaries of Link. She is a seasoned professional having held various senior human resources management positions in internationally recognised financial institutions, including 17 years at UBS AG. Her past duties included a full spectrum of human resources functions covering Hong Kong, the PRC and the Asia Pacific region. With this extensive work experience, she established her own consulting business in 2013, engaging in cross-industry human resources projects. Ms NG holds a Bachelor of Arts degree from The University of Hong Kong and an Executive MBA degree from the Guanghua School of Management of the Peking University.

Mr Simon TU Sik Man

Head of Property Management

Mr TU, aged 57, oversees the property and car park management and operations of the asset portfolio of Link. He joined the Manager in July 2015. Mr TU has over 30 years of experience in car park management and transport related industries in Hong Kong and Mainland China. Prior to joining the Manager, he held various senior roles in the Transport International Holdings group of companies including executive director of Sun Bus Holdings Limited and General Manager of KMB (China) Holdings Limited. Mr TU holds a Master Degree of Business Administration from The Chinese University of Hong Kong.

Mr Max WONG Hon Keung

Head of Project & Development

Mr WONG, aged 53, is one of the co-heads of the project and development function who oversees jointly with another co-head the asset enhancement initiatives and asset development opportunities and explores business development potential of Link. Mr WONG joined the Manager in May 2013. He has over 20 years of experience in major residential and commercial projects in Hong Kong and Macau. Prior to joining the Manager, he was the Assistant General Manager (Head of Project for Hong Kong Operations) at HKR International Limited. He also held various senior positions at Aedas Limited, Wong Tung & Partners Limited, and Kwan and Associates Limited. Mr WONG holds a Bachelor of Architecture and a Bachelor of Arts in Architectural Studies from The University of Hong Kong. He is a Registered Architect and an Authorised Person in Hong Kong and also a member of The Hong Kong Institute of Architects.

Disclosure of Interests

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

According to the disclosure of interests to the Stock Exchange and the Manager pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, the following persons held an interest of 5% or more in the units and underlying units of Link as at 31 March 2018:

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 ⁽¹⁾	Investment manager	(L) 113,471,409 ⁽¹⁾	5.27
APG Groep N.V. ⁽¹⁾	Investment manager	(L) 113,471,409 ⁽¹⁾	5.27
APG Asset Management N.V. ⁽¹⁾	Investment manager	(L) 113,471,409 ⁽¹⁾	5.27
Capital Research and Management Company ⁽²⁾	Direct interests and interests of controlled corporations	(L) 116,463,159 ⁽²⁾	5.41
State Street Corporation	Interests of controlled corporations	(L) 124,191,103	5.77
The Capital Group Companies, Inc. ⁽²⁾	Interests of controlled corporations	(L) 130,993,930 ⁽²⁾	6.09
BlackRock, Inc. ⁽³⁾	Interests of controlled corporations	(L) 175,950,147 ⁽³⁾ (S) 64,000 ⁽³⁾	8.18 0.00

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 block 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 therefore it was deemed to be interested in the same block of 116,463,159 units in which Capital Research and Management Company was interested. In addition, The Capital Group Companies, Inc. was deemed to be interested in 14,530,771 units through four other controlled corporations, namely, Capital Guardian Trust Company (10,245,781 units), Capital International, Inc. (2,537,302 units), Capital International Limited (633,242 units) and Capital International Sarl (1,114,446 units).
- (3) The long position interests of BlackRock, Inc. in 175,950,147 units and short position interests in 64,000 units were held through various controlled corporations of varying amounts. Two of those controlled corporations had an interest over 5%, being BlackRock Holdco 2, Inc. (which had long position interests in 173,314,482 units (8.06%) and short position interests in 3,000 units) and BlackRock Financial Management, Inc. (which had long position interests in 171,607,092 units (7.98%) and short position interests in 3,000 units). Since both companies are wholly-owned by BlackRock, Inc., their aforesaid interests overlapped with part of the interests of BlackRock, Inc. as shown in the table above. The interests held by BlackRock, Inc. as shown in the above table included certain long position interests (444,500 underlying units) and short position interests (64,000 underlying units) in cash settled unlisted derivatives.
- (4) The approximate percentages were calculated based on 2,150,058,972 units in issue as at 31 March 2018 (rounded down to two decimal places).

Save as disclosed above, based on the disclosure of interests to the Stock Exchange and the Manager pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, there were no other persons having an interest of 5% or more in the units and underlying units of Link as at 31 March 2018.

Disclosure of Interests

Interests of Directors in Units

According to the disclosure of interests to the Stock Exchange and the Manager pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, the interests of the Directors in units and underlying units of Link as at 31 March 2018 were as follows:

Name	Number of units				Interest in underlying units ⁽²⁾	Total interest held at 31 Mar 2018	Approximate percentage of total units in issue ⁽³⁾ %	Total interest held at 30 Sep 2017
	Personal interest ⁽¹⁾	Family interest	Corporate interest	Other interest				
Current Directors								
Chairman (also an Independent Non-Executive Director)								
Nicholas Charles ALLEN	50,000 ⁽¹⁾	–	–	–	50,000	100,000	0.0047	100,000
Executive Directors								
George Kwok Lung HONGCHOY	2,482,962	–	–	–	1,178,650	3,661,612	0.1703	3,661,612
Andy CHEUNG Lee Ming	630,928	–	–	–	297,976	928,904	0.0432	928,904
Non-Executive Director								
Ian Keith GRIFFITHS	56,470	–	–	–	19,250	75,720	0.0035	75,720
Independent Non-Executive Directors								
Ed CHAN Yiu Cheong	–	–	–	–	15,000	15,000	0.0007	15,000
Blair Chilton PICKERELL	–	–	–	–	15,500	15,500	0.0007	15,500
Poh Lee TAN	–	–	12,000	–	16,500	28,500	0.0013	16,500
May Siew Boi TAN	89,250	–	–	–	23,750	113,000	0.0053	113,000
Peter TSE Pak Wing	5,250	–	–	–	24,250	29,500	0.0014	29,500
Nancy TSE Sau Ling	4,000	–	–	–	20,500	24,500	0.0011	24,500
David Charles WATT	93,865	–	–	–	22,500	116,365	0.0054	116,365
Elaine Carole YOUNG	28,750	–	–	–	20,750	49,500	0.0023	49,500
Former Independent Non-Executive Director								
William CHAN Chak Cheung ⁽⁴⁾	147,210	–	–	–	17,500	164,710	0.0077	164,710

Notes:

- (1) Directors' personal interests in units as stated above were long position interests. There was no short position interest held by any Director. The interest of Mr Nicholas Charles ALLEN was held in an account in joint name with his spouse.
- (2) Directors' interests in underlying units as stated above were long position interests and represent the maximum number of units which may be vested with the Directors under the 2007 LTI Plan and (if applicable) the 2017 LTI Scheme. Please refer to the "Long-term Incentive Schemes" section on pages 54 to 63 of this report for details.
- (3) The approximate percentages were calculated based on 2,150,058,972 units in issue as at 31 March 2018.
- (4) Mr William CHAN Chak Cheung retired effective from 9 November 2017. His personal interest in units as shown above represents only his position on the date of his retirement and his interest in underlying units represents unvested restricted unit awards held by him. Please see note 6 on page 63 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 31 March 2018.

Interests of Connected Persons in Units and the USD-denominated Green Bond

After making reasonable enquiry and according to the information available to the Manager, as at 31 March 2018, the following persons (other than any significant Unitholder and the Directors and any of their respective associates⁽³⁾) being connected persons (as defined in Chapter 8 of the REIT Code) to Link, held the following interests in the units and the USD-denominated green bond of Link:

Interests in Units

Name	Number of units held at 31 Mar 2018	Approximate percentage of total units in issue ⁽²⁾ %	Number of units held at 30 Sep 2017
The Hongkong and Shanghai Banking Corporation Limited ("HSBC") and its subsidiaries ⁽¹⁾	6,186,635	0.29	9,504,358

Notes:

- (1) The Trustee is a direct 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 1,292,815 units as at 31 March 2018.
- (2) The approximate percentage was calculated based on 2,150,058,972 units in issue as at 31 March 2018.
- (3) As at 31 March 2018, Link did not have any significant Unitholder. The interests in units held by the Directors (including the CEO and the COO, who are considered to be the senior executives of the Manager) as at 31 March 2018 are disclosed in the "Interests of Directors in Units" section above. In addition, as at 31 March 2018, Mr Ricky CHAN Ming Tak (being the company secretary and an officer of the Manager), Mr Gary FOK Yip Sang (being a director of three subsidiaries of Link), Ms Peonie KONG Po Yan (being a director of two subsidiaries of Link) and Ms Phyllis NG Yuen Fan (being a director of three subsidiaries of Link), together with their respective associates (as defined in the REIT Code) were interested in 360,031 units, 57,227 units, 198,018 units and 6,000 units respectively.

Interests in USD-denominated Green Bond

(US\$500 million green bond due 2026 issued on 21 July 2016 at 2.875% coupon rate by The Link Finance (Cayman) 2009 Limited, a subsidiary of Link, under the MTN Programme ("Green Bond"))

Name	Nominal amount held at 31 Mar 2018 US\$	Approximate percentage of total nominal amount ⁽²⁾ %	Nominal amount held at 30 Sep 2017
Dah Sing Bank, Limited ("Dah Sing Bank") ⁽¹⁾	34,100,000	6.82	N/A

Notes:

- (1) Dah Sing Bank became a connected person of Link upon the appointment of Mr Blair Chilton PICKERELL as its director on 19 December 2017.
- (2) The approximate percentage was calculated based on the nominal amount of US\$500 million of the Green Bond.

Long-term Incentive Schemes

Adoption of the 2017 LTI Scheme

The 2007 LTI Plan expired on 22 July 2017. The Board adopted the new 2017 LTI Scheme on 10 July 2017, pursuant to which awards may be granted to Directors and selected key employees of the Manager, the Manager's subsidiaries and SPVs of Link.

The Board adopted the 2017 LTI Scheme having taken into account the success of using unit awards to attract and retain key executives and employees under the 2007 LTI Plan and the growing popularity of share award schemes with listed companies as a compensation tool to compete for talents. Details of the principal terms of the 2017 LTI Scheme were set out in the announcement of Link dated 10 July 2017 (the "**2017 Announcement**").

Unlike the 2007 LTI Plan, the 2017 LTI Scheme does not involve the issue of new units. This eliminates dilution impact to Unitholders. Awards which may be granted under the 2017 LTI Scheme comprise (i) restricted unit awards (to be satisfied by purchase of units through a third party intermediary from the open stock market upon vesting); and (ii) conditional cash awards (to be satisfied by cash payment equal to the aggregate distributions per unit over the vesting period multiplied by the actual number of units that may finally vest).

Comparison of Key Terms of the 2017 LTI Scheme and 2007 LTI Plan:

Key Terms	2017 LTI Scheme	2007 LTI Plan
Duration	10 years from adoption date	Same
Unit option	Not available	Available but has never been granted
Participants	Directors and key employees of the Manager, the Manager's subsidiaries and SPVs of Link	Directors and key employees of the Manager only
Total number available	10% of units in issue as of adoption date	Same
Limit for participant (other than INED/NED)	1% of units in issue in any 12-month period	Same
Limit for INED/NED	0.1% of units in issue in any 12-month period for INED and NED	0.1% of units in issue in any 12-month period for INED only
Method of satisfaction	Market purchases and no new unit will be issued to satisfy awards on vesting	New units are issued to satisfy awards on vesting
Vesting period	Normally spreading over a period of 3 years, with 50% vesting on the 2nd anniversary and 50% on the 3rd anniversary of date of grant	Same
Conditional cash award	Granted together with restricted unit award and paid on vested units only	Same
Vesting targets	<ul style="list-style-type: none"> • Tenure-based only with no performance-linked target for INED or NED • Performance-linked targets for EDs and selected senior management and key employees: <ul style="list-style-type: none"> – Performance is measured along a scale with appropriate weighting on business performance, as measured by NPI, and total return to Unitholders during the vesting period concerned – 0% vesting is possible and maximum vesting is capped 	<ul style="list-style-type: none"> • Same • Same

The provisions of the 2007 LTI Plan continues to have effect in relation to restricted unit awards granted (but yet to vest) under the 2007 LTI Plan, though no further award has been made and none will be made under the 2007 LTI Plan after its expiry on 22 July 2017. Summaries of the 2017 LTI Scheme and the 2007 LTI Plan, as well as movements of restricted unit awards granted thereunder, appear below.

Summary of the 2017 LTI Scheme Rules

The 2017 LTI Scheme is managed and administered by the Remuneration Committee in accordance with its Rules, a summary of which is set out below (capitalised terms have the same meanings ascribed to them in the 2017 Announcement):

Objectives

The objectives of the 2017 LTI Scheme are to:

- (i) align the interests of the participants with the Unitholders as a whole with a view to creating value for Link and the Unitholders;
- (ii) enable the Manager to attract and retain talented management and key employees whose contributions are essential to the achievement of the strategic goals and the long-term growth of Link; and
- (iii) incentivise management and key employees of the Manager, the Manager's subsidiaries and SPVs of Link ("**Link Entities**", and individually a "**Link Entity**") through rewarding them in calibration of their contributions to the business performance and success of Link.

Participants

Persons eligible to participate in the 2017 LTI Scheme include: (a) Directors; and (b) key employees of the Link Entities whom, in the opinion of the Remuneration Committee, have contributed, or have the potential to contribute, to the success of Link.

Grant of Awards

Grant of Award shall be approved by the Remuneration Committee, except grants to a Director, the chief executive officer, or any of their respective associates (within the meaning under 8.1(d) of Chapter 8 of the REIT Code) of Link (other than a person who is an associate only by virtue of such person's employment with the Manager) which shall be approved by the Board (including the INEDs). No Director shall be involved in the decision of granting an Award to himself/herself.

No Awards shall be granted to an Excluded Person, a Relevant Director or a significant holder of Link, nor their respective associates.

Applicable Limits

No further Award shall be granted if such grant will result in the maximum number of units that may vest under all Awards granted under the 2017 LTI Scheme (and any other incentive scheme(s) of any Link Entity) exceeding 10% of the number of units in issue as at the Adoption Date (being 221,456,347 units).

No Award shall be granted to any participant (or its associates) if such grant will result in the maximum number of units that may vest under all Awards granted to such Participant (or his associate) under the 2017 LTI Scheme (and any other incentive scheme(s) of any Link Entity), within 12 months immediately preceding the date of the proposed grant, exceeding 1% of the number of units in issue from time to time.

No Award shall be granted to an INED or NED (or their associates) if such grant will result in the maximum number of Units that may vest under all Awards granted to such INED, NED (or their associate) under the 2017 LTI Scheme (and any other incentive scheme(s) of any Link Entity), within 12 months immediately preceding the date of the proposed grant, exceeding 0.1% of the number of Units in issue from time to time.

Long-term Incentive Schemes

Vesting

Restricted Unit Awards shall generally be satisfied by Units purchased through an independent third party intermediary on open stock market save in limited circumstances prescribed in the Rules (such as in the death of a grantee) where a cash amount may be paid in lieu of units that would have vested under the relevant Restricted Unit Awards.

Vesting Period

The vesting period of an Award is generally one to three years or such other period as determined in the relevant grant by the Remuneration Committee.

Performance Targets

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

Acceptance of Award and Consideration Payable

An offer for grant of an Award shall be accepted with payment of consideration (if any) within the period as determined in the relevant grant by the Remuneration Committee.

Duration

The 2017 LTI Scheme shall be valid for 10 years commencing from the Adoption Date i.e. 10 July 2017, save and except as in the case of extension by the Board or early termination as contemplated under the Rules.

Movements of Restricted Unit Awards under the 2017 LTI Scheme

Movements in restricted unit awards⁽⁴⁾ under the 2017 LTI Scheme during the year ended 31 March 2018 and the balances at the beginning and the end of the year were as follows:

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2017 ⁽¹⁾	Granted during the year ⁽²⁾	Vested during the year	Cancelled during the year ⁽³⁾	Lapsed during the year ⁽³⁾	Outstanding at 31 Mar 2018 ⁽¹⁾
Directors								
Nicholas Charles ALLEN (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	–	11,250	–	–	–	11,250
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	–	11,250	–	–	–	11,250
George Kwok Lung HONGCHOY (Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	–	269,075	–	–	–	269,075
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	–	269,075	–	–	–	269,075
Andy CHEUNG Lee Ming (Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	–	68,738	–	–	–	68,738
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	–	68,738	–	–	–	68,738
Ian Keith GRIFFITHS (Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	–	3,500	–	–	–	3,500
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	–	3,500	–	–	–	3,500
Ed CHAN Yiu Cheong (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	–	3,500	–	–	–	3,500
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	–	3,500	–	–	–	3,500
Blair Chilton PICKERELL (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	–	3,500	–	–	–	3,500
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	–	3,500	–	–	–	3,500
Poh Lee TAN (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	–	3,750	–	–	–	3,750
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	–	3,750	–	–	–	3,750
May Siew Boi TAN (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	–	4,250	–	–	–	4,250
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	–	4,250	–	–	–	4,250
Peter TSE Pak Wing (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	–	4,500	–	–	–	4,500
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	–	4,500	–	–	–	4,500

Long-term Incentive Schemes

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2017 ⁽¹⁾	Granted during the year ⁽²⁾	Vested during the year	Cancelled during the year ⁽³⁾	Lapsed during the year ⁽³⁾	Outstanding at 31 Mar 2018 ⁽¹⁾
Nancy TSE Sau Ling (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	–	3,750	–	–	–	3,750
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	–	3,750	–	–	–	3,750
David Charles WATT (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	–	4,000	–	–	–	4,000
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	–	4,000	–	–	–	4,000
Elaine Carole YOUNG (Independent Non-Executive Director)	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	–	3,750	–	–	–	3,750
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	–	3,750	–	–	–	3,750
Other participants								
In aggregate	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	–	571,069	–	(5,875)	(39,951)	525,243
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	–	571,069	–	(5,875)	(39,951)	525,243
Total			–	1,909,264	–	(11,750)	(79,902)	1,817,612

Notes:

- (1) These figures (except those relating to the Non-Executive Director and Independent Non-Executive Directors) represent the maximum number of units that may be purchased in the grantee's favour on vesting of his/her relevant restricted unit awards. The actual number of units that will finally vest and be purchased for each relevant grantee may range from zero to such maximum number depending on whether, and to what extent, the relevant vesting conditions (if any) are met. The restricted unit awards relating to the Non-Executive Director and Independent Non-Executive Directors are tenure-based only.
- (2) The closing price of the units on the business day immediately preceding the date of grant of the restricted unit awards in the year was HK\$60.45 per unit. On the assumption that the restricted unit awards granted in the year were finally vested for the maximum number of units, the estimated fair value of such restricted unit awards would amount to approximately HK\$130.2 million as at 31 March 2018 based on the valuation of an independent valuer.
- (3) These figures represent the maximum number of units in respect of which the restricted unit awards had lapsed or were cancelled in the year. The conditional cash awards granted in conjunction with such restricted unit awards had lapsed or were cancelled simultaneously.
- (4) The restricted unit awards in the above table were all granted in conjunction with conditional cash awards. There was yet to be any value carried by the outstanding conditional cash awards attached to the outstanding restricted unit awards at the end of the year.

The restricted unit awards and conditional cash awards granted under the 2017 LTI Scheme are to be expensed through Link's consolidated income statement over the relevant vesting period. Further details of the 2017 LTI Scheme are set out in Note 20 to the consolidated financial statements.

2007 LTI Plan

The 2007 LTI Plan adopted on 23 July 2007 had expired on 22 July 2017 after being in operation for 10 years. Pursuant to which equity incentive in the form of a restricted unit award giving a conditional right to receive units (the “**Restricted Unit Award**”) and a cash incentive in the form of a conditional cash award (the “**Conditional Cash Award**”) may be granted to the Directors and other eligible staff of the Manager. Unit option giving an option to subscribe for units (the “**Unit Option**”) may also be granted under the 2007 LTI Plan. Restricted Unit Award, Conditional Cash Award and Unit Option are referred to each as an “**Award**” and collectively as “**Awards**”.

Since its adoption and up to 31 March 2018, a total number of 13,798,620 new units were issued in satisfaction of awards vested under the 2007 LTI Plan. The total number of new units issued represents approximately 0.6% calculated on the basis of 2,150,058,972 units in issue as at 31 March 2018. After its expiry, no further awards has been and none shall be granted under the 2007 LTI Plan. Nonetheless, awards granted and accepted prior to expiry but yet to vest shall continue to have effect and be governed by the rules of the 2007 LTI Plan. New units may be issued in satisfaction of such outstanding awards upon vesting.

Summary of the 2007 LTI Plan Rules

The 2007 LTI Plan is managed and administered by the Remuneration Committee in accordance with the rules of the 2007 LTI Plan. A summary of the plan rules is set out below:

Purposes

The principal purposes of the 2007 LTI Plan are:

- (i) to align the interests of the participants of the 2007 LTI Plan with the achievement of the strategic long-term goals of the Manager for Link and with the interests of the Unitholders as a whole;
- (ii) to enhance the ability to attract and retain talented management and key employees of the Manager whose contributions are essential to the long-term growth and prosperity of Link and the creation of value for Unitholders; and
- (iii) to provide Link with the ability to incentivise and/or reward the management and key employees of the Manager so as to motivate them to achieve superior performance.

Participants

Persons eligible to participate in the 2007 LTI Plan include (i) Directors; and (ii) key employees of the Manager who, in the sole opinion of the Remuneration Committee, have contributed or have the potential to contribute to the success of Link.

Grant of Award

Before the expiration of the 2007 LTI Plan, grant of Award had been approved by the Remuneration Committee, except for the grant of an Award to a Director, the chief executive officer of the Manager or a significant holder of Link, or any of their respective associates (other than a person who is an associate only by virtue of such person’s employment by the Manager) which had been approved by the Board (including the INEDs). No Director had been involved in the decision of granting an Award to himself/herself.

Long-term Incentive Schemes

Maximum Entitlement of Each Participant

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

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

Vesting Period/Option Period

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

Exercise Price of Unit Option

The exercise price of a Unit Option shall not be less than the higher of: (i) the closing price of the units as quoted on the Stock Exchange on the date of grant; and (ii) the average of the closing prices of the units as quoted on the Stock Exchange for the five trading days immediately preceding the date of grant. No Unit Option has ever been granted since the adoption of the 2007 LTI Plan.

Performance Targets

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

Conditional Cash Award

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

Acceptance of Award and Consideration Payable

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

Duration

The 2007 LTI Plan had expired on 22 July 2017. Upon expiry, no further Award has since been and none can be granted under the 2007 LTI Plan but the provisions of the 2007 LTI Plan shall continue to have effect in relation to Awards granted under it but yet to vest.

Movements of Restricted Unit Awards under the 2007 LTI Plan

Movements in restricted unit awards⁽⁴⁾ under the 2007 LTI Plan during the year ended 31 March 2018 and the balances at the beginning and the end of the year were as follows:

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2017 ⁽¹⁾	Granted during the year	Vested during the year ⁽²⁾	Cancelled during the year	Lapsed during the year ⁽³⁾	Outstanding at 31 Mar 2018 ⁽¹⁾
Current Directors Nicholas Charles ALLEN (Independent Non-Executive Director)	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	13,750	–	–	–	–	13,750
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	13,750	–	–	–	–	13,750
George Kwok Lung HONGCHOY (Executive Director)	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
	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	231,000	–	–	–	–	231,000
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	231,000	–	–	–	–	231,000
Andy CHEUNG Lee Ming (Executive Director)	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
	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	54,500	–	–	–	–	54,500
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	54,500	–	–	–	–	54,500
Ian Keith GRIFFITHS (Non-Executive Director)	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
	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	4,000	–	–	–	–	4,000
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	4,000	–	–	–	–	4,000
Ed CHAN Yiu Cheong (Independent Non-Executive Director)	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	4,000	–	–	–	–	4,000
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	4,000	–	–	–	–	4,000
Blair Chilton PICKERELL (Independent Non-Executive Director)	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	4,250	–	–	–	–	4,250
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	4,250	–	–	–	–	4,250
Poh Lee TAN (Independent Non-Executive Director)	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	4,500	–	–	–	–	4,500
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	4,500	–	–	–	–	4,500

Long-term Incentive Schemes

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2017 ⁽¹⁾	Granted during the year	Vested during the year ⁽²⁾	Cancelled during the year	Lapsed during the year ⁽³⁾	Outstanding at 31 Mar 2018 ⁽¹⁾
May Siew Boi TAN (Independent Non-Executive Director)	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
	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	5,000	–	–	–	–	5,000
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	5,000	–	–	–	–	5,000
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
	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	5,000	–	–	–	–	5,000
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	5,000	–	–	–	–	5,000
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
	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	4,500	–	–	–	–	4,500
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	4,500	–	–	–	–	4,500
David Charles WATT (Independent Non-Executive Director)	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
	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	4,750	–	–	–	–	4,750
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	4,750	–	–	–	–	4,750
Elaine Carole YOUNG (Independent Non-Executive Director)	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
	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	4,500	–	–	–	–	4,500
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	4,500	–	–	–	–	4,500
Former Director								
William CHAN Chak Cheung (Former Independent Non-Executive Director)	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 ⁽⁵⁾⁽⁶⁾
	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	5,750	–	–	–	–	5,750 ⁽⁵⁾⁽⁶⁾
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	5,750	–	–	–	–	5,750 ⁽⁵⁾⁽⁶⁾

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2017 ⁽¹⁾	Granted during the year	Vested during the year ⁽²⁾	Cancelled during the year	Lapsed during the year ⁽³⁾	Outstanding at 31 Mar 2018 ⁽¹⁾
Other participants								
In aggregate	17 Jul 2014	17 Jul 2014 to 30 Jun 2017	537,130 ⁽⁵⁾⁽⁷⁾	–	(528,023) ⁽⁷⁾	–	(9,107) ⁽⁷⁾	–
	24 Jul 2015	24 Jul 2015 to 30 Jun 2017	513,930 ⁽⁵⁾⁽⁷⁾	–	(511,423) ⁽⁷⁾	–	(2,507) ⁽⁷⁾	–
	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	504,938 ⁽⁵⁾⁽⁷⁾	–	–	–	(45,110)	459,828 ⁽⁵⁾⁽⁷⁾
	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	481,072	–	–	–	(40,862)	440,210
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	477,880	–	–	–	(41,908)	435,972
Total			3,991,700	–	(1,561,196)	–	(139,494)	2,291,010

Notes:

- (1) These figures (except those relating to the Non-Executive Director and Independent Non-Executive Directors) represent the maximum number of units that may be issued on vesting of the relevant restricted unit awards. The actual number of units that will finally vest and be issued to each relevant grantee may range from zero to such maximum number depending on whether, and to what extent, the relevant vesting conditions (if any) are met. The restricted unit awards relating to the Non-Executive Director and Independent Non-Executive Directors are tenure-based only.
- (2) The closing price of the units on the business day immediately preceding the date on which the relevant restricted unit awards were vested in the year was HK\$59.90 per unit. An aggregate amount of approximately HK\$8.2 million was paid for the conditional cash awards vested simultaneously with the restricted unit awards in the year. An aggregate amount of approximately HK\$0.2 million was paid to the Executive Directors for the year ended 31 March 2018 due to a "catch-up" vesting in cash, in lieu of units, which was calculated by reference to the closing price of the units on the vesting date.
- (3) These figures represent the maximum number of units in respect of which the restricted unit awards had lapsed in the year. The conditional cash awards granted in conjunction with such restricted unit awards had lapsed simultaneously.
- (4) The restricted unit awards in the above table were all granted in conjunction with conditional cash awards. The aggregate weighted average value carried by the outstanding conditional cash awards attached to the outstanding restricted unit awards at the end of the year was HK\$4.1505 per unit.
- (5) According to the prevailing policy, outstanding restricted unit awards held by a retired Director under the 2007 LTI Plan will vest on a basis pro rata to his/her actual number of days in office before 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 William CHAN Chak Cheung (who retired effective from 9 November 2017) would be, respectively, 4,691 units, 3,906 units and 2,604 units (instead of 6,000 units, 5,750 units and 5,750 units as stated in the above table). The remaining portion will lapse on the relevant vesting dates.
- (7) Included in these figures were outstanding restricted unit awards held by two former Independent Non-Executive Directors, including (i) restricted unit awards in respect of a maximum of 16,750 units held by Mr Nicholas Robert SALLNOW-SMITH at the beginning of the year, of which 9,678 units were vested and issued and the remaining balance had lapsed in the year; and (ii) restricted unit awards in respect of a maximum of 17,000 units held by Professor Richard WONG Yue Chim at the beginning of the year, of which 7,208 units were vested and issued, 4,542 units had lapsed, and a maximum of 5,250 units remained outstanding at the end of the year (which will vest on a pro rata basis as mentioned in note 5 above). Please refer to page 52 and page 53 of the "Governance, Disclosures and Financial Statements" report of annual report 2016/2017 for further details.

The restricted unit awards and conditional cash awards granted under the 2007 LTI Plan are to be expensed through Link's consolidated income statement over the relevant vesting period. Further details of the 2007 LTI Plan are set out in Note 20 to the consolidated financial statements.

Connected Party Transactions

Waivers from Strict Compliance

On the listing of Link and subsequently on 8 June 2007, 6 March 2015, 5 October 2015 and 19 January 2018, waivers from strict compliance with the disclosure and unitholders' approval requirements under Chapter 8 of the REIT Code for certain connected party transactions of Link were granted by the SFC (the "Waivers").

During the year ended 31 March 2018, Link complied with the stipulated terms and conditions of the Waivers for the relevant connected party transactions including, inter alia, (i) conducting the transactions at arm's length on normal commercial terms in the usual and ordinary course of business and in the interests of the Unitholders; (ii) wherever applicable, within specific caps on transaction amounts or fees paid; and (iii) having the relevant transactions reviewed by the auditor and the Audit and Risk Management Committee and approved by the Board.

Connected Persons and Connected Party Transactions

The following table sets out income derived or expenses incurred by Link and/or its subsidiaries from or with connected persons (as defined under Chapter 8 of the REIT Code) named below in the year under review:

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	(843.6)
HSBC Institutional Trust Services (Asia) Limited	Trustee	Trustee's fee ⁽²⁾	N/A	(17.5)
Jones Lang LaSalle Limited ("JLL")	Principal Valuer	Valuation fees	N/A	(6.0)
		Consultancy services	N/A	(0.7)
		Agency fee	N/A	(8.4)
		Others	N/A	— ⁽³⁾
The Hongkong and Shanghai Banking Corporation Limited ("HSBC") and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) ("HSBC Group")	Associates of Trustee	Tenancy/licence ⁽⁴⁾	39.0 ⁽⁵⁾	N/A
		Interest income	2.9	N/A
		Interest expenses and financing charges	N/A	(91.1)
		Arrangement fees and bank charges	N/A	(14.7) ⁽⁶⁾
		Financial advisor fee	N/A	(119.6)
Aedas Limited	Associate of Mr Ian Keith GRIFFITHS	Architectural and renovation consultancy services	N/A	(9.4)
The Chamber of Hong Kong Listed Companies	Associate of Mr Andy CHEUNG Lee Ming	Sponsorship, membership and advertisement fees	N/A	(0.1)
The Hong Kong Institute of Directors Limited	Associate of Mr George Kwok Lung HONGCHOY	Sponsorship, membership and advertisement fees	N/A	(0.1)
Dah Sing Bank, Limited ("Dah Sing Bank") ⁽⁷⁾	Associate of Mr Blair Chilton PICKERELL	Tenancy/licence ⁽⁴⁾	2.7 ⁽⁵⁾	N/A
		Arrangement fees and bank charges	N/A	— ⁽⁷⁾

Notes:

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

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

(3) In addition to the information disclosed above, connected party transactions concluded with JLL group during the year under review included cleaning services provided by its subsidiary, Premier Cleaning Services Limited (at total fees payable of approximately HK\$30,000).

(4) For shops, ATMs and showcases at various locations within Link's properties.

(5) Excluding deposits received.

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

(7) Dah Sing Bank became a connected person (as defined under Chapter 8 of the REIT Code) upon the appointment of Mr Blair Chilton PICKERELL as its director on 19 December 2017. Bank charge of approximately HK\$11,000 was paid to Dah Sing Bank during the year under review.

Lease Transactions with Connected Persons

In addition to a tenancy disclosed on page 55 of the “Governance, Disclosures and Financial Statements” report of annual report 2016/2017 (which still subsisted at the financial year end save for rental change mentioned in note 3 below), the following tenancies were entered into by Link’s subsidiaries with the following connected persons (as defined under Chapter 8 of the REIT Code) in the year with an annual rent exceeding HK\$1 million:

Name of tenant	Nature of the transactions	Lease term	Annual rent ⁽¹⁾ HK\$'M	Rental deposit received as at 31 March 2018 HK\$'M
Dah Sing Bank	Tenancy for shop no. G3C at Temple Mall South	Term of 6 years ending 9 June 2018	2.2	0.6
	Tenancy for shop nos. 1101 and 1102 at Lok Fu Plaza	Term of 3 years ending 7 March 2019	2.8	0.8
	Tenancy for shop no. L120 at Tin Shing Shopping Centre	Term of 6 years ending 30 November 2021	1.2	0.4
Hang Seng Bank, Limited (“Hang Seng”)	Tenancy for shop no. 121A at Temple Mall South	Term of 2 years ending 2 July 2019	3.1	0.9
HSBC	Tenancy for shop nos. L201 to L206 at Lok Fu Place	Term of 2 years ending 21 August 2019	4.8	1.3 ⁽²⁾
	Tenancy for shop no. N119 at Temple Mall North	Term of 2 years ending 31 August 2019	1.2	0.3 ⁽²⁾
	Tenancy for shop nos. 118 to 120 at Wing B of Hin Keng Shopping Centre	Term of 3 years ending 12 December 2020	1.0	0.3 ⁽²⁾

Notes:

- (1) Annual rent is calculated from the monthly base rent on a 12-month basis as if such rent were received from the beginning of the financial year.
- (2) In the form of bank guarantee.
- (3) The annual rent (calculated in accordance with note 1 above) of tenancy for shop no. G202 at Lok Fu Place with Hang Seng for a term of 3 years expiring on 31 October 2019 was changed to HK\$3.5 million.

Provision of Banking and Financial Services by Connected Persons

Link and/or its subsidiaries engaged the HSBC Group (including, among others, Hang Seng and HSBC Bank (China) Company Limited) and Dah Sing Bank to provide ordinary course banking and financial services in the year. Dah Sing Bank became a connected person of Link with effect from 19 December 2017. Further details are set out in Note 30 to the consolidated financial statements. The HSBC Group also provided services to subsidiaries of Link in relation to Mandatory Provident Fund accounts and payment and receipt arrangements. Bank accounts were also maintained with the HSBC Group and Dah Sing Bank for deposits and/or rent collection purposes in the year.

Loans

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

- (i) a bilateral loan of HK\$500 million was made available in September 2013 by Hang Seng of which the outstanding balance due to Hang Seng as at 31 March 2018 was HK\$250 million;
- (ii) a bilateral loan of HK\$1 billion was made available in November 2013 by HSBC of which the outstanding balance due to HSBC as at 31 March 2018 was HK\$500 million;
- (iii) a 5-year club loan of HK\$4 billion was made available in May 2015 (with HSBC and Hang Seng being two of the relevant banks) of which the outstanding amounts due to, respectively, HSBC and Hang Seng as at 31 March 2018 were HK\$115 million and HK\$225 million;
- (iv) a 4-year club loan of HK\$4 billion was made available in August 2015 (with HSBC and Hang Seng being two of the relevant banks) of which the outstanding amounts due to, respectively, HSBC was HK\$300 million and Hang Seng was HK\$850 million as at 31 March 2018; and
- (v) a bilateral loan of HK\$1.5 billion was made available in March 2016 by Hang Seng of which the outstanding amount due to Hang Seng as at 31 March 2018 was HK\$1.5 billion.

Connected Party Transactions

Deposits

As at 31 March 2018, subsidiaries of Link placed deposits with the HSBC Group of approximately HK\$640 million.

Other Transactions

The programme limit of the MTN Programme (with HSBC, a connected person of Link, acting as the arranger and one of the dealers) was increased from US\$3 billion to US\$5 billion in January 2018. During the year under review, no any note was issued pursuant to the MTN Programme.

The Link Finance Limited (a wholly-owned subsidiary of Link) also maintained interest rate swap contracts with HSBC in the year under review. As at 31 March 2018, the total notional principal outstanding value in respect of such swap contracts with HSBC was approximately HK\$9.7 billion.

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

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

Report from Auditor in Relation to Certain Connected Party transactions

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

Confirmation by the Audit and Risk Management Committee

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

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

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

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

Confirmation by the Manager

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

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

Continuation with the Waivers Granted Without Unitholders' Approval

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

Connected Party Transactions

New Connected Party Transaction Waivers Granted on 19 January 2018

New waivers were granted on 19 January 2018 by the SFC to Link from strict compliance with certain provisions in the REIT Code (or referred to as the “Code” below) in respect of certain connected party transactions between Link, the Manager, and the other companies or entities held or controlled by Link (referred collectively in the text below as “Link REIT’s Group”) with Dah Sing Bank. Terms and conditions of such new waivers relating to Dah Sing Bank are reproduced below:

Modifications and waivers granted in relation to certain requirements of the Code and conditions thereon

(I) Extension of Definition of “Relevant Banking Group”

The definition of “Relevant Banking Group” in paragraph 8 of Schedule VII to the Compliance Manual be extended to cover Dah Sing Bank, such that ordinary course banking services provided by Dah Sing Bank to Link REIT’s Group will be deemed not to be connected party transactions and therefore will not be subject to any requirement for announcement or unitholders’ approval, provided that in relation to the ordinary course banking services with the Relevant Banking Group, the Manager will:

- (a) disclose in its annual report a positive or negative confirmation whether any ordinary course banking services has been entered into with each member of the Relevant Banking Group in the relevant financial year and a description of the general nature or types of such transactions; and
- (b) disclose in its annual report that (i) the Audit and Risk Management Committee has reviewed the general nature and types of such transactions and reported on them and (ii) the Audit and Risk Management Committee is satisfied that the general nature and types of transactions are of the type that are contemplated in the waiver application of the Manager and are of a nature and a type that would be entered into in the ordinary and usual course of business at arm’s length on normal commercial terms and there are no material inconsistencies with the internal procedures of the Manager that should be drawn to the attention of the unitholders.

In any case where the Relevant Banking Group (excluding the Trustee) is acting in its ordinary course of its business and in the capacity of fund manager, nominee, custodian, agent or trustee or otherwise on behalf of a third party (so that the transaction is being conducted for the account or benefit of a party other than the Relevant Banking Group concerned), the transaction (including a transaction in securities of Link) will not be regarded as a connected party transaction. Such a transaction would include a transaction between Link and another collective investment scheme (including another real estate investment trust) for which a company within the Relevant Banking Group acts as the manager or trustee, provided the transaction is not a proprietary transaction of the Relevant Banking Group (excluding the Trustee).

(II) Corporate Finance Transactions with Dah Sing Bank

Waiver from strict compliance with the unitholders’ approval and disclosure requirements under Rules 8.9 and 8.11 of the Code and a modification of the announcement, disclosure and reporting requirements under Chapter 8 of the Code with respect to certain “corporate finance transactions” with Dah Sing Bank be granted.

For this purpose “corporate finance transactions” means:

- (i) underwriting, securitisation, issue of debt instruments or other securities, or other related arrangements where Dah Sing Bank is involved in an underwriting or arranging capacity or acts as listing agent and/or financial adviser and/or global co-ordinator to Link;
- (ii) lending and borrowing of funds or other related arrangements (including refinancing thereof) in connection with any facility agreement by which Link REIT’s Group will finance the acquisition of real estate (other than ordinary course banking services which relate generally to working capital financing); and
- (iii) “corporate advisory transactions”, (i.e. the provision of corporate finance advice¹ to Link and excludes (i) and (ii) above).

The announcements, disclosures and reporting requirements under Chapter 8 of the Code that would apply in respect of any “corporate finance transactions” between Dah Sing Bank and any member of Link REIT’s Group shall be modified as described in the conditions (a) to (i) below.

- (a) each transaction is carried out at arm’s length on normal commercial terms;
- (b) the offering document or any circular for Link will include clear disclosure regarding this waiver and, with respect to the transactions under (i) and (ii) of this waiver, full disclosure of the material terms of the relevant agreements;
- (c) the annual report of Link will disclose the following details:
 - (i) the aggregate fees paid to Dah Sing Bank in respect of corporate finance transactions conducted by Dah Sing Bank for Link in the relevant financial year; and
 - (ii) in respect of corporate finance transactions conducted by Dah Sing Bank for Link in the relevant financial year whose individual fees exceed HK\$1 million: (A) the nature of the transaction; (B) the parties to the transaction; and (C) the date of the transaction;
- (d) the Manager will confirm, in respect of corporate finance transactions entered into with Dah Sing Bank, in the annual report of Link that (a) above and the general conditions as set out below have been complied with;
- (e) a statement will be made by the Audit and Risk Management Committee in the annual report of Link that it has reviewed the terms of any such connected party transactions and is satisfied that these transactions have been entered into in the ordinary and usual course of business at arm’s length on normal commercial terms, are fair and reasonable and are in the interests of the unitholders;
- (f) underwriting or other related agreements are to be in respect of a particular transaction carried out at arm’s length on normal commercial terms, the primary objective of which is the offering or distribution of securities to parties outside of Dah Sing Bank;
- (g) aggregate fees of Dah Sing Bank generated from all “corporate advisory transactions” between Dah Sing Bank and Link conducted during the relevant financial year are to be capped at 0.5% of the net asset value of Link as disclosed in the latest published audited accounts of Link adjusted by any subsequent transactions published in an announcement and/or circular of Link, in order for the waiver to apply to corporate advisory transactions. If the aggregate fees of Dah Sing Bank generated from all corporate advisory transactions between Dah Sing Bank and Link conducted during the financial year exceed the cap above, the normal connected party transaction requirements under Chapter 8 of the Code (including obtaining unitholders’ approval) will apply with respect to the relevant connected party transaction;
- (h) where a transaction involving Dah Sing Bank is required to be announced pursuant to the provisions of the Code and to which the waivers granted by the SFC in respect of connected party transactions do not apply, then disclosure of the role played by Dah Sing Bank and the relevant terms of engagement shall be made in the relevant announcement in accordance with normal market practice and the requirements of the Code; and
- (i) the auditor of Link will report to the Manager confirming that:
 - (i) the transactions were duly approved by the Board of Directors of the Manager in accordance with the internal procedures of the Manager;
 - (ii) the transactions were entered into in accordance with the terms of the agreements governing the transactions; and
 - (iii) the aggregate fees of Dah Sing Bank generated from all corporate advisory transactions between Dah Sing bank and Link conducted during the relevant financial year do not exceed the cap as described above.

Connected Party Transactions

In addition to the aforesaid, the waivers set out in paragraphs I and II above shall also be subject to the following general conditions on an ongoing basis:

- (a) the Manager has implemented internal control and compliance procedures to deal with connected party transactions to ensure that connected party transactions are monitored and carried out on terms in compliance with the Code;
- (b) the connected party transaction waivers will be given on the basis that they only apply to connected party transactions which arise solely as a result of and for so long as Mr Blair Chilton PICKERELL acting as an independent non-executive director ("**INED**") of the Manager. If other connected party transactions arise as a result of other circumstances, these will be governed by Chapter 8 of the Code in the normal way;
- (c) the connected party transactions are entered into at arm's length on normal commercial terms in the usual and ordinary course of business and in the interests of unitholders; and
- (d) the waivers do not need to be renewed on a regular basis, provided that: (i) the SFC reserves its right to review or revise the terms of the waivers or impose any conditions as it deems appropriate from time to time; and (ii) the full Board (including the INEDs) considers that it is fair and reasonable and in the best interests of the unitholders to continue with the waivers granted without unitholders' approval and disclose such confirmation in the annual report of Link. In addition, the Audit and Risk Management Committee will make a statement in the annual report of Link that it has reviewed the terms of the connected party transaction waivers and is satisfied that (on the basis of the terms of the waivers and the internal controls and procedures in place) it is fair and reasonable that the waivers be continued without unitholders' approval.

The various categories of transactions which are the subject of the waivers set out in paragraphs I and II above are supplementary to any and all applicable exemptions and permissions under the Code and are independent of each other so that: (a) none is in any way limited by or by reference to any of the others; and (b) if more than one category is relevant in any particular circumstance or situation, any relevant category may apply.

Notwithstanding the foregoing, the SFC has the right to review, revise or impose any of the conditions relating to the above waivers as it deems appropriate from time to time. In the event of future amendments to the Code imposing more stringent requirements than those applicable at the date of the above waivers which may be granted by the SFC on transactions of the kind to which the transactions belong (including, but not limited to, a requirement that such transaction be made conditional on approval by the independent unitholders), the Manager will take immediate steps to ensure compliance with such requirements within a reasonable period.

¹ For the avoidance of doubt, "corporate finance advice" means advice:

1. concerning compliance with or in respect of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited, The Code on Share Buy-backs or The Code on Takeovers and Mergers; or
2. concerning (i) any offer to dispose of securities to the public; (ii) any offer to acquire securities from the public; or (iii) acceptance of any offer referred in (i) and (ii), but only in so far as the advice is given generally to holders of securities or a class of securities; or
3. concerning corporate restructuring in respect of securities (including the issue, cancellation or variation of any rights attaching to any securities).

Link Together Initiatives

Link Together Initiatives 2017/2018 supports projects which focus on:

1. Resources Management – support conservation and sustainable development
2. Youth Empowerment – empower youth for a better future
3. Active Ageing – promote active living of seniors

Types of Funding:

1. Major Project Fund
Support projects with innovative service concepts to fill service gaps in society.
2. Link First Generation University Student Scholarship
This is a non-means-tested scholarship to support undergraduates who are the first amongst three generations of their families to study at a Hong Kong university. Nomination of eligible candidates for the first year university scholarship is facilitated through secondary schools while further scholarships studies are open for eligible applicants to apply online. Eligible students will be invited to participate in an interview assessment.

Link Together Initiatives 2017/2018 – Major Projects:

Organisation	Project Category/Name	Target Audience	Target Participants (approx. no)	Earmarked Funding (HK\$)	Progress Update
1. Bo Charity Foundation Limited	Food Angel – Love and Food Sharing	Elderly/low-income families	1,300,550	2,275,640	<p>An all-rounded surplus food recycling programme at 30 Link's fresh markets and 15 shopping malls, which target to benefit 1.3 million of underprivileged people and save about 345,000 kg of food waste.</p> <p>As of 31 March 2018, the organisation has collected about 170,000 kg of surplus food from the 315 committed tenants in 30 of Link's fresh markets to produce 624,803 hot meals and 34,206 food packs in the first six months of operations. Food donation boxes have been placed in 15 of Link's shopping centres for food collection. The collected food was sent to their NGO partners for re-distribution to people in need.</p>
2. Po Leung Kuk	Happy Clown	Elderly	4,316	700,550	<p>Retirees and elders transform to happy clowns to promote happiness and positive energy in the communities through flash mob performances after receiving professional clown training.</p> <p>130 elderly have been trained as happy clowns and performed Flash mob performances were held in elderly centres, kindergartens and Link shopping centres, while two community events with happy clown parades were held in March and May 2018 at Lok Fu Place.</p>

Link Together Initiatives

Organisation	Project Category/Name	Target Audience	Target Participants (approx. no)	Earmarked Funding (HK\$)	Progress Update
3. Cha Duk Chang Children's Cantonese Opera Association Limited	Cha Duk Chang 3 in 1	Children and youth	10,990	934,930	<p>Organise opera singing contests and costume workshops for children and their families as well as ethnic minority groups to enhance relationship among three generations, promote social inclusion and further the heritage of Cantonese Opera.</p> <p>As of 31 March 2018, the organisation has completed 18 workshops in schools with 5,790 pupils, their parents and teachers participating. The first contest was held on 3 March 2018 at a primary school. The other seven contests and finals take place between April and September 2018 at Link's premises or primary schools.</p>
4. The Jane Goodall Institute (Hong Kong) Limited	Green Community Builder	Youth	3,960	552,340	<p>To empower young people and citizens to care for the environment and community, youngsters will be trained as green ambassadors and assist in developing eco-routes, electronic maps and organising eco-tours around Link's properties for public enjoyment.</p> <p>Over 100 youngsters and elderly have been trained as green ambassadors. They identified 12 eco-routes in Tuen Mun, Shatin, Tai Po, Tin Shui Wai and Lok Fu districts and developed 3 electronic maps for eco-tours. 8 eco-tours were organised in the above district for public enjoyment as of 31 March 2018.</p>

Organisation	Project Category/Name	Target Audience	Target Participants (approx. no)	Earmarked Funding (HK\$)	Progress Update
5. Music Children Foundation Limited	Music for Everyone @ Link	Children and youth	4,000	800,000	<p>The programme aims to introduce musical instruments to underprivileged children through interactive music performances, while supporting those who have a passion to develop their career in music by Link Music Scholarship.</p> <p>Five Link Music Scholars have been selected out of 17 potential students aged 11-16 who have completed a 4-year music classes provided by Music Children Foundation, and wish to continue their music education. Each scholar will receive a one-on-one tutoring by a professional teacher and participate in relevant exams to achieve at least Grade 5 standard on music theory.</p> <p>An interactive outreach performance on 28 April 2018 created a platform for children to appreciate music. The second performance will be held in August, followed by a large-scale community music concert in November 2018.</p>
6. Hong Kong Guide Dogs Association Limited	Guide Dog Breeding and Education	Visually-impaired	155,240	881,900	<p>Provide continuing support to HKGDA for the local breeding development of guide dogs and to help raise public awareness of the needs of visually impaired persons.</p> <p>The programme includes the production of a set of 4 children novels for primary schools to encourage discussion in class, and organise interactive learning workshops for government departments, public transport companies, district councillors and private club companies, with the aim to encourage organisations to allow guide dog access to their properties.</p> <p>A new batch of six puppies were born locally in December 2017. Students from 60 primary schools have been invited to participate in the guide dog puppies naming campaign in February 2018 to promote public awareness.</p> <p>24 workshops have been organised as of 31 March 2018 reached 1,906 audiences.</p>

Link Together Initiatives

Link Together Initiatives 2017/2018 – Link First Generation University Student Scholarship

The Link First Generation University Student Scholarship programme (Link Scholarship) was established in 2015 as part of the Link Together Initiatives. It aims at supporting undergraduates who are the first amongst three generations of their families to study at a Hong Kong university. Each awardee receives a HK\$20,000 scholarship to realise their goals and plans for improving their learning environment and/or seeking further learning opportunities. Awarded students will be automatically admitted to the Link Scholars Alumni, through which Link will provide mentoring, career counselling, corporate visits and volunteering opportunities as well as priority consideration to the company's internship programme. The awarded students are eligible to apply for the Link Scholarship in the following year.

The Scholarship invites schools to nominate Secondary Six students with eligible qualification who wish to enter local universities for the first year of university scholarship. Eligible university students are invited to submit application online for the Year 2 to 3 university scholarship.

It is a non-means-tested scholarship based on honesty. Interviews and group discussion are arranged to understand the nominee's ambitions and self-development plans.

During the 2017/2018 year, Link donated HK\$2.8 million to the Link Scholarship. A total of 140 students received scholarship grants.

Link Scholarship 2017/2018 – The secondary schools attended by 100 scholarship awardees (Year 1 Studies):

Christian Alliance S C Chan Memorial College	Ho Yu College and Primary School (Sponsored by Sik Sik Yuen)	Stewards Pooi Tun Secondary School
Wong Shiu Chi Secondary School	Munsang College	S.K.H. Tsoi Kung Po Secondary School
Caritas Yuen Long Chan Chun Ha Secondary School	Pui Ying Secondary School	Ning Po College
YLPMSAA Tang Siu Tong Secondary School	Stewards Ma Kam Ming Charitable Foundation Ma Ko Pan Memorial College	Lui Cheung Kwong Lutheran College
The Jockey Club EduYoung College	Fung Kai Liu Man Shek Tong Secondary School	CCC Chuen Yuen College
Kwun Tong Maryknoll College	Yan Chai Hospital Lim Por Yen Secondary School	TWGHs Mrs Wu York Yu Memorial College
Ying Wa Girls' School	St. Mark's School	Heep Yunn School
Lung Kong WFSL Lau Wong Fat Secondary School	Munsang College (Hong Kong Island)	Ling Liang Church E Wun Secondary School
Queen's College	Tsuen Wan Public Ho Chuen Yiu Memorial College	Fanling Rhenish Church Secondary School
Assembly of God Hebron Secondary School	Holy Trinity College	Ju Ching Chu Secondary School (Yuen Long)
Cheung Sha Wan Catholic Secondary School	N.T. Heung Yee Kuk Yuen Long District Secondary School	Hong Kong Taoist Association Tang Hin Memorial Secondary School
St. Stephen's Girls' College	Concordia Lutheran School – North Point	S.K.H. St. Mary's Church Mok Hing Yiu College
Chiu Lut Sau Memorial Secondary School	Lingnan Secondary School	TWGHs S.C.Gaw Memorial College
Carmel Divine Grace Foundation Secondary School	TIACC Woo Hon Fai Secondary School	Buddhist Tai Hung College
Po Leung Kuk Mrs Ma Kam Ming-Cheung Fook Sien College	Shun Tak Fraternal Association Lee Chau Kee College	Po Leung Kuk Ma Kam Ming College
Lai Chack Middle School	TWGHs Wong Fut Nam College	Yan Chai Hospital No.2 Secondary School
Shun Tak Fraternal Association Yung Yau College	Buddhist Kok Kwong Secondary School	Tin Ka Ping Secondary School
Tsuen Wan Government Secondary School	Po Leung Kuk Lo Kit Sing (1983) College	Kiangsu-Chekiang College (Kwai Chung)
Sha Tin Methodist College	St. Francis Xavier's School, Tsuen Wan	Chan Shu Kui Memorial School
Leung Shek Chee College	Pope Paul VI College	HKTA The Yuen Yuen Institute No.1 Secondary School
Yan Oi Tong Chan Wong Suk Fong Memorial Secondary School	Tin Shui Wai Government Secondary School	Kwun Tong Government Secondary School
Pentecostal Lam Hon Kwong School	Baptist Lui Ming Choi Secondary School	St. Joseph's College
Ho Fung College (Sponsored by Sik Sik Yuen)	Heung To Middle School	St. Francis Xavier's College

Buddhist Sum Heung Lam Memorial College	SKH Lui Ming Choi Secondary School	S.K.H. Tsang Shiu Tim Secondary School
Our Lady's College	Hong Kong Tang King Po College	Queen Elizabeth School
Po Leung Kuk Laws Foundation College	Shun Tak Fraternal Association Cheng Yu Tung Secondary School	CCC Kei Chi Secondary School
Yuen Long Public Secondary School	Immaculate Heart of Mary College	NLSI Lui Kwok Pat Fong College
The Hong Kong Management Association David Li Kwok Po College	The Hong Kong Management Association K S Lo College	Lok Sin Tong Young Ko Hsiao Lin Secondary School
Henrietta Secondary School	Po Leung Kuk Centenary Li Shiu Chung Memorial College	Pok Oi Hospital Chan Kai Memorial College
Po Leung Kuk Vicwood K.T. Chong Sixth Form College	South Tuen Mun Government Secondary School	Aberdeen Baptist Lui Ming Choi College
True Light Girls' College	Po Leung Kuk Yao Ling Sun College	FDBWA Szeto Ho Secondary School
Sing Yin Secondary School	Good Hope School (Secondary Section)	Fung Kai No.1 Secondary School
The Chinese Foundation Secondary School	Ju Ching Chu Secondary School (Kwai Chung)	
Pui Ching Middle School	TWGHs Chen Zao Men College	

Link Scholarship 2017/2018 – Universities attended by 40 scholarship awardees (Year 2 & 3 Studies):

- Lingnan University: 1
- The Chinese University of Hong Kong: 17
- City University of Hong Kong: 3
- The University of Hong Kong: 11
- Hong Kong Baptist University: 3
- The Hong Kong Polytechnic University: 1
- The Hong Kong University of Science and Technology: 4

Trustee's Report

We hereby confirm that, in our opinion, the Manager of Link Real Estate Investment Trust has, in all material respects, managed Link Real Estate Investment Trust in accordance with the provisions of the Trust Deed dated 6 September 2005, as amended and supplemented by eleven supplemental deeds, for the financial year ended 31 March 2018.

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

Hong Kong, 6 June 2018

Independent Auditor's Report



羅兵咸永道

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF LINK REAL ESTATE INVESTMENT TRUST

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

Report on the Audit of the Consolidated Financial Statements

Opinion

What we have audited

The consolidated financial statements of Link Real Estate Investment Trust ("**Link**") and its subsidiaries (together the "**Group**") set out on pages 82 to 130, which comprise:

- the consolidated statement of financial position as at 31 March 2018;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity and net assets attributable to Unitholders for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of distributions for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("**the Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter identified in our audit relates to the valuation of investment properties.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Valuation of Investment Properties</p> <p>Refer to notes 3(d), 5(a) and 15 to the consolidated financial statements</p> <p>The valuation of the Group's investment properties is the key component of the net asset value attributable to the unitholders and underpins the Group's result for the year. The aggregated valuation in the consolidated statement of financial position is HK\$203,091 million and the fair value gain of investment properties for the year was HK\$35,493 million which is a significant component of the consolidated income statement. The Group's investment properties portfolio comprises of retail and office properties, car parks and property under development in Hong Kong and Mainland China.</p> <p>The valuations were carried out by a third party valuer (the "Valuer"). Under the Code on Real Estate Investment Trusts issued by the Hong Kong Securities and Futures Commission (the "REIT Code"), the Valuer shall retire after it has conducted valuations for three consecutive years, and may only be reappointed after three years.</p> <p>The valuation of the Group's completed investment properties is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rentals for that particular property. For properties under development, factors include estimated development costs and allowance for developer's risk and profit.</p>	<p>Experience of Valuer and relevance of their work</p> <p>We read the Valuer's report and understand that the valuation was prepared in accordance with HKIS Valuation Standards 2017, the International Valuation Standards 2017, the RICS Valuation – Global Standards 2017 and the REIT Code. We assessed the Valuer's qualifications and expertise and read its terms of engagement with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.</p> <p>Valuation methodology used by the Valuer</p> <p>We involved our experts in property valuation to discuss, assess and evaluate the reasonableness of the valuation methodologies and models used by the Valuer by comparing against our knowledge in valuation and the properties industry.</p> <p>Data used by the Valuer</p> <p>For completed investment properties we checked, on a sample basis, the data used by the Valuer to perform the valuation to appropriate supporting documents, including:</p> <ul style="list-style-type: none"> • key terms of lease agreements; • operating expenditure details; and • rental income schedules.

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Valuation of Investment Properties (Continued)</p> <p>In determining a property's valuation, the Valuer took into account property-specific information such as tenancy agreements, rental income and direct property expenses. For completed properties, the income capitalisation approach and discounted cash flow analysis were primarily used, with cross reference to direct comparison approach, where applicable. The Valuer applies assumptions for capitalisation rates and net passing income, which are influenced by the prevailing market yields and comparable market transactions, as well as discount rate, to arrive at the final valuation. For properties under development, the residual approach is used, whereby the valuation is derived from the gross development value of the project upon completion (estimated using a direct comparison approach) less estimated outstanding development costs and allowance for developer's risk and profit.</p> <p>The existence of significant estimation uncertainty, coupled with the fact that only a small percentage difference in individual property valuations, when aggregated, could result in a material misstatement, warrants specific audit focus in this area.</p> <p>There were a number of specific factors affecting the valuations in the year which we considered when making our judgements:</p> <ul style="list-style-type: none"> • disposal of the Group's investment properties during the year, as reference for recent market transactions; • revitalisation of certain investment properties through the Group's Asset Enhancement Program; and • the performance of the Group's investment property portfolio. 	<p>Data used by the Valuer (Continued)</p> <p>For property under development, we agreed on a sample basis that the planned schemes being valued were consistent with the supporting documents and, where appropriate, had achieved planning consent. Where the Valuer used estimated development costs, we agreed on a sample basis these costs to the approved budgets, construction contracts and/or other supporting documents.</p> <p>Assumptions and estimates used by the Valuer</p> <p>We attended meetings with the Valuer where we discussed the valuation approaches and the key assumptions used. The assumptions used varied across the portfolio depending on the age, nature and location of each property but they included estimated capitalisation rate, net passing income, development costs and allowance for developer's risk and profit. In each of these areas, and on a sample basis, we compared the estimates and assumptions used by the Valuer against the published industry benchmarks and comparable market transactions, and our experience in this sector. We performed further work on the properties with assumptions suggesting a possible outlier versus market data for the relevant property sector. Where assumptions were outside the expected range or were otherwise unusual, and/or valuations showed unexpected movements, we held further discussions with the Valuer to understand the rationale and obtained additional audit evidence to support the explanations received.</p> <p>We considered that the assumptions used in the valuations were supportable in light of available and comparable market evidence.</p>

Independent Auditor's Report

Other Information

Link Asset Management Limited (the "**Manager**" of Link) is responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager and the Audit and Risk Management Committee for the Consolidated Financial Statements

The Manager is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Manager determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

In addition, the Manager is required to ensure that the consolidated financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed dated 6 September 2005, as amended by the 11 Supplemental Deeds (the "**Trust Deed**"), and the relevant disclosure provisions of Appendix C of the REIT Code.

The Audit and Risk Management Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. In addition, we are required to assess whether the consolidated financial statements of the Group have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Risk Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Risk Management Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Risk Management Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Matters Under the Relevant Provisions of the Trust Deed and the Relevant Disclosure Provisions of Appendix C of the Reit Code

In our opinion, the consolidated financial statements have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code.

The engagement partner on the audit resulting in this independent auditor's report is Wong Hung Nam.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 6 June 2018

Consolidated Income Statement

For the year ended 31 March 2018

	Note	2018 HK\$'M	2017 HK\$'M
Revenue	6	10,023	9,255
Property operating expenses	8	(2,360)	(2,261)
Net property income		7,663	6,994
General and administrative expenses		(417)	(342)
Change in fair values of investment properties	15(a)	35,493	11,494
Gains on disposals of investment properties	15(e)	7,306	1,387
Interest income		19	4
Finance costs	9	(665)	(567)
Profit before taxation and transactions with Unitholders	10	49,399	18,970
Taxation	12	(1,420)	(1,057)
Profit for the year, before transactions with Unitholders		47,979	17,913
Distributions paid to Unitholders:			
– 2018 interim distribution		(2,673)	–
– 2017 final distribution		(2,581)	–
– 2017 interim distribution		–	(2,494)
– 2016 final distribution		–	(2,404)
		42,725	13,015
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back		44,609	12,461
Amount arising from exchange reserve and cash flow hedging reserve movements	26	(2,102)	352
Non-controlling interest		218	202
		42,725	13,015
Profit for the year, before transactions with Unitholders attributable to			
– Unitholders (Note)	13	47,761	17,711
– Non-controlling interest		218	202
		47,979	17,913

The notes on pages 88 to 130 are an integral part of these consolidated financial statements.

Note: Earnings per unit, based upon profit for the year, before transactions with Unitholders attributable to Unitholders and the weighted average number of units in issue, is set out in Note 13 to the consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2018

	Before transactions with Unitholders HK\$'M	Transactions with Unitholders (Note (i)) HK\$'M	After transactions with Unitholders (Note (ii)) HK\$'M	Non- controlling interest HK\$'M	Total HK\$'M
For the year ended 31 March 2018					
Profit for the year	47,761	(49,863)	(2,102)	218	(1,884)
Other comprehensive income					
Items that may be reclassified subsequently to the consolidated income statement					
– Cash flow hedging reserve	284	–	284	–	284
– Exchange reserve	1,818	–	1,818	–	1,818
Total comprehensive income for the year	49,863	(49,863)	–	218	218
For the year ended 31 March 2017					
Profit for the year	17,711	(17,359)	352	202	554
Other comprehensive income					
Items that may be reclassified subsequently to the consolidated income statement					
– Cash flow hedging reserve	310	–	310	–	310
– Exchange reserve	(662)	–	(662)	–	(662)
Total comprehensive income for the year	17,359	(17,359)	–	202	202

The notes on pages 88 to 130 are an integral part of these consolidated financial statements.

Notes:

- (i) Transactions with Unitholders comprise the distributions to Unitholders of HK\$5,254 million (2017: HK\$4,898 million) and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, of HK\$44,609 million (2017: HK\$12,461 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 year ended 31 March 2018

	Note	2018 HK\$'M	2017 HK\$'M
Profit for the year, before transactions with Unitholders attributable to Unitholders		47,761	17,711
Adjustments:			
– Change in fair values of investment properties attributable to Unitholders		(35,270)	(11,290)
– Deferred taxation on change in fair values of investment properties attributable to Unitholders		368	73
– Other non-cash income		(122)	(107)
– Depreciation charge on investment properties under China Accounting Standards		(150)	(83)
– Gains on disposals of investment properties, net of transaction costs		(7,306)	(1,312)
Total Distributable Income (Note (i))		5,281	4,992
Discretionary distribution (Note (ii))		150	83
Total Distributable Amount		5,431	5,075
Interim distribution, paid		2,673	2,494
Final distribution, to be paid to the Unitholders		2,758	2,581
Total distributions for the year		5,431	5,075
Total Distributable Amount as a percentage of Total Distributable Income		103%	102%
Units in issue at 31 March	25	2,150,058,972	2,213,002,276
Distributions per unit to Unitholders:			
– Interim distribution per unit, paid (Note (iii))		HK121.50 cents	HK111.75 cents
– Final distribution per unit, to be paid to the Unitholders (Note (iv))		HK128.28 cents	HK116.66 cents
Distribution per unit for the year		HK249.78 cents	HK228.41 cents

The notes on pages 88 to 130 are an integral part of these consolidated financial statements.

Notes:

- (i) Under the terms of the Trust Deed, the Total Distributable Income is the consolidated profit after taxation attributable to Unitholders adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the consolidated income statement for the relevant year. Link Real Estate Investment Trust is required to ensure that the total amount distributed to Unitholders as distributions for each financial year shall be no less than 90% of Total Distributable Income. The Manager has decided to distribute 100% (2017: 100%) of Total Distributable Income as the distribution for the year ended 31 March 2018.
- (ii) Discretionary distribution refers to any additional amount to be distributed as determined by the Manager pursuant to clause 13.4 of the Trust Deed. The Manager recommended a discretionary distribution relating to the adjustment for depreciation charge on investment properties under China Accounting Standards during the year.
- (iii) The interim distribution per unit of HK121.50 cents (2017: HK111.75 cents) for the six months ended 30 September 2017 is calculated based on the interim distribution of HK\$2,673 million (2017: HK\$2,494 million) for the period and 2,199,876,472 units (2017: 2,231,341,276 units) in issue as at 30 September 2017. The interim distribution was paid to Unitholders on 1 December 2017.
- (iv) The final distribution per unit of HK128.28 cents (2017: HK116.66 cents) for the year ended 31 March 2018 is calculated based on the final distribution to be paid to the Unitholders of HK\$2,758 million (2017: HK\$2,581 million) for the second half of the financial year and 2,150,058,972 units (2017: 2,213,002,276 units) in issue as at 31 March 2018, without taking into account any change in the number of units in issue subsequent to the approval of the consolidated financial statements. The final distribution will be paid to Unitholders on 5 July 2018.

Consolidated Statement of Financial Position

As at 31 March 2018

	Note	2018 HK\$'M	2017 HK\$'M
Non-current assets			
Goodwill	14	416	466
Investment properties	15	203,091	174,006
Property, plant and equipment	16	115	87
Derivative financial instruments	22	280	116
		203,902	174,675
Current assets			
Trade and other receivables	17	715	503
Deposits and prepayments		97	77
Derivative financial instruments	22	1	–
Short-term bank deposits	18	8,525	150
Cash and cash equivalents	18	3,164	535
		12,502	1,265
Total assets			
		216,404	175,940
Current liabilities			
Trade payables, receipts in advance and accruals	19	2,462	1,870
Security deposits		1,665	1,494
Provision for taxation		420	305
Current portion of long-term incentive schemes provision	20	87	76
Interest bearing liabilities	21	2,589	300
Derivative financial instruments	22	2	1
		7,225	4,046
Net current assets/(liabilities)			
		5,277	(2,781)
Total assets less current liabilities			
		209,179	171,894
Non-current liabilities, excluding net assets attributable to Unitholders			
Long-term incentive schemes provision	20	50	37
Interest bearing liabilities	21	23,196	27,197
Derivative financial instruments	22	375	498
Deferred tax liabilities	23	2,893	2,417
Other non-current liabilities	24	3,597	3,248
		30,111	33,397
Total liabilities, excluding net assets attributable to Unitholders			
		37,336	37,443
Non-controlling interest			
		474	256
Net assets attributable to Unitholders			
		178,594	138,241
Units in issue	25	2,150,058,972	2,213,002,276
Net assets per unit attributable to Unitholders		HK\$83.06	HK\$62.47

The notes on pages 88 to 130 are an integral part of these consolidated financial statements.

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

Nicholas Charles ALLEN
Chairman
6 June 2018

George Kwok Lung HONGCHOY
Chief Executive Officer
6 June 2018

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

For the year ended 31 March 2018

	Note	Net assets attributable to Unitholders HK\$'M	Total reserves HK\$'M	Non-controlling interest HK\$'M
At 1 April 2017		138,241	580	256
Issuance of units under the 2007 long-term incentive plan		93	–	–
Units bought back for cancellation		(4,349)	–	–
Profit for the year ended 31 March 2018, before transactions with Unitholders		47,761	–	218
Distributions paid to Unitholders		(2,673)	–	–
– 2018 interim distribution		(2,581)	–	–
– 2017 final distribution		–	–	–
Change in fair values of cash flow hedges	26	–	195	–
Amount transferred to the consolidated income statement	26	–	89	–
Exchange gain on translation of financial statements	26	–	1,818	–
Amount arising from exchange reserve and cash flow hedging reserve movements	26	2,102	(2,102)	–
Change in net assets attributable to Unitholders and non-controlling interest for the year ended 31 March 2018, excluding issues of new units and units bought back		44,609	–	218
At 31 March 2018		178,594	580	474
At 1 April 2016		127,387	580	54
Issuance of units under the 2007 long-term incentive plan		90	–	–
Units bought back for cancellation		(1,697)	–	–
Profit for the year ended 31 March 2017, before transactions with Unitholders		17,711	–	202
Distributions paid to Unitholders		(2,494)	–	–
– 2017 interim distribution		(2,404)	–	–
– 2016 final distribution		–	–	–
Change in fair values of cash flow hedges	26	–	195	–
Amount transferred to the consolidated income statement	26	–	115	–
Exchange loss on translation of financial statements	26	–	(662)	–
Amount arising from exchange reserve and cash flow hedging reserve movements	26	(352)	352	–
Change in net assets attributable to Unitholders and non-controlling interest for the year ended 31 March 2017, excluding issues of new units and units bought back		12,461	–	202
At 31 March 2017		138,241	580	256

The notes on pages 88 to 130 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2018

	Note	2018 HK\$'M	2017 HK\$'M
Operating activities			
Net cash generated from operating activities	27(a)	6,485	6,077
Investing activities			
Acquisition of business	28	(4,496)	–
Acquisition of an investment property		–	(5,319)
Proceeds from disposals of investment properties		22,988	7,288
Additions to investment properties		(1,998)	(1,480)
Additions to property, plant and equipment		(39)	(39)
Interest income received		7	4
Increase in short-term bank deposits with original maturity of more than three months		(8,375)	(32)
Net cash generated from investing activities		8,087	422
Financing activities			
Proceeds from interest bearing liabilities, net of transaction costs		19,585	24,400
Repayment of interest bearing liabilities		(21,345)	(23,472)
Increase in amount due to non-controlling interest		211	115
Interest expenses paid on interest bearing liabilities		(810)	(739)
Distributions paid to Unitholders		(5,254)	(4,898)
Units bought back for cancellation		(4,349)	(1,697)
Net cash used in financing activities		(11,962)	(6,291)
Net increase in cash and cash equivalents		2,610	208
Cash and cash equivalents at 1 April		535	336
Effect on exchange rate changes on cash and cash equivalents		19	(9)
Cash and cash equivalents at 31 March		3,164	535

The notes on pages 88 to 130 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 Corporate Information

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

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

2 Basis of Preparation

(a) Statement of Compliance

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

(b) Accounting Convention

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

(c) Adoption of New and Revised HKFRSs

For the year ended 31 March 2018, the Group has adopted all the new amendments that are currently in issue and effective.

HKAS 7 Amendments	Disclosure Initiative
HKAS 12 Amendments	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to HKFRSs 2014–2016 Cycle:	
HKFRS 12 Amendments	Disclosure of Interests in Other Entities

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

2 Basis of Preparation (Continued)

(c) Adoption of New and Revised HKFRSs (Continued)

The following new standards, amendments and interpretations, which have been published but are not yet effective, have not been early adopted in the consolidated financial statements. These are effective for the Group's accounting periods beginning on or after 1 April 2018.

HKAS 19 Amendments	Employee Benefits ⁽²⁾
HKAS 28 Amendments	Long-term Interests in Associates and Joint Ventures ⁽²⁾
HKAS 28 (2011) and HKFRS 10 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽⁵⁾
HKAS 40 Amendments	Transfers of Investment Property ⁽¹⁾
HKFRS 2 Amendments	Classification and Measurement of Share-based Payment Transactions ⁽¹⁾
HKFRS 4 Amendments	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ⁽¹⁾
HKFRS 9 (2014)	Financial Instruments ⁽¹⁾
HKFRS 9 Amendments	Prepayment Features with Negative Compensation ⁽²⁾
HKFRS 15	Revenue from Contracts with Customers ⁽¹⁾
HKFRS 16	Leases ⁽²⁾
HKFRS 17	Insurance Contracts ⁽³⁾
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ⁽¹⁾
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ⁽²⁾
Annual Improvements to HKFRSs 2014–2016 Cycle ⁽⁴⁾	
Annual Improvements to HKFRSs 2015–2017 Cycle ⁽²⁾	

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

⁽²⁾ effective for accounting periods beginning on or after 1 January 2019

⁽³⁾ effective for accounting periods beginning on or after 1 January 2021

⁽⁴⁾ effective for accounting periods beginning on or after 1 January 2018 except for HKFRS 12 Amendments which were effective for accounting periods beginning on or after 1 January 2017

⁽⁵⁾ no mandatory effective date is determined yet but early application is permitted

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. Preliminary review noted that save for HKFRS 16 which may require further evaluation to address the recognition, classification and measurement of leases, the adoption of all these new or revised HKFRSs are unlikely to have a significant impact on the Group's financial performance and financial position but may result in new or amended disclosures in the consolidated financial statements.

Notes to the Consolidated Financial Statements

3 Summary of Significant Accounting Policies

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

(a) Basis of Consolidation

The consolidated financial statements incorporate the assets and liabilities of Link and all its subsidiaries as at 31 March 2018 and their results for the year then ended.

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

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the units issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed in the consolidated income statement during the period in which they are incurred.

Where the Group enters into a contract that contains an obligation (for example a written put option exercisable by the contract counterparty) to acquire shares in a partly-owned subsidiary company from the non-controlling interest, which is not part of a business combination, the Group records a financial liability for the present value of the redemption amount with a corresponding charge directly to equity. Changes to the value of the financial liability are recognised in the consolidated income statement.

(b) Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing a particular type of service (operating segment), or in providing services within a particular economic environment (geographical segment), and which is subject to risks and rewards that are different from those of other segments. Consistent with the Group's internal financial reporting to the Manager, being the chief operating decision maker, for the purpose of making decisions about allocating resources and assessing performance, segment assets consist primarily of tangible assets and receivables and segment liabilities mainly comprise operating liabilities.

3 Summary of Significant Accounting Policies (Continued)

(c) Foreign Currency Translation

(i) Functional and presentation currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in millions of Hong Kong Dollars, which is the functional currency of Link and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

(iii) Group companies

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position of the Group's entities are translated at the reporting date closing rate;
- income and expenditures for each income statement of the Group's entities are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenditures are translated at the rates on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the reporting date closing rate. Currency translation differences arising are recognised in other comprehensive income.

(d) Investment Properties

A property that is held for long-term rental yields or for capital appreciation or both, is classified as an investment property. It also includes properties that are being constructed or developed for future use as investment properties.

Investment property comprises land held under government leases and treated under finance lease and buildings held under finance leases.

An investment property is measured initially at its cost, including related transaction costs.

After initial recognition, an investment property is carried at fair value, representing open market value determined at each reporting date. The carrying value of the investment property is reviewed every six months and is independently valued by external valuer at least annually.

Notes to the Consolidated Financial Statements

3 Summary of Significant Accounting Policies (Continued)

(d) Investment Properties (Continued)

Any gain or loss arising on disposal of the investment property (calculated as the difference between the disposal proceeds and the carrying amount, including revaluation, of the asset) is recognised in the consolidated income statement in the period in which the investment property is disposed of.

Changes in fair values of the investment properties are recognised in the consolidated income statement.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed in the consolidated income statement during the period in which they are incurred.

(e) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed in the consolidated income statement during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost less estimated residual value less accumulated impairment losses over the estimated useful lives as follows:

Leasehold improvements	5 years or lease terms (if applicable)
Equipment	3 to 5 years
Motor vehicles	5 years

An asset's residual value and useful life are reviewed and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount, as an impairment loss.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised in the consolidated income statement.

(f) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the consolidated income statement.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

(h) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill on business combinations is stated as a separate asset. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

3 Summary of Significant Accounting Policies (Continued)

(i) Unitholders' Funds as a Financial Liability

In accordance with the Trust Deed, Link is required to distribute to Unitholders not less than 90% of the Group's Total Distributable Income for each financial year. The trust also has a limited life of 80 years from the date of establishment. Accordingly, the units contain contractual obligations of the trust to pay to its Unitholders cash distributions and also upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of the trust less any liabilities, in accordance with their proportionate interests in the trust at the date of the termination. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with HKAS 32: Financial Instruments: Presentation. This liability is shown on the consolidated statement of financial position as the net assets attributable to Unitholders. Distributions to Unitholders are recognised in the consolidated income statement.

(j) Trade Payables and Provisions

(i) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(ii) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where a provision is expected to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(k) Operating Leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Details of the recognition of operating lease rental income are set out in Note 3(o)(i) below.

(l) Current and Deferred Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the Consolidated Financial Statements

3 Summary of Significant Accounting Policies (Continued)

(l) Current and Deferred Taxation (Continued)

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxation is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred taxation arising from investment property is determined based on the expected manner as to how the investment properties will be recovered (through sale or through use) with the corresponding tax rate applied.

(m) Interest Bearing Liabilities

Interest bearing liabilities are recognised initially at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the instrument using the effective interest method.

(n) Impairment of Non-Financial Assets

Assets are reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

(o) Revenue Recognition

(i) Rentals from retail and commercial properties

Operating lease rental income is recognised on a straight-line basis over the term of the lease agreement. Contingent rental income (representing income over and above base rent) such as turnover rent, is recognised according to the terms of the lease agreements when the amount can be reliably measured, in the accounting period in which it is earned. Lease incentives provided, such as rent-free periods, are amortised on a straight-line basis and are recognised as a reduction of rental income over the respective term of the lease.

(ii) Rentals from car parks

Rentals from car parks are recognised as revenue on an accrual basis.

(iii) Service fees and charges

Service fees and charges such as air conditioning income arising from the provision of services are recognised when such services are rendered.

(iv) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

3 Summary of Significant Accounting Policies (Continued)

(p) Expenditure

Expenditures, including property related outgoings and other expenses, are recognised on an accrual basis.

(q) Employee Benefits

Employee benefits such as wages, salaries and bonuses are recognised as an expense when the employee has rendered the service.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave. The employer's contributions to the Mandatory Provident Fund for employees are expensed as incurred.

(r) Employees' Long-term Incentive Schemes

Incentives in the form of a long-term incentive schemes are provided to eligible employees (including directors).

Employee services rendered in exchange for the grant of the long-term incentive schemes awards are recognised as an expense, with a corresponding increase in the liability incurred. This expense is charged to the consolidated income statement over the vesting periods. Until the liability is settled, the value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in value recognised in the consolidated income statement for the year. At each reporting date, estimates of the number of long-term incentive schemes awards that are expected to vest will be revised and the impact of the revision is recognised in the consolidated income statement. The carrying value of the long-term incentive schemes awards is reviewed every six months and is independently valued by external valuer at least annually. If the awards do not vest on the vesting dates, the amounts charged to the consolidated income statement will be written back.

(s) Derivative Financial Instruments and Hedging Activities

A derivative is initially recognised at fair value on the date a derivative contract is entered into and is subsequently re-measured at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

(i) Cash flow hedge

Hedging relationships are classified as cash flow hedges when such relationships are used to hedge against exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability and such variability could affect profit or loss.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The changes in the fair value of the effective portion of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and deferred in a cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated income statement.

Notes to the Consolidated Financial Statements

3 Summary of Significant Accounting Policies (Continued)

(s) Derivative Financial Instruments and Hedging Activities (Continued)

(i) Cash flow hedge (Continued)

Amounts accumulated in hedging reserve are transferred to the consolidated income statement in the periods when the hedged item affects earnings. However, when the highly probable forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in cash flow hedging reserve are transferred from hedging reserve and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the cash flow hedging reserve at that time shall remain in hedging reserve and is recognised when the forecast transaction is ultimately recognised in the consolidated income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserve is immediately transferred to the consolidated income statement.

(ii) Fair value hedge

Derivatives designated as hedging instruments to hedge the fair value of recognised assets or liabilities may qualify as fair value hedges.

The Group uses interest rate swap contracts to hedge its exposure to variability in fair values of recognised liabilities against changes in market interest rates.

The Group uses cross currency swap contracts to hedge its exposure to variability in fair value of recognised foreign currency liabilities against changes in foreign currency exchange rates and market interest rates. The changes in fair values of the cross currency swap contracts are recognised directly in the consolidated income statement.

Changes in the fair values of these derivative contracts, together with the changes in the fair values of the hedged liabilities attributable to the hedged risk are recognised in the consolidated income statement as finance costs on interest bearing liabilities. At the same time the carrying amounts of the hedged liabilities in the consolidated statement of financial position are adjusted for the changes in fair values.

(t) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

4 Financial Risk Management

(a) Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk.

Risk management is carried out by the Manager. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments such as interest rate swap contracts and cross currency swap contracts to manage financial risk.

(i) Market risk

(A) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes in interest bearing liabilities and assets. The risks can be separated into cash flow interest rate risk and fair value interest rate risk.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swap contracts. Such interest rate swap contracts have the economic effect of converting borrowings from floating rates to fixed rates.

Fair value interest rate risk is the risk that the values of financial liabilities will fluctuate because of changes in market interest rates. The Group manages its fair value interest rate risk by entering into interest rate swap contracts which have the economic effect of converting borrowings from fixed rates to floating rates.

As at 31 March 2018, if interest rates on floating rate interest bearing liabilities net of floating rate interest bearing assets had been 100 basis points higher/lower with all other variables held constant, profit for the year, before transactions with Unitholders, would have been HK\$46 million (2017: HK\$84 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. As at 31 March 2018, if interest rates had been 100 basis points higher/lower, the hedging reserve would have been HK\$384/407 million (2017: HK\$326/349 million) higher/lower mainly as a result of an increase/decrease in the fair values of the cash flow hedges as described above.

(B) Currency risk

Currency risk arises on account of monetary assets and liabilities denominated in a currency that is not the functional currency.

The Group has certain investments in Mainland China, whose net assets are exposed to foreign currency translation risk. This gave rise to an unrealised gain of approximately HK\$1,818 million (2017: unrealised loss of approximately HK\$662 million) on translation of these operations' net assets to the Group's Hong Kong Dollar reporting currency, which is reflected as a movement in reserves under the heading of exchange reserve.

The Group has medium term notes denominated in United States Dollars. It uses cross currency swap contracts to hedge its exposure against changes in United States Dollars exchange rates. Management therefore considers that there are no significant currency risk with respect to United States Dollars. As at 31 March 2018, the Hong Kong Dollars equivalent of United States Dollars medium term notes stands at HK\$7,350 million (2017: HK\$7,306 million).

Notes to the Consolidated Financial Statements

4 Financial Risk Management (Continued)

(a) Financial Risk Factors (Continued)

(ii) Credit risk

Credit risk arises from the potential failure of the Group's counterparties to meet their obligations under financial contracts. The Group is exposed to credit risk on its cash and cash equivalents and deposits with banks and financial institutions, derivative financial instruments as well as trade receivables.

Credit risk is managed on a group basis. The Group manages its deposits with banks and financial institutions by limiting the level of deposits to be placed with any counterparties. Deposits placed with any individual counterparty cannot exceed a pre-defined limit assigned to the individual counterparty. As at 31 March 2018, all deposits were placed with financial institutions with external credit ratings of no less than "BBB".

In respect of credit exposures to tenants, credit risk exposure is minimised by undertaking transactions with a large number of counterparties and conducting credit reviews on prospective tenants. The Group also has policies in place to ensure that rental security deposits are required from tenants prior to commencement of leases. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group regularly reviews the recoverable amount of each individual trade receivable to ensure that adequate provision for impairment losses is made for potentially irrecoverable amounts. The Group has no significant concentrations of credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. The Group's exposure to credit risk arising from trade receivables amounted to HK\$106 million (2017: HK\$78 million) and is set out in Note 17. The Group's exposure to credit risk arising from bank deposits amounted to HK\$11,689 million (2017: HK\$685 million) and is set out in Note 18. The Group's exposure to credit risk arising from derivative financial instruments amounted to HK\$281 million (2017: HK\$116 million) and is set out in Note 22.

(iii) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from committed credit facilities and operating cash flow.

The Group has cash and cash equivalents and short-term bank deposits of HK\$11,689 million (2017: HK\$685 million) as at 31 March 2018. In addition to the cash resources, the Group has total available borrowing facilities amounting to HK\$37,285 million (2017: HK\$38,085 million), of which HK\$26,285 million (2017: HK\$28,040 million) was drawn as at 31 March 2018. The undrawn committed facilities, in the form of bank loans, totalled HK\$11,000 million (2017: HK\$10,045 million) as at 31 March 2018.

4 Financial Risk Management (Continued)

(a) Financial Risk Factors (Continued)

(iii) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows which comprise both interest and principal cash flows.

	Less than 1 year HK\$'M	Between 1 and 2 years HK\$'M	Between 2 and 5 years HK\$'M	Over 5 years HK\$'M
At 31 March 2018				
Trade payables and accruals	2,217	–	–	–
Security deposits	669	354	529	113
Interest bearing liabilities	3,267	4,621	9,688	12,316
Derivative financial instruments (net settled)	2	35	133	247
Amount due to non-controlling interest	–	–	3,150	–
Non-controlling interest put option obligation	–	–	901	–
Unitholders' funds	–	–	–	178,594
At 31 March 2017				
Trade payables and accruals	1,627	–	–	–
Security deposits	576	405	376	137
Interest bearing liabilities	981	3,235	14,112	13,923
Derivative financial instruments (net settled)	(15)	47	136	383
Amount due to non-controlling interest	–	–	2,918	–
Non-controlling interest put option obligation	–	–	876	–
Unitholders' funds	–	–	–	138,241

(b) Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst seeking to maximise benefits to Unitholders.

The Group monitors capital on a regular basis and observes the REIT Code's maximum gearing ratio of 45%. This ratio is calculated as total borrowings (including current and non-current borrowings) divided by total asset value as shown in the consolidated statement of financial position.

	2018 HK\$'M	2017 HK\$'M
Interest bearing liabilities (Note 21)	25,785	27,497
Total asset value	216,404	175,940
Gearing ratio	11.9%	15.6%

Notes to the Consolidated Financial Statements

4 Financial Risk Management (Continued)**(c) Fair Value Estimation****(i) Fair value hierarchy**

HKFRS 13 requires disclosure of fair value measurement by three levels of fair value measurement hierarchy. The following table presents the Group's assets and liabilities that are measured at fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	Level 1 HK\$'M	Level 2 HK\$'M	Level 3 HK\$'M	Total HK\$'M
At 31 March 2018				
Assets				
Investment properties	–	–	203,091	203,091
Derivative financial instruments	–	281	–	281
Total assets	–	281	203,091	203,372
Liabilities				
Derivative financial instruments	–	377	–	377
Non-controlling interest put option obligation	–	–	700	700
Total liabilities	–	377	700	1,077
At 31 March 2017				
Assets				
Investment properties	–	–	174,006	174,006
Derivative financial instruments	–	116	–	116
Total assets	–	116	174,006	174,122
Liabilities				
Derivative financial instruments	–	499	–	499
Non-controlling interest put option obligation	–	–	630	630
Total liabilities	–	499	630	1,129

There were no transfers between these three levels during the year (2017: Nil).

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

(ii) Fair value disclosure

The carrying values less impairment provision of trade receivables and the carrying values of trade payables, accruals, bank deposits and short-term interest bearing liabilities are a reasonable approximation of their fair values due to their short-term maturities.

The fair values of long-term interest bearing liabilities are based on market prices or are estimated by using the expected future payments discounted at market interest rates.

5 Critical Accounting Estimates and Judgements

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in the process of applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

(a) Investment Properties

The fair value of each investment property is individually determined at each reporting date by independent valuer based on a market value assessment. The valuers have relied on the discounted cash flow analysis, income capitalisation approach and residual approach as their primary methods, cross-referenced to the direct comparison method where applicable. Details of the valuation techniques and assumptions have been disclosed in Note 15.

(b) Financial Instruments

In estimating the fair value of its financial instruments, the Group uses valuation techniques such as dealer quotes and discounted cash flows. The Group also makes assumptions that are based on market conditions existing at each reporting date.

(c) Long-term Incentive Schemes Valuation

The value of awards granted is estimated based on valuation techniques and assumptions on unit prices, outstanding length of the awards, distribution pay-out rates and other market conditions, which management considers as representing the best estimate of the value of the liability for such awards at the reporting date. The carrying value of the long-term incentive schemes awards is reviewed every six months and is independently valued by external valuer at least annually.

(d) Non-controlling Interest Put Option Obligation

The fair value of the non-controlling interest put option obligation is determined at each reporting date by independent valuer based on a market value assessment. The valuer has used discounted cash flow as the valuation technique. The valuation is based on various assumptions, including the estimated fair value of the equity interests of the non-wholly owned subsidiary at the expected time of exercise of the put option, the expected time of exercise itself, the cash flow and the discount rate used. Details of the valuation technique and assumptions have been disclosed in Note 24.

Notes to the Consolidated Financial Statements

5 Critical Accounting Estimates and Judgements (Continued)**(e) Goodwill**

Goodwill is recorded as a separate asset and it is subject to an annual impairment test. The tests undertaken as at 31 March 2017 and 2018 indicated that no impairment provision was necessary.

For the purposes of impairment tests, the recoverable amount of goodwill is referenced to the cash flow projections inherent in the valuation of investment properties by the principal valuer. Judgement was required to determine key assumptions for adoption in the cash flow projections, such as income and expenditure growth rates, discount rate, income capitalisation rate, etc. The income and expenditure growth rates were driven by the forecast occupancy rate, reversion rate, progress on asset enhancement projects and inflation. The discount rates and income capitalisation rates stated in Note 15 were used in the cash flow projections.

6 Revenue

Revenue recognised during the year comprises:

	2018 HK\$'M	2017 HK\$'M
Rentals		
– Retail and commercial properties	7,554	6,914
– Car parks	2,046	1,940
	9,600	8,854
Other revenue		
– Air conditioning service fees	375	370
– Other property related revenue	48	31
	423	401
Total revenue	10,023	9,255

Leases with tenants provide for monthly base rent and recovery of certain outgoings. Additional rents based on business turnover amounted to HK\$152 million (2017: HK\$136 million) and have been included in the rental income.

7 Segment Information

	Retail properties HK\$'M	Car parks HK\$'M	Others HK\$'M	Total HK\$'M
For the year ended 31 March 2018				
Revenue	7,638	2,051	334	10,023
Segment results	5,807	1,572	(133)	7,246
Change in fair values of investment properties	27,204	7,552	737	35,493
Gains on disposals of investment properties				7,306
Interest income				19
Finance costs				(665)
Profit before taxation and transactions with Unitholders				49,399
Taxation				(1,420)
Profit for the year, before transactions with Unitholders				47,979
Capital expenditure	6,116	24	891	7,031
Depreciation	–	–	(20)	(20)
As at 31 March 2018				
Segment assets	152,841	34,579	16,598	204,018
Goodwill				416
Derivative financial instruments				281
Short-term bank deposits				8,525
Cash and cash equivalents				3,164
Total assets				216,404
Segment liabilities	2,559	149	1,419	4,127
Provision for taxation				420
Long-term incentive schemes provision				137
Interest bearing liabilities				25,785
Derivative financial instruments				377
Deferred tax liabilities				2,893
Other non-current liabilities				3,597
Total liabilities, excluding net assets attributable to Unitholders				37,336
Non-controlling interest				474
Net assets attributable to Unitholders				178,594

For the year ended 31 March 2018, revenue of HK\$884 million (2017: HK\$574 million) is attributable to external customers from Mainland China and HK\$9,139 million (2017: HK\$8,681 million) is attributable to external customers from Hong Kong.

As at 31 March 2018, non-current assets of HK\$18,469 million (2017: HK\$11,203 million) is located in Mainland China and HK\$185,153 million (2017: HK\$163,356 million) is located in Hong Kong.

Notes to the Consolidated Financial Statements

7 Segment Information (Continued)

	Retail properties HK\$'M	Car parks HK\$'M	Others HK\$'M	Total HK\$'M
For the year ended 31 March 2017				
Revenue	6,989	1,944	322	9,255
Segment results	5,286	1,435	(69)	6,652
Change in fair values of investment properties	6,716	4,062	716	11,494
Gains on disposals of investment properties				1,387
Interest income				4
Finance costs				(567)
Profit before taxation and transactions with Unitholders				18,970
Taxation				(1,057)
Profit for the year, before transactions with Unitholders				17,913
Capital expenditure	7,749	64	589	8,402
Depreciation	–	–	(27)	(27)
As at 31 March 2017				
Segment assets	129,601	30,866	14,206	174,673
Goodwill				466
Derivative financial instruments				116
Short-term bank deposits				150
Cash and cash equivalents				535
Total assets				175,940
Segment liabilities	2,446	179	739	3,364
Provision for taxation				305
Long-term incentive schemes provision				113
Interest bearing liabilities				27,497
Derivative financial instruments				499
Deferred tax liabilities				2,417
Other non-current liabilities				3,248
Total liabilities, excluding net assets attributable to Unitholders				37,443
Non-controlling interest				256
Net assets attributable to Unitholders				138,241

8 Property Operating Expenses

	2018 HK\$'M	2017 HK\$'M
Property managers' fees, security and cleaning	594	574
Staff costs (Note 11)	475	441
Repair and maintenance	224	225
Utilities	309	308
Government rent and rates	288	282
Promotion and marketing expenses	148	126
Estate common area costs	102	106
Business and real estate taxes in Mainland China	64	34
Other property operating expenses	156	165
	2,360	2,261

9 Finance Costs

	2018 HK\$'M	2017 HK\$'M
Interest expenses on interest bearing liabilities	778	704
Other borrowing costs (Note (i))	143	154
	921	858
Less: capitalised under investment properties (Note (ii))	(326)	(341)
	595	517
Fair value loss on non-controlling interest put option obligation (Note 24)	70	50
	665	567

Notes:

- (i) Other borrowing costs include HK\$68 million (2017: HK\$64 million) interest expenses to non-controlling interest, HK\$89 million (2017: HK\$115 million) net losses on interest rate swap contracts designated as cash flow hedges, HK\$71 million (2017: HK\$84 million) net gains on cross currency swap contracts and interest rate swap contracts designated as fair value hedges and various banking and financing charges.
- (ii) Interest expenses have been capitalised under investment properties at an average interest rate of 2.6% (2017: 2.6%) per annum.

Notes to the Consolidated Financial Statements

10 Profit Before Taxation and Transactions with Unitholders

Profit before taxation and transactions with Unitholders for the year is stated after charging:

	2018 HK\$'M	2017 HK\$'M
Staff costs (Note 11)	787	615
Depreciation of property, plant and equipment	20	27
Trustee's fee	18	15
Valuation fee	6	4
Auditor's remuneration		
Audit and audit-related assurance services	8	7
Acquisition related professional fees	1	–
Others	2	2
Total auditor's remuneration	11	9
Bank charges	6	5
Commission to property agents	362	71
Donations	8	10
Exchange loss/(gain)	56	(23)
Operating lease charges	35	34
Other legal and professional fees	11	16

11 Staff Costs

	2018 HK\$'M	2017 HK\$'M
Wages and salaries	718	559
Contributions to mandatory provident fund scheme	14	13
Long-term incentive schemes awards (Note 20)	126	111
	858	683
Less: capitalised under investment properties	(71)	(68)
Staff costs (Note 10)	787	615

(a) Staff Costs can be further analysed as below:

	2018 HK\$'M	2017 HK\$'M
Included under property operating expenses (Note 8)	475	441
Included under general and administrative expenses	225	174
Included under gains on disposals of investment properties (Note)	87	–
	787	615

Note: The amount represents staff costs of project team creating incremental value and directly attributable to the asset disposal.

11 Staff Costs (Continued)

(b) Directors' Emoluments

The remunerations of directors are set out below:

Name of Director	Cash and other benefits in kind – received during the year				2018 Total cash remuneration HK\$'000
	Fees HK\$'000	Base pay, allowance and other benefits (Note (i)) HK\$'000	Contribution to pension scheme HK\$'000	Variable remuneration related to performance (Note (ii)) HK\$'000	
Mr Nicholas Charles ALLEN	1,975	–	–	–	1,975
Mr George Kwok Lung HONGCHOY	–	9,160	18	23,145	32,323
Mr Andy CHEUNG Lee Ming	–	5,014	18	8,190	13,222
Mr Ian Keith GRIFFITHS	577	–	–	–	577
Mr Christopher John BROOKE (Note (iv))	–	–	–	–	–
Mr Ed CHAN Yiu Cheong	577	–	–	–	577
Mr Blair Chilton PICKERELL	615	–	–	–	615
Ms Poh Lee TAN	650	–	–	–	650
Ms May Siew Boi TAN	728	–	–	–	728
Mr Peter TSE Pak Wing	727	–	–	–	727
Ms Nancy TSE Sau Ling	650	–	–	–	650
Mr David Charles WATT	678	–	–	–	678
Ms Elaine Carole YOUNG	638	–	–	–	638
Mr William CHAN Chak Cheung (Note (v))	475	–	–	–	475
Prof Richard WONG Yue Chim (Note (vi))	–	–	–	–	–
	8,290	14,174	36	31,335	53,835

Name of Director	Long-term incentive schemes awards – Provision made based on estimated values and over vesting period (Note (iii))			Total remuneration – Cash and provision
	Current year grants HK\$'000	Prior years grants HK\$'000	2018 Long-term incentive schemes provision HK\$'000	
Mr Nicholas Charles ALLEN	480	936	1,416	3,391
Mr George Kwok Lung HONGCHOY	8,761	25,392	34,153	66,476
Mr Andy CHEUNG Lee Ming	2,238	6,623	8,861	22,083
Mr Ian Keith GRIFFITHS	149	445	594	1,171
Mr Christopher John BROOKE (Note (iv))	–	–	–	–
Mr Ed CHAN Yiu Cheong	149	272	421	998
Mr Blair Chilton PICKERELL	149	289	438	1,053
Ms Poh Lee TAN	160	306	466	1,116
Ms May Siew Boi TAN	181	554	735	1,463
Mr Peter TSE Pak Wing	192	563	755	1,482
Ms Nancy TSE Sau Ling	160	476	636	1,286
Mr David Charles WATT	170	527	697	1,375
Ms Elaine Carole YOUNG	160	478	638	1,276
Mr William CHAN Chak Cheung (Note (v))	–	636	636	1,111
Prof Richard WONG Yue Chim (Note (vi))	–	–	–	–
	12,949	37,497	50,446	104,281

Notes to the Consolidated Financial Statements

11 Staff Costs (Continued)

(b) Directors' Emoluments (Continued)

Name of Director	Cash and other benefits in kind – received during the year				2017 Total cash remuneration HK\$'000
	Fees HK\$'000	Base pay, allowance and other benefits (Note (i)) HK\$'000	Contribution to pension scheme HK\$'000	Variable remuneration related to performance (Note (ii)) HK\$'000	
Mr Nicholas Charles ALLEN	1,975	–	–	–	1,975
Mr George Kwok Lung HONGCHOY	–	7,718	18	18,120	25,856
Mr Andy CHEUNG Lee Ming	–	4,242	18	6,010	10,270
Mr Ian Keith GRIFFITHS	577	–	–	–	577
Mr Christopher John BROOKE (Note (iv))	–	–	–	–	–
Mr Ed CHAN Yiu Cheong	577	–	–	–	577
Mr Blair Chilton PICKERELL	615	–	–	–	615
Ms Poh Lee TAN	650	–	–	–	650
Ms May Siew Boi TAN	705	–	–	–	705
Mr Peter TSE Pak Wing	710	–	–	–	710
Ms Nancy TSE Sau Ling	650	–	–	–	650
Mr David Charles WATT	678	–	–	–	678
Ms Elaine Carole YOUNG	638	–	–	–	638
Mr William CHAN Chak Cheung (Note (v))	815	–	–	–	815
Prof Richard WONG Yue Chim (Note (vi))	228	–	–	–	228
	8,818	11,960	36	24,130	44,944

Name of Director	Long-term incentive schemes awards – Provision made based on estimated values and over vesting period (Note (iii))			2017 Long-term incentive schemes provision HK\$'000	Total remuneration – Cash and provision HK\$'000
	Current year grants HK\$'000	Prior years grants HK\$'000	2017 Long-term incentive schemes provision HK\$'000		
Mr Nicholas Charles ALLEN	478	–	478	2,453	
Mr George Kwok Lung HONGCHOY	4,192	21,939	26,131	51,987	
Mr Andy CHEUNG Lee Ming	989	6,156	7,145	17,415	
Mr Ian Keith GRIFFITHS	139	466	605	1,182	
Mr Christopher John BROOKE (Note (iv))	–	–	–	–	
Mr Ed CHAN Yiu Cheong	139	–	139	716	
Mr Blair Chilton PICKERELL	148	–	148	763	
Ms Poh Lee TAN	156	–	156	806	
Ms May Siew Boi TAN	174	572	746	1,451	
Mr Peter TSE Pak Wing	174	290	464	1,174	
Ms Nancy TSE Sau Ling	156	221	377	1,027	
Mr David Charles WATT	165	534	699	1,377	
Ms Elaine Carole YOUNG	156	492	648	1,286	
Mr William CHAN Chak Cheung (Note (v))	200	637	837	1,652	
Prof Richard WONG Yue Chim (Note (vi))	–	606	606	834	
	7,266	31,913	39,179	84,123	

11 Staff Costs (Continued)

(b) Directors' Emoluments (Continued)

Notes:

- (i) Other benefits include leave pay, insurance premium and club membership fee.
- (ii) The variable remunerations paid during the year were in relation to performance and services of prior years, based on financial and non-financial key performance indicators. Variable remunerations for the current year are subject to approval.
- (iii) Values of the long-term incentive schemes awards are estimated based on valuation techniques with assumptions on future unit prices, outstanding length of the awards and distribution pay-out rates. There is no commitment to pay out the estimated values provided. The eventual amounts to be paid depend on the scale of achievement against certain performance and service related vesting conditions. For the portion of the awards which do not vest on the vesting dates, the amounts previously charged to the consolidated income statement will be written back. Details on the long-term incentive schemes of the Group are set out in Note 20.
- For the year ended 31 March 2018, certain long-term incentive schemes awards have been vested and units of Link have been issued under the scheme. The amounts recognised as expenses represent the provision recognised as set out in the accounting policy Note 3(r).
- (iv) Appointed on 1 May 2018.
- (v) Retired on 9 November 2017.
- (vi) Retired on 27 July 2016.

(c) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2017: two) directors whose emoluments are reflected in the analysis presented in note (b) above. The emoluments payable to the remaining three (2017: three) individuals during the year are as follows:

	2018 HK\$'M	2017 HK\$'M
Basic salaries, other allowances and benefits in kind	8	9
Discretionary bonus	6	6
Long-term incentive schemes awards	12	10
Total	26	25

The emoluments of the five individuals fell within the following bands:

	2018 Number of individuals	2017 Number of individuals
Emolument bands		
HK\$8,000,001 – HK\$8,500,000	1	2
HK\$8,500,001 – HK\$9,000,000	–	1
HK\$9,000,001 – HK\$9,500,000	1	–
HK\$9,500,001 – HK\$10,000,000	1	–
HK\$17,000,001 – HK\$17,500,000	–	1
HK\$22,000,001 – HK\$22,500,000	1	–
HK\$51,500,001 – HK\$52,000,000	–	1
HK\$66,000,001 – HK\$66,500,000	1	–

(d) Pension – Defined Contribution Plan

The Group operates a pension scheme – Mandatory Provident Fund. The scheme is a defined contribution plan funded through payments to trustee-administered funds. A defined contribution plan is a pension plan under which the employer pays fixed contributions into a separate entity (a fund). The Group has no further payment obligations once the contributions have been paid.

Notes to the Consolidated Financial Statements

12 Taxation

Hong Kong profits tax has been provided for at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the year. Corporate income tax in Mainland China has been provided for at the applicable rate on the estimated assessable profit for the year.

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

	2018 HK\$'M	2017 HK\$'M
Current taxation		
– Hong Kong	890	763
– Mainland China	122	76
Deferred taxation	408	218
Taxation	1,420	1,057

The differences between the Group's expected tax charge, using the Hong Kong profits tax rate, and the Group's taxation for the year were as follows:

	2018 HK\$'M	2017 HK\$'M
Profit before taxation	49,399	18,970
Expected tax calculated at the Hong Kong profits tax rate of 16.5% (2017: 16.5%)	8,151	3,130
Tax effect of different taxation rates	278	(11)
Tax effect of non-deductible expenses	80	12
Tax effect of non-taxable income	(7,000)	(2,009)
Tax effect of other temporary differences	(67)	(51)
Utilisation of previously unrecognised tax loss	(28)	(25)
Withholding tax on unremitted earnings of subsidiaries	6	11
Taxation	1,420	1,057

13 Earnings Per Unit Based Upon Profit for the Year, Before Transactions with Unitholders Attributable to Unitholders

	2018	2017
Profit for the year, and before transactions with Unitholders attributable to Unitholders	HK\$47,761 million	HK\$17,711 million
Weighted average number of units for the year for calculating basic earnings per unit	2,199,559,088	2,232,374,190
Adjustment for dilutive contingently issuable units under long-term incentive schemes	2,026,574	1,915,318
Weighted average number of units for the year for calculating diluted earnings per unit	2,201,585,662	2,234,289,508
Basic earnings per unit based upon profit for the year, before transactions with Unitholders attributable to Unitholders	HK\$21.71	HK\$7.93
Diluted earnings per unit based upon profit for the year, before transactions with Unitholders attributable to Unitholders	HK\$21.69	HK\$7.93

14 Goodwill

	2018 HK\$'M	2017 HK\$'M
At 1 April	466	487
Exchange adjustments	17	(8)
Acquisition of business (Note 28)	15	–
Disposals of investment properties	(82)	(13)
At 31 March	416	466

15 Investment Properties

(a) Details of the Movements of Investment Properties are as follows:

	Completed properties HK\$'M	Property under development HK\$'M	Total HK\$'M
At 1 April 2017	166,657	7,349	174,006
Exchange adjustments	1,762	–	1,762
Acquisition of business (Note 28)	4,580	–	4,580
Additions	1,574	828	2,402
Disposals	(15,152)	–	(15,152)
Change in fair values	34,937	556	35,493
At 31 March 2018	194,358	8,733	203,091
At 1 April 2016	154,372	6,300	160,672
Exchange adjustments	(636)	–	(636)
Acquisition of 700 Nathan Road in Mong Kok	6,414	–	6,414
Additions	1,411	539	1,950
Disposals	(5,888)	–	(5,888)
Change in fair values	10,984	510	11,494
At 31 March 2017	166,657	7,349	174,006

(b) Valuation Process

The investment properties were revalued on a market value basis as at 31 March 2017 and 2018 by Jones Lang LaSalle 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.

Notes to the Consolidated Financial Statements

15 Investment Properties (Continued)**(c) Valuation Techniques**

The principal valuer has relied on the income capitalisation approach, discounted cash flow analysis and residual approach as its primary approaches, cross-referenced to the direct comparison method.

The income capitalisation approach is based on the capitalisation of the current passing rental income and potential reversionary income of the property from the date of valuation at appropriate investment yields to arrive at the capital value. The appropriate adjustments/deductions for rent-free period, ongoing vacancy voids/marketing periods and non-recoverable expenses for the vacant space have been allowed.

The discounted cash flow analysis requires periodic net cash flows to be forecasted over the life of the investment and discounted at a risk-adjusted opportunity cost of capital to arrive at a present value. The discounted cash flow analysis takes into consideration the yearly net cash flows after deductions for expenditure, and having regard to the assumptions made relating to rental growth projections, vacancies, rent frees, replacement reserve, non-recoverable outgoings and leasing costs. The discounted cash flow analysis incorporates an assumed 10-year holding period and the reversionary value in Year Eleven, discounted by an appropriate discount rate to derive at a net present value.

The residual valuation method involves firstly the assessment of gross development value, which is the value of the proposed development, as if completed, at the date of valuation. Estimated outstanding cost of the development including costs of construction, professional fee, finance costs and associated costs, plus an allowance for developer's risk and profit are deducted from the gross development value. The resultant figure is the residual value.

The three valuation techniques are summarised in the below table with their respective significant unobservable inputs.

	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Income capitalisation approach Completed properties – retail and commercial properties and car parks	i) Capitalisation rate (Blended): 3.00% – 4.75% (2017: 3.00% – 5.30%)	The higher the capitalisation rate, the lower the fair value.
	ii) Net passing income per annum: HK\$0.5M – HK\$388.0M (2017: HK\$0.5M – HK\$332.4M)	The higher the net passing income, the higher the fair value.
Discounted cash flow analysis Completed properties – retail and commercial properties and car parks	i) Discount rate: 7.25% – 7.75% (2017: 7.25% – 7.50%)	The higher the discount rate, the lower the fair value.
	ii) Net passing income per annum: HK\$0.5M – HK\$388.0M (2017: HK\$0.5M – HK\$332.4M)	The higher the net passing income, the higher the fair value.
Residual approach Property under development	Estimated development costs and allowance for developer's risk and profit	The higher the estimated development costs and allowance for developer's risk and profit, the lower the fair value.

The investment properties are included in Level 3 (2017: Level 3) of the fair value hierarchy.

15 Investment Properties (Continued)

(d) Restriction of the REIT Code

Link acquired 77 Hoi Bun Road in Kowloon East for commercial development, 700 Nathan Road in Mong Kok and Metropolitan Plaza in Guangzhou, the completion of which were on 23 February 2015, 15 April 2016 and 11 May 2017 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.

(e) Disposals of investment properties

On 28 February 2018, Link completed the disposals of 17 investment properties at an aggregate consideration of HK\$22,990 million, and resulted in gains of disposals of HK\$7,306 million.

16 Property, Plant and Equipment

	Leasehold improvements HK\$'M	Motor vehicles HK\$'M	Equipment HK\$'M	Total HK\$'M
At 1 April 2017	11	1	75	87
Acquisition of business (Note 28)	–	–	2	2
Additions	5	1	41	47
Disposals	–	–	(1)	(1)
Depreciation charge for the year	(4)	–	(16)	(20)
At 31 March 2018	12	2	101	115
At 31 March 2018				
Cost	75	5	217	297
Accumulated depreciation	(63)	(3)	(116)	(182)
Net book value	12	2	101	115
At 1 April 2016	8	2	66	76
Additions	8	–	30	38
Depreciation charge for the year	(5)	(1)	(21)	(27)
At 31 March 2017	11	1	75	87
At 31 March 2017				
Cost	86	5	199	290
Accumulated depreciation	(75)	(4)	(124)	(203)
Net book value	11	1	75	87

Notes to the Consolidated Financial Statements

17 Trade and Other Receivables

	2018 HK\$'M	2017 HK\$'M
Trade receivables	112	82
Less: provision for impairment of trade receivables	(6)	(4)
Trade receivables – net	106	78
Other receivables	609	425
	715	503

The carrying amounts of these receivables approximate their fair values.

There are no specific credit terms given to the tenants. The trade receivables are generally fully covered by the rental deposits/bank guarantees from corresponding tenants.

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

	2018 HK\$'M	2017 HK\$'M
0–30 days	100	73
31–90 days	6	5
Over 90 days	6	4
	112	82

Monthly rentals in respect of retail and commercial properties are payable in advance by tenants in accordance with the leases while daily gross receipts from car parks are received from the car park operators in arrears. Included in the net trade receivables of HK\$106 million (2017: HK\$78 million) presented above were HK\$55 million (2017: HK\$40 million) of accrued car park income and HK\$31 million (2017: HK\$18 million) of accrued turnover rent, which were not yet due as at 31 March 2018. The remaining HK\$20 million (2017: HK\$20 million) were past due but not considered impaired.

The ageing of the past due but not considered impaired trade receivables is as follows:

	2018 HK\$'M	2017 HK\$'M
0–30 days	14	15
31–90 days	6	5
	20	20

As at 31 March 2018, trade receivables of HK\$6 million (2017: HK\$4 million) were considered as impaired and have been provided for. The individually impaired receivables are those where collectibility is in doubt.

The ageing of the impaired trade receivables is as follows:

	2018 HK\$'M	2017 HK\$'M
Over 90 days	6	4

17 Trade and Other Receivables (Continued)

Movements on the provision for impairment of trade receivables are as follows:

	2018 HK\$'M	2017 HK\$'M
At 1 April	4	5
Provision for impairment of trade receivables	4	4
Receivables written off during the year as uncollectible	(2)	(5)
At 31 March	6	4

The creation and release of provision for impairment of trade receivables have been included in property operating expenses in the consolidated income statement. Amounts charged to the provision account will be written off when there is no expectation of recovering additional cash.

The other classes of receivables included in the trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of trade receivables.

18 Cash and Cash Equivalents and Short-term Bank Deposits

	2018 HK\$'M	2017 HK\$'M
Cash at bank	710	212
Short-term bank deposits with original maturity of less than three months	2,454	323
Cash and cash equivalents	3,164	535
Short-term bank deposits with original maturity of more than three months	8,525	150
	11,689	685

19 Trade Payables, Receipts in Advance and Accruals

	2018 HK\$'M	2017 HK\$'M
Trade payables	157	175
Receipts in advance	245	243
Accruals	2,060	1,452
	2,462	1,870

The carrying amounts of these payables approximate their fair values.

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

	2018 HK\$'M	2017 HK\$'M
0-30 days	152	170
31-90 days	4	5
Over 90 days	1	-
	157	175

Notes to the Consolidated Financial Statements

20 Long-term Incentive Schemes Provision

	2018 HK\$'M	2017 HK\$'M
Long-term incentive schemes provision	137	113
Less: current portion of long-term incentive schemes provision	(87)	(76)
Non-current portion of long-term incentive schemes provision	50	37

2007 LTI Plan

A long-term incentive plan (the “**2007 LTI Plan**”) was adopted on 23 July 2007 and expired on 22 July 2017 after being in operation for 10 years. After its expiry, no further awards shall be granted under the 2007 LTI Plan. Nonetheless, awards granted and accepted prior to its expiry but yet to vest shall continue to have effect and be governed by the rules of the 2007 LTI Plan.

Under the 2007 LTI Plan, the Manager might grant three types of awards – restricted unit award, unit option and conditional cash award – to directors and key employees of the Manager. No unit option has ever been granted under 2007 LTI Plan since its adoption up till expiry.

For those restricted unit awards granted with performance goals, the eventual numbers of new units to be issued to the relevant grantees on vesting are linked to the performance of Link in terms of total Unitholders return (“**TUR**”) and net property income (“**NPI**”) or certain vesting conditions. Conditional cash awards are granted in conjunction with restricted unit awards, bestowing upon each grantee a conditional right to receive a cash payment representing an amount equivalent to the aggregate of the distributions during the vesting period.

During the year, the Group issued 1,561,196 units (2017: 1,600,140 units) for restricted unit awards which have vested in accordance with the 2007 LTI Plan.

2017 LTI Scheme

On 10 July 2017, Link adopted a new long-term incentive scheme (the “**2017 LTI Scheme**”). Under the 2017 LTI Scheme, the Manager may grant restricted unit awards and conditional cash awards to directors of the Manager and key employees of the Group.

During the year, certain directors and employees of the Manager were granted restricted unit awards and conditional cash awards at nil monetary consideration under the 2017 LTI Scheme. The restricted unit awards granted under the 2017 LTI Scheme, in general, will vest approximately two to three years from the date of grant. Under the 2017 LTI Scheme, units will be purchased in the grantees’ favour from open stock market to satisfy restricted units awards vested. For those restricted unit awards granted with performance goals, the eventual numbers of units to be purchased in each grantee’s favour upon vesting are linked to the performance of Link based on the TUR, NPI or certain vesting conditions. Conditional cash awards were also granted in conjunction with the restricted unit awards, bestowing upon each grantee a conditional right to receive a cash payment representing an amount equivalent to the aggregate of the distributions during the vesting period.

20 Long-term Incentive Schemes Provision (Continued)

During the vesting period, a liability is recognised representing the estimated value of the awards granted under both the 2007 LTI Plan and the 2017 LTI Scheme 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, distribution pay-out rates and other market conditions, if appropriate. The change in value of the outstanding awards was charged to the consolidated income statement. In the event that the vesting conditions are not met, the amount previously accrued will be written back accordingly.

Movements in the number of restricted unit award during the year and the maximum number of units to be issued upon vesting of restricted unit award are as follows:

Date of grant	Vesting period	Outstanding as at 1 April 2017	Granted during the year	Vested during the year ⁽ⁱ⁾	Cancelled during the year	Lapsed during the year	Outstanding as at 31 March 2018	Maximum to be issued on vesting date ⁽ⁱⁱ⁾
2007 LTI Plan								
17 July 2014	17 July 2014 to 30 June 2017	422,690	-	(413,583) ⁽ⁱⁱⁱ⁾	-	(9,107)	-	-
24 July 2015	24 July 2015 to 30 June 2017	408,590	-	(406,083) ⁽ⁱⁱⁱ⁾	-	(2,507)	-	-
	24 July 2015 to 30 June 2018	404,094	-	-	-	(22,555)	381,539	723,828
14 November 2016	14 November 2016 to 30 June 2018	443,286	-	-	-	(20,431)	422,855	785,710
	14 November 2016 to 30 June 2019	441,690	-	-	-	(20,954)	420,736	781,472
2007 LTI Plan subtotal		2,120,350	-	(819,666)	-	(75,554)	1,225,130	2,291,010
2017 LTI Scheme								
14 July 2017	14 July 2017 to 30 June 2019	-	432,500	-	(2,500)	(17,000)	413,000	908,806
	14 July 2017 to 30 June 2020	-	432,500	-	(2,500)	(17,000)	413,000	908,806
2017 LTI Scheme subtotal		-	865,000	-	(5,000)	(34,000)	826,000	1,817,612
Subtotal		2,120,350	865,000	(819,666)	(5,000)	(109,554)	2,051,130	4,108,622
Additional units vested over 100% of restricted unit award granted		-	-	(741,530) ⁽ⁱⁱⁱ⁾	-	-	-	-
2017/2018 total		2,120,350	865,000	(1,561,196)	(5,000)	(109,554)	2,051,130	4,108,622
2016/2017 total		2,187,514	907,500	(1,600,140)	-	(96,722)	2,120,350	3,991,700

Notes:

(i) Restricted unit award vesting percentages during the year ranged from 100% to 200%.

(ii) If certain vesting conditions are met.

(iii) Additional units over 100% of restricted unit award granted were vested pursuant to the relevant vesting conditions.

Notes to the Consolidated Financial Statements

21 Interest Bearing Liabilities

	2018 HK\$'M	2017 HK\$'M
Bank borrowings	9,932	11,361
Medium term notes	15,853	16,136
	25,785	27,497
Less: current portion of interest bearing liabilities	(2,589)	(300)
Non-current portion of interest bearing liabilities	23,196	27,197

Interest bearing liabilities are repayable as follows:

	2018 HK\$'M	2017 HK\$'M
Due in the first year		
Bank borrowings	1,498	–
Medium term notes	1,091	300
	2,589	300
Due in the second year		
Bank borrowings	2,719	1,492
Medium term notes	1,316	1,095
	4,035	2,587
Due in the third year		
Bank borrowings	2,484	3,481
Medium term notes	349	1,336
	2,833	4,817
Due in the fourth year		
Bank borrowings	2,521	2,476
Medium term notes	1,436	349
	3,957	2,825
Due in the fifth year		
Bank borrowings	295	3,497
Medium term notes	1,225	1,434
	1,520	4,931
Due beyond the fifth year		
Bank borrowings	415	415
Medium term notes	10,436	11,622
	10,851	12,037
	25,785	27,497

Notes:

- (i) Except for medium term notes of HK\$7,350 million (2017: HK\$7,306 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 2.89% (2017: 2.65%). The carrying amounts of the interest bearing liabilities approximate their fair values.

22 Derivative Financial Instruments

	2018 HK\$'M	2017 HK\$'M
Derivative assets		
Current item		
Designated as fair value hedge		
– interest rate swap contract	1	–
Non-current items		
Designated as cash flow hedge		
– interest rate swap contracts	250	73
Designated as fair value hedge		
– cross currency swap contract	13	–
– interest rate swap contracts	17	43
	280	116
	281	116
Derivative liabilities		
Current item		
Designated as cash flow hedge		
– interest rate swap contracts	2	1
Non-current items		
Designated as cash flow hedge		
– interest rate swap contracts	4	112
Designated as fair value hedge		
– cross currency swap contracts	351	373
– interest rate swap contracts	20	13
	375	498
	377	499
	96	383

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 (2017: Level 2) of the fair value hierarchy.

Notes to the Consolidated Financial Statements

22 Derivative Financial Instruments (Continued)

The Group uses cross currency swap contracts and interest rate swap contracts (swapping from foreign currencies to Hong Kong Dollars) to minimise its exposure to movements in foreign currency exchange rates and interest rates in relation to its interest bearing liabilities. The fair values of these cross currency swap contracts and interest rate swap contracts are classified as non-current items should the remaining maturities of the hedged items extend for more than 12 months. Any change in fair values of the effective portion of the cash flow hedges in relation to interest rate swap contracts is recognised in the hedging reserve. Any change in fair values of the fair value hedges in relation to interest rate swap contracts and any change in fair value of cross currency swap contracts are recognised directly in the consolidated income statement. A net amount of HK\$284 million (2017: HK\$310 million) had been credited to the hedging reserve during the year as further set out in Note 26.

As at 31 March 2018, the derivative financial instruments qualifying as cash flow hedges have, in effect, provided the Group with an average fixed interest rate period of 4.3 years on HK\$10,000 million borrowings (2017: 5.3 years on HK\$7,000 million borrowings) from the reporting date. The notional principal amount and the weighted average fixed interest rate of the outstanding floating rates to fixed rates interest rate swap contracts as at 31 March 2018 were HK\$10,000 million (2017: HK\$7,000 million) and 1.74% (2017: 1.82%) respectively. The notional principal amount of the outstanding floating rates to floating rates interest rate swap contracts as at 31 March 2018 was HK\$6,500 million (2017: HK\$7,000 million).

As at 31 March 2018, the derivative financial instruments qualifying as fair value hedges have, in effect, converted part of the Group borrowings into Hong Kong Dollars fixed rate and floating rates interest bearing liabilities. The notional principal amounts of the outstanding cross currency swap contracts and interest rate swap contracts qualifying as fair value hedges as at 31 March 2018 were HK\$7,753 million (2017: HK\$7,753 million) and HK\$1,910 million (2017: HK\$1,910 million) respectively.

Gains and losses on interest rate swap contracts recognised in the hedging reserve (Note 26) as at 31 March 2018 will be released to the consolidated income statement.

23 Deferred Tax Liabilities

Deferred taxation is calculated in full on temporary differences under the liability method.

Analysis of net deferred tax liabilities:

	2018 HK\$'M	2017 HK\$'M
Deferred tax assets	(87)	(50)
Deferred tax liabilities	2,980	2,467
	2,893	2,417

The movements in deferred tax assets and liabilities during the year were as follows:

	Investment properties revaluation and accelerated depreciation allowance HK\$'M	Others HK\$'M	Total HK\$'M
At 1 April 2017	2,435	(18)	2,417
Exchange adjustments	24	7	31
Acquisition of business (Note 28)	–	36	36
Disposals of investment properties	(12)	13	1
Recognised in the consolidated income statement	462	(54)	408
At 31 March 2018	2,909	(16)	2,893
At 1 April 2016	2,185	17	2,202
Exchange adjustments	(1)	(2)	(3)
Recognised in the consolidated income statement	251	(33)	218
At 31 March 2017	2,435	(18)	2,417

Notes to the Consolidated Financial Statements

24 Other Non-current Liabilities

	2018 HK\$'M	2017 HK\$'M
Amount due to non-controlling interest	2,897	2,618
Non-controlling interest put option obligation	700	630
	3,597	3,248

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 77 Hoi Bun Road in Kowloon East for commercial development. For the purpose of funding the commercial development, Nan Fung, a non-controlling interest of the Project Company has contributed cash in proportion to the shareholding ratio to the Project Company. The amount due to non-controlling interest is unsecured, interest bearing at an effective interest rate of 2.6% (2017: 2.6%), has no fixed repayment term and is not repayable within one year. Such amount 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 First Trust Appraisal Pte Ltd, 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 (2017: Level 3) of the fair value hierarchy. If the estimated fair value of the equity interests of the Project Company at the time of exercise is higher, the fair value of the put option obligation would also be higher. If the expected time of exercise is later or if the discount rate is higher, then the fair value of the put option obligation would be lower.

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

	2018 HK\$'M	2017 HK\$'M
At 1 April	630	580
Recognised in the consolidated income statement:		
– Fair value loss (Note 9)	70	50
At 31 March	700	630

25 Units in Issue

	2018 Number of units	2017 Number of units
At 1 April	2,213,002,276	2,243,148,136
Units bought back for cancellation	(64,504,500)	(31,746,000)
Units issued under the 2007 LTI Plan	1,561,196	1,600,140
At 31 March	2,150,058,972	2,213,002,276

Pursuant to the general mandate granted to the Manager by the Unitholders, the Manager (on behalf of Link) bought back a total of 64,504,500 units (2017: 31,746,000 units) at an aggregate price of HK\$4,349 million (2017: HK\$1,697 million). All units bought back were cancelled during the year.

Closing price of the units as at 31 March 2018 was HK\$67.00 (2017: HK\$54.45) per unit. Based on 2,150,058,972 units in issue as at 31 March 2018 (2017: 2,213,002,276 units), market capitalisation was HK\$144,054 million (2017: HK\$120,498 million).

26 Reserves

	Other reserve HK\$'M	Hedging reserve HK\$'M	Exchange reserve HK\$'M	Earnings retained for exchange and cash flow hedge adjustments HK\$'M	Total reserves HK\$'M
At 1 April 2017	(580)	(40)	(886)	926	(580)
Cash flow hedges:					
– Change in fair values	–	195	–	–	195
– Amount transferred to the consolidated income statement (Note (i))	–	89	–	–	89
	–	284	–	–	284
Exchange gain on translation of financial statements	–	–	1,818	–	1,818
Net assets attributable to Unitholders:					
– Amount arising from exchange reserve and cash flow hedging reserve movements (Note (ii))	–	–	–	(2,102)	(2,102)
At 31 March 2018	(580)	244	932	(1,176)	(580)
At 1 April 2016	(580)	(350)	(224)	574	(580)
Cash flow hedges:					
– Change in fair values	–	195	–	–	195
– Amount transferred to the consolidated income statement (Note (i))	–	115	–	–	115
	–	310	–	–	310
Exchange loss on translation of financial statements	–	–	(662)	–	(662)
Net assets attributable to Unitholders:					
– Amount arising from exchange reserve and cash flow hedging reserve movements (Note (ii))	–	–	–	352	352
At 31 March 2017	(580)	(40)	(886)	926	(580)

Notes:

- (i) Amount transferred to the consolidated income statement in respect of cash flow hedges was included in “Finance costs” (Note 9).
(ii) The amount represented earnings retained for the year to offset the exchange reserve and cash flow hedging reserve movements.

Notes to the Consolidated Financial Statements

27 Note to the Consolidated Statement of Cash Flows**(a) Net Cash Generated from Operating Activities**

	2018 HK\$'M	2017 HK\$'M
Profit before taxation and transactions with Unitholders	49,399	18,970
Long-term incentive schemes awards	126	111
Depreciation charge	20	27
Gains on disposals of investment properties	(7,306)	(1,387)
Interest income	(19)	(4)
Finance costs	665	567
Exchange difference	56	(23)
Change in fair values of investment properties	(35,493)	(11,494)
Increase in trade and other receivables, deposits and prepayments	(168)	(79)
(Decrease)/increase in trade payables, receipts in advance and accruals	(51)	92
Increase in security deposits	169	92
2007 LTI Plan paid	(9)	(7)
Income tax paid	(904)	(788)
Net cash generated from operating activities	6,485	6,077

(b) Major Non-cash Transactions

During the year, additional units of HK\$93 million (2017: HK\$90 million) were issued under the 2007 LTI Plan.

(c) Reconciliation of Liabilities Arising from Financing Activities

	Interest bearing liabilities HK\$'M	Accruals HK\$'M	Derivative financial instruments HK\$'M	Amount due to non-controlling interest HK\$'M	Total HK\$'M
As at 1 April 2017	27,497	90	383	2,618	30,588
Changes from financing cash flows					
Proceeds from interest bearing liabilities, net of transaction costs	19,585	–	–	–	19,585
Repayment of interest bearing liabilities	(21,345)	–	–	–	(21,345)
Increase in amount due to non-controlling interest	–	–	–	211	211
Interest expenses paid	–	(792)	(18)	–	(810)
Total changes from financing activities	(1,760)	(792)	(18)	211	(2,359)
Non-cash changes					
Change in fair values of cash flow hedges	–	–	(195)	–	(195)
Finance costs	50	788	(74)	68	832
Others	(2)	–	–	–	(2)
Total non-cash changes	48	788	(269)	68	635
As at 31 March 2018	25,785	86	96	2,897	28,864

28 Acquisition of Business

On 7 April 2017, Link, through a wholly-owned subsidiary, entered into a sale and purchase agreement to acquire the entire issued share capital of GCREF Acquisitions 22 Limited and the shareholder loan at a cash consideration (after final adjustment) of RMB4,047 million (equivalent to approximately HK\$4,559 million). The transaction was completed on 11 May 2017. GCREF Acquisitions 22 Limited indirectly owns the entire registered capital of 廣州牽晴匯房地產有限公司 (Guangzhou Qian Qing Hui Real Estate Company Limited), which owns the Metropolitan Plaza located at No. 8 Huangsha Road, Liwan District, Guangzhou, The People's Republic of China.

The acquisition will benefit Link through adding quality income-producing properties with capital appreciation potential.

The fair values of the assets and liabilities and goodwill arising from the acquisition are as follows:

	Fair value HK\$'M
Investment property (Note 15) (Note)	4,580
Property, plant and equipment (Note 16)	2
Cash and cash equivalents	63
Other net current liabilities	(65)
Deferred tax liabilities (Note 23)	(36)
Net assets acquired	4,544
Goodwill (Note 14)	15
Purchase consideration settled in cash	4,559
Cash and cash equivalents in subsidiaries acquired	(63)
Cash outflow on acquisition	4,496

Note: Metropolitan Plaza was valued at 28 February 2017 by Jones Lang LaSalle Limited, the principal valuer of Link. This approximates the fair value of the investment property at the acquisition date.

29 Commitments

(a) Capital Commitments

	2018 HK\$'M	2017 HK\$'M
Capital expenditure of investment properties contracted but not provided for at the end of the year	2,563	3,219

(b) Operating Lease Commitments

As at 31 March 2018, the analysis of the Group's aggregate future minimum lease rental payables under non-cancellable operating leases is as follows:

	2018 HK\$'M	2017 HK\$'M
Within one year	20	27
Between one and five years	2	20
	22	47

Notes to the Consolidated Financial Statements

30 Connected Party Transactions and Significant Related Party Transactions and Balances

Information required to be disclosed concerning related party transactions is set out in this note unless disclosed elsewhere in these consolidated financial statements.

(a) Nature of Relationship with Connected/Related Parties

The table set forth below summarises the names of the connected/related parties, as defined in the REIT Code/HKAS 24 (Revised) "Related Party Disclosures", and the nature of their relationship with the Group as at 31 March 2018:

Connected/related party	Relationship with the Group
HSBC Institutional Trust Services (Asia) Limited (the "Trustee") *	The Trustee of Link
The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) (the "HSBC Group") *	Associates# of the Trustee
Jones Lang LaSalle Limited (the "Principal Valuer") (Note (i))	The current Principal Valuer of Link
Premier Cleaning Services Limited	Associate# of the current Principal Valuer
CBRE Limited (Note (ii))	The former Principal Valuer of Link
Aedas Limited *	Associate# of director
Dah Sing Bank, Limited	Associate# of director
The Chamber of Hong Kong Listed Companies	Associate# of director
The Hong Kong Institute of Directors Limited	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.

Notes:

- (i) Jones Lang LaSalle Limited is the current Principal Valuer of Link who is responsible for the property valuation of Link for the year ended 31 March 2018. Jones Lang LaSalle Limited was appointed as the Principal Valuer of Link with effect from 17 November 2016.
- (ii) CBRE Limited was the former Principal Valuer of Link who was responsible for the property valuation of Link up till the period ended 30 September 2016. CBRE Limited retired as the Principal Valuer of Link in accordance with the REIT Code on 16 November 2016 and since then, CBRE Limited ceased to be a connected party of Link.

30 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:

	2018 HK\$'M	2017 HK\$'M
Trustee's fee paid and payable to the Trustee (Note (ii))	(18)	(15)
Transactions with the HSBC Group (Note (iii))		
Agency fee on disposals of investment properties	(120)	–
Interest expense and various financing charges to the HSBC Group on interest bearing liabilities, cross currency swap contracts and interest rate swap contracts	(106)	(74)
Rental income from the HSBC Group on leasing of retail units	39	34
Interest income from the HSBC Group on short-term bank deposits	3	2
Transactions with the Principal Valuer (Notes (iii) and (iv))		
Valuation fee	(6)	(4)
Consultancy services fees	(1)	(8)
Architectural/renovation consultancy services fees paid and payable to Aedas Limited (Notes (iii) and (v))	(9)	(17)
Rental income from Dah Sing Bank, Limited on leasing of retail units (Notes (iii) and (vi))	3	–

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) Jones Lang LaSalle Limited was appointed as the Principal Valuer of Link with effect from 17 November 2016. The former Principal Valuer, CBRE Limited, was responsible for the property valuation of Link up till the period ended 30 September 2016. Valuation fee for the year ended 31 March 2018 of HK\$6 million were paid and payable to Jones Lang LaSalle Limited (2017: HK\$3 million and HK\$1 million were paid to Jones Lang LaSalle Limited and CBRE Limited respectively). Consultancy services fees for the year ended 31 March 2018 of HK\$1 million were paid and payable to Jones Lang LaSalle Limited (2017: HK\$8 million was paid to CBRE Limited).
- (v) Aedas Limited is an associate of Mr Ian Keith GRIFFITHS.
- (vi) Dah Sing Bank, Limited is an associate of Mr Blair Chilton PICKERELL.

Notes to the Consolidated Financial Statements

30 Connected Party Transactions and Significant Related Party Transactions and Balances (Continued)

(c) Balances with Related Parties

Balances with related parties are set out below:

	2018 HK\$'M	2017 HK\$'M
Trustee's fee payable to the Trustee	(3)	(1)
Interest bearing liabilities with the HSBC Group	(3,740)	(3,165)
Agency fee payable to the HSBC Group	(120)	–
Net interest payable to the HSBC Group	(1)	(1)
Security deposits from the HSBC Group	(3)	(2)
Cross currency swap contracts and interest rate swap contracts with the HSBC Group	(84)	(188)
Deposits placed with the HSBC Group	640	173
Architectural/renovation consultancy services fees payable to Aedas Limited	–	(1)

(d) Key Management Compensation

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

	2018 HK\$'M	2017 HK\$'M
Fees	8	9
Basic salaries, allowances and other benefits	93	78
Long-term incentive schemes awards	82	70
	183	157

31 Future Minimum Rental Receivables

As at 31 March 2018, the analysis of the Group's aggregate future minimum rental income receivables under non-cancellable operating leases is as follows:

	2018 HK\$'M	2017 HK\$'M
Within one year	5,379	4,867
Between one and five years	9,398	7,108
Beyond five years	687	654
	15,464	12,629

Most of the operating leases are on fixed terms and for terms of 3 years (2017: 3 years).

32 Principal Subsidiaries

Link held the following principal subsidiaries as at 31 March 2018:

Name	Place of establishment and kind of legal entity/place of operations	Principal activities	Particulars of issued share capital/registered capital	Interest held
<i>Directly held:</i>				
The Link Holdings Limited	Cayman Islands, limited liability company/ Hong Kong	Investment holding	US\$1	100%
Link Asset Management Limited	Hong Kong, limited liability company/ Hong Kong	Asset management	HK\$12,000,000	100%
<i>Indirectly held:</i>				
Afford Limited	Hong Kong, limited liability company/ Hong Kong	Investment holding	HK\$160,539,360	100%
Atlantic Best Limited	Hong Kong, limited liability company/ Hong Kong	Investment holding	HK\$2	100%
Century Land Investment Limited	Hong Kong, limited liability company/ Hong Kong	Property development	HK\$1	60%
China East Investment Limited	Hong Kong, limited liability company/ Hong Kong	Investment holding	HK\$5,000	100%
益颯美置業(天津)有限公司 (ECM Property Holding (Tianjin) Co., Ltd.)	People's Republic of China, limited liability company/People's Republic of China	Property holding and leasing	RMB1,242,300,418	100%
Great Land (HK) Limited	Hong Kong, limited liability company/ Hong Kong	Property holding and leasing	HK\$1,000,000	100%
廣州牽晴匯房地產有限公司 (Guangzhou Qian Qing Hui Real Estate Company Limited)	People's Republic of China, limited liability company/People's Republic of China	Property holding and leasing	RMB600,000,000	100%
Link Monte (HK) Limited	Hong Kong, limited liability company/ Hong Kong	Property holding and leasing	HK\$1	100%
Link Properties Limited	Cayman Islands, limited liability company/ Hong Kong	Property holding and leasing	US\$1	100%
上海興邦房地產有限公司 (Shanghai Xing Bang Properties Co., Ltd.)	People's Republic of China, limited liability company/People's Republic of China	Property holding and leasing	RMB287,595,000	100%
The Link Finance (Cayman) 2009 Limited	Cayman Islands, limited liability company/ Hong Kong	Financing	US\$1	100%
The Link Finance Limited	Hong Kong, limited liability company/ Hong Kong	Financing	HK\$1	100%

Notes to the Consolidated Financial Statements

32 Principal Subsidiaries (Continued)

The Manager considers the non-controlling interest in respect of Century Land Investment Limited is not material to the Group.

The Manager is of the opinion that a complete list of the particulars of all subsidiaries will be of excessive length and therefore the above list contains only the particulars of the subsidiaries which principally affect the results or assets and liabilities of the Group.

33 Approval of the Consolidated Financial Statements

The consolidated financial statements were authorised for issue by the Board and the Trustee on 6 June 2018.

Valuation Report



仲量聯行有限公司
物業估價部
香港皇后大道東1號太古廣場三期6樓
電話 +852 2846 5000 傳真 +852 2968 0078
公司牌照號碼: C-003464

Jones Lang LaSalle Limited
Valuation Advisory Services
6/F Three Pacific Place 1 Queen's Road East
Hong Kong
Tel +852 2846 5000 Fax +852 2968 0078
Company Licence No. C-003464

Our Ref: 2/18/00151

17 May 2018

The Board of Directors
Link Asset Management Limited
(For itself as manager of Link Real Estate Investment Trust ("Link REIT"), and for and on behalf of Link REIT)
33/F, AXA Tower, Landmark East
100 How Ming Street
Kwun Tong
Kowloon
Hong Kong

Trustee
HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Dear Sirs

LINK REIT – ANNUAL VALUATION AS AT 31 MARCH 2018

Instructions

We refer to the instruction from **Link Asset Management Limited** ("LAML"), acting as the manager of Link Real Estate Investment Trust ("Link REIT"), and **HSBC Institutional Trust Services (Asia) Limited** ("Trustee") to conduct property valuations ("Valuation") for the following properties of Link REIT for presentation in its 2017-2018 Annual Report in compliance with the relevant requirements set out in the Code on Real Estate Investment Trusts issued by the Securities and Futures Commission of Hong Kong (SFC), the trust deed of Link REIT dated 6 September 2005 as supplemented from time to time by supplemental deeds and, where applicable, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK"):

- 137 Completed Properties in Hong Kong (the "Hong Kong Completed Properties", with details stated in the Schedule of Values);
- The Quayside at 77 Hoi Bun Road (the "Property under Development", with details stated in the Schedule of Values);
- the Property under Renovation at 700 Nathan Road (the "Property under Renovation", with details stated in the Schedule of Values); and

Valuation Report

- 3 Completed Properties in the People's Republic of China (the "PRC Properties", with details stated in the Schedule of Values)

(hereinafter collectively referred as "the Properties")

Valuer's Interest

We hereby certify Jones Lang LaSalle Limited is independent of the scheme, the trustee, the management company and each of the significant holders of the scheme, as per the Code on Real Estate Investment Trust issued by the SFC.

Basis of Valuation

Unless otherwise stated, our valuation has been prepared in accordance with HKIS Valuation Standards 2017" published by The Hong Kong Institute of Surveyors ("HKIS"), the "International Valuation Standards 2017" published by the International Valuation Standards Council ("IVSC") and the "RICS Valuation – Global Standards 2017" published by the Royal Institution of Chartered Surveyors ("RICS") subject to variation to meet local established law. Unless otherwise stated, our valuations are undertaken as External Valuers as defined in the relevant Valuation Standards.

Our valuation of the Properties is made on the basis of the '**Market Value**' as defined by IVSC and adopted by HKIS and RICS, set out as:

"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Our valuation services have been executed in accordance with our Quality Assurance System, accredited by HKQAA via ISO 9001: 2015 and our report prepared with reference to the assumptions, definitions and limiting conditions as set out in our General Principles of Valuation.

Measurements

All measurements are carried out in accordance with the "Code of Measuring Practice" booklet published by the HKIS. To suit the local practice, we declare our departure from the "RICS property measurement" published by RICS in May 2015. Unless otherwise stated, we do not physically measure the actual property or verify the floor areas provided to us, unless we specifically agree in writing to do so, although we make reference to the registered floor plans if available.

Valuation Methodologies

We have relied on the Income Capitalisation Approach and Discounted Cash Flow ("DCF") Analysis as the primary approaches for our valuation of the Hong Kong Completed Properties and the PRC Properties, cross-referenced to the Direct Comparison Approach. For the Property under Development, we have carried out the valuation by using the Residual Approach. For the Property under Renovation, we have primarily carried out the valuation by using Income Capitalisation Approach, and cross-checked with Direct Comparison Approach.

Income Capitalisation Approach

The income capitalisation approach is based on the capitalisation of the current passing rental income and potential reversionary income of the property from the date of valuation at appropriate investment yields to arrive at the capital value. The appropriate adjustments/deductions for rent-free period, ongoing vacancy voids/marketing periods and non-recoverable expenses for the vacant space have been allowed.

The income capitalisation approach can more accurately reflect these property specific factors by utilising various specific assumptions which have been derived via analysis of market evidence. The ability to apply these assumptions in the income capitalisation approach is by far more appropriate for valuing an investment property where investors' emphasis on delivering returns is of paramount importance.

The ranges of capitalisation rates adopted in our valuations are as follows:

Hong Kong Completed Properties

Retail:	3.0% – 4.2%
Car Park:	3.5% – 4.8%
Blended:	3.0% – 4.7%

Property under Renovation

Whole Property: 3.0%

The PRC Properties

Office:	4.25%
Retail:	4.50% – 4.75%
Car Park:	4.25% – 4.75%

Discounted Cash Flow Analysis

The DCF analysis requires periodic net cash flows to be forecasted over the life of the investment and discounted at a risk-adjusted opportunity cost of capital to arrive at a present value.

The DCF takes into consideration the yearly net cash flows after deductions for expenditure, and having regard to the assumptions made relating to rental growth projections, vacancies, rent frees, replacement reserve, non-recoverable outgoings and leasing costs. The DCF analysis incorporates an assumed 10-year holding period and the reversionary value in year eleven, discounted by an appropriate discount rate to derive a net present value.

Direct Comparison Approach

Direct Comparison Approach is the most widely used method of valuation and is based on comparing the Properties to be valued directly with other comparable properties which recently changed hands or leased. These premises are generally located in the surrounding areas or in another market which is comparable to the Properties. However, because of the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price/rental likely to be achieved by the Properties under consideration.

Factors such as tenants covenants, trade mix are difficult to be quantified in the overall unit value of the comparables. Furthermore, good comparables may not be readily available in the market. In the light of the characteristics of the Properties, we have therefore placed more weighting on the reliance on the Income Capitalisation Approach and DCF analysis in arriving our valuation conclusion.

Residual Method

The residual valuation method involves firstly the assessment of Gross Development Value, which is the value of the proposed development, as if completed, at the date of valuation. Estimated outstanding cost of the development including costs of construction, professional fee, finance costs and associated costs, plus an allowance for developer's risk and profit are deducted from the gross development value. The resultant figure is the residual value.

The residual method is subject to a number of hypothetical assumptions. A slight change in one or more of the assumptions would have a significant impact on the conclusion reached. In general terms, it is noted that the residual method is most sensitive to changes in sales price of the completed development.

Valuation Reconciliation

The results of the relevant valuation methods will be reconciled and the assessed value will be analysed in terms of initial passing yield and internal rate of return and on a dollar per square foot or square metre basis.

Valuation Assumptions

The valuations have been made on the assumption that Link REIT sells the property interests in the open market without the benefit of deferred-terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements which could serve to affect the values of the property interests.

Valuation Report

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the Properties nor for any expenses or taxation which may be incurred in effecting sales. Unless otherwise stated, it is assumed that the Properties are free of encumbrances, restrictions and outgoings of an onerous nature which could affect their capital values.

Title Investigation and Encumbrances

We have been provided with copies of the title documents relating to the PRC Properties. As per the information provided by LAML, as at the Valuation Date, all the Properties have obtained their legal titles. For Properties located at Hong Kong, we have conducted land searches of the properties with the Land Registry. However, we have not examined the original documents to verify ownership or to ascertain the existence of any lease amendments, which may not appear on the copies handed to us. All documents and leases have been used for reference only and all dimensions, measurements and areas are approximate.

Site Investigation

We have not carried out any investigations on site in order to determine the suitability of ground conditions and services etc. for future redevelopment, nor did we undertake archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory and that where developments are contemplated, no extraordinary expenses or delays will be incurred during the construction period due to these, or to archaeological or ecological matters. In the course of our assessments, we have assumed that no contamination affecting the Properties or the neighbouring land. However, should it be established subsequently that contamination exists at the Properties or on any neighbouring land, or that the premises have been or are being put to any contaminative use, we reserve the right to adjust the values reported herein.

Plant and Machinery

Our valuation normally includes all plant and machinery that form part of the building services installations. However, process plant, machinery and equipment which may have been installed wholly in connection with the occupiers' commercial processes, together with furniture and furnishings, tenants' fixtures and fittings are excluded in our valuation.

Car Parking Spaces

We are advised that for those Properties where temporary/permanent planning approvals or waivers are required for letting of surplus car parks to non-residents, these have already been or are in the process of being obtained from the relevant Government authorities.

Telecommunication Facilities

We have assumed that all telecommunication facilities at the Properties are permitted and that all necessary approvals have been obtained from the relevant authorities.

Acknowledgement of Information

We have relied to a considerable extent on the information provided by the LAML and have accepted advice given to us on such matters as identification of the Properties, planning approvals, statutory notices, easements, tenure, occupation, floor plans, floor areas, tenancy schedule and all other relevant matters.

In the course of our valuation, we have also made reference to inter alia, the following information provided by LAML:

Hong Kong Properties

1. Copy of Tenancy Schedule as at 31 March 2018 and subsequent updates;
2. Copy of Other Retail and Car Park incomes from March 2017 to February 2018;
3. Copy of Retail Actual Income from March 2017 to February 2018;
4. Copy of Operating Expenses from March 2017 to February 2018;
5. Copy of CAPEX schedules as at 31 March 2018 and subsequent updates;
6. Copy of Asset Enhancement Plans & layout plans of the Properties, if any; and
7. Copy of Approved Building Plans for the commercial developments of The Quayside and 700 Nathan Road dated 9 March 2018 and 12 October 2017 respectively.

PRC Properties

1. Copy of Tenancy Schedule as at 31 March 2018 and subsequent updates;
2. Copy of Other Retail and Car Park incomes from March 2017 to February 2018;
3. Copy of Retail Actual Income from March 2017 to February 2018;
4. Copy of Office Actual Income from March 2017 to February 2018 (Link Square, Shanghai);
5. Copy of Operating Expenses from March 2017 to February 2018;
6. Copy of relevant Title Documents.

Dimensions, measurements and areas included in the report are based on information contained in copies of documents provided to us and are therefore only approximations. No on site measurements have been taken. We have not been instructed to independently verify the information provided to us. Our valuation is totally dependent on the adequacy and accuracy of the information supplied and/or the assumptions made. Should these prove to be incorrect or inadequate, the accuracy of the valuation may be affected.

We have not seen original planning and/or development and occupation consents. We have assumed that the properties have been erected, being occupied and used in accordance with such consents and that there are no outstanding statutory notices.

Summary of Values

A summary of the following is shown in the attached Schedule of Values:

- i) Retail Internal Floor Area (“IFA”), number of car parking spaces, assessed market values, capitalisation rate adopted in Income Capitalisation Approach, discount rate adopted in Discount Cash Flow Analysis, initial yield and indicated internal rate of return of the Hong Kong Completed Properties;
- ii) Site area, maximum Gross Floor Area (“GFA”) and assessed market value of the Property under Development;
- iii) GFA and assessed market value of the Property under Renovation; and
- iv) Retail and/or Office GFA, number of car parking spaces, assessed market values, capitalisation rate adopted in Income Capitalisation Approach, discount rate adopted in Discount Cash Flow Analysis, initial yield and indicated internal rate of return of the PRC Properties

Valuation

Hong Kong Completed Properties

We are of the opinion that the market value of the unencumbered leasehold interest of the Hong Kong Completed Properties, subject to the existing tenancies and assumptions set out in this report, as at 31 March 2018, was in the sum of **HK\$170,791,700,000 (HONG KONG DOLLARS ONE HUNDRED SEVENTY BILLION SEVEN HUNDRED NINETY ONE MILLION AND SEVEN HUNDRED THOUSAND)**.

- Initial Yield of 4.04%

The notional apportionment of the Hong Kong Completed Retail Facilities and Completed Car Parking Facilities was as follows:

Hong Kong Completed Retail Facilities

- Market Value was in the sum of **HK\$136,281,500,000 (HONG KONG DOLLARS ONE HUNDRED THIRTY SIX BILLION TWO HUNDRED EIGHTY ONE MILLION AND FIVE HUNDRED THOUSAND)**.
- Initial Yield of 3.98%

Hong Kong Completed Car Parking Facilities

- Market Value was in the sum of **HK\$34,510,200,000 (HONG KONG DOLLARS THIRTY FOUR BILLION FIVE HUNDRED TEN MILLION AND TWO HUNDRED THOUSAND)**.
- Initial Yield of 4.25%

Valuation Report

Property under Development

We are of the opinion that the market value of the unencumbered leasehold interests of the Property under Development, subject to the assumptions set out in this report, as at 31 March 2018, was in the sum of **HK\$8,733,000,000 (HONG KONG DOLLARS EIGHT BILLION SEVEN HUNDRED AND THIRTY THREE MILLION)**.

Property under Renovation

We are of the opinion that the market value of the unencumbered leasehold interests of the Property under Renovation, subject to the existing tenancies and assumptions set out in this report, as at 31 March 2018, was in the sum of **HK\$5,231,400,000 (HONG KONG DOLLARS FIVE BILLION TWO HUNDRED THIRTY ONE MILLION AND FOUR HUNDRED THOUSAND)**.

PRC Properties

We are of the opinion that the market value of the unencumbered leasehold interests of the PRC Properties, subject to the existing tenancies and assumptions set out in this report, as at 31 March 2018, was in the sum of **RMB14,629,000,000 (RENMINBI FOURTEEN BILLION SIX HUNDRED AND TWENTY NINE MILLION)**.

- Initial Yield of 4.31%

Link Square, Shanghai

- Market Value was in the sum of **RMB7,290,000,000 (RENMINBI SEVEN BILLION TWO HUNDRED AND NINETY MILLION)**.
- Initial Yield of 4.25%

EC Mall, Beijing

- Market Value was in the sum of **RMB2,890,000,000 (RENMINBI TWO BILLION EIGHT HUNDRED AND NINETY MILLION)**.
- Initial Yield of 4.48%

Metropolitan Plaza, Guangzhou

- Market Value was in the sum of **RMB4,449,000,000 (RENMINBI FOUR BILLION FOUR HUNDRED AND FORTY NINE MILLION)**.
- Initial Yield of 4.31%

Conversion Factor

Conversion factors used in this report are:

1 square metre	=	10.764 square feet
1 metre	=	3.2808 feet

Yours faithfully

For and on behalf of

Jones Lang LaSalle Limited

Lau Chun-Kong FHKIS, MRICS, RPS (GP)

International Director

Licence No.: E-131615

Mr. Lau Chun-kong FHKIS, MRICS, RPS(GP), qualified general practice surveyor and chartered valuation surveyor, has over 30 years' experience in the valuation of properties in Hong Kong, the PRC and Asia.

Schedule of Values

Hong Kong Completed Properties

No.	Property	No.	Property
15	Butterfly Plaza	62	Fu Cheong Shopping Centre
118	Car Park within Ching Wang Court	61	Fu Heng Shopping Centre
136	Car Park within Chuk Yuen (North) Estate	35	Fu Shin Shopping Centre
129	Car Park within Fung Lai Court	56	Fu Tai Shopping Centre
130	Car Park within Hong Keung Court	24	Fu Tung Plaza
99	Car Park within Ka Tin Court	46	Fung Tak Shopping Centre
121	Car Park within Kam On Court	33	Heng On Commercial Centre
81	Car Park within Kin Ming Estate	36	Hin Keng Shopping Centre
124	Car Park within King Lai Court	74	Hing Tung Shopping Centre
132	Car Park within Kwai Hong Court	51	Hing Wah Plaza
110	Car Park within Lai On Estate	64	Hiu Lai Shopping Centre
135	Car Park within Lower Wong Tai Sin (I) Estate	63	Hoi Fu Shopping Centre
111	Car Park within Ming Nga Court	41	Homantin Plaza
104	Car Park within Ning Fung Court	7	Kai Tin Shopping Centre
134	Car Park within Pang Ching Court	77	Kin Sang Shopping Centre
106	Car Park within Po Pui Court	72	King Lam Shopping Centre
123	Car Park within San Wai Court	60	Kwong Fuk Commercial Centre
116	Car Park within Sau Mau Ping (I) Estate	40	Kwong Yuen Shopping Centre
101	Car Park within Tin King Estate	58	Lei Tung Commercial Centre
127	Car Park within Tin Yau Court	38	Lek Yuen Plaza
96	Car Park within Tin Yuet Estate	12	Leung King Plaza
107	Car Park within Tsui Ping South Estate	1	Lok Fu Place
98	Car Park within Tsz Man Estate	65	Lok Wah Commercial Centre
122	Car Park within Upper Ngau Tau Kok Estate	49	Long Ping Commercial Centre
92	Car Park within Wah Lai Estate	54	Lung Hang Commercial Centre
100	Car Park within Wang Fuk Court	59	Maritime Bay
114	Car Park within Yee Kok Court	50	Mei Lam Shopping Centre
125	Car Park within Yee Nga Court	73	Ming Tak Shopping Centre
108	Car Park within Ying Ming Court	28	Nan Fung Plaza
112	Car Park within Yue On Court	27	Oi Man Plaza
10	Cheung Fat Plaza	47	Oi Tung Shopping Centre
66	Cheung Wah Shopping Centre	80	Ping Tin Shopping Centre
16	Choi Ming Shopping Centre	90	Po Hei Court Commercial Centre
30	Choi Wan Commercial Complex	44	Po Lam Shopping Centre
11	Choi Yuen Plaza	39	Po Tat Shopping Centre
21	Chuk Yuen Plaza	69	Retail and Car Park within Ap Lei Chau Estate
71	Chun Shek Shopping Centre	83	Retail and Car Park within Cheung On Estate
26	Chung On Shopping Centre	87	Retail and Car Park within Cheung Wang Estate
88	Fortune Shopping Centre	94	Retail and Car Park within Ching Wah Court

Valuation Report

No.	Property	No.	Property
84	Retail and Car Park within Hong Pak Court	25	Tin Shui Shopping Centre
131	Retail and Car Park within Hong Shui Court	67	Tin Tsz Shopping Centre
95	Retail and Car Park within Hong Yat Court	20	Tin Yiu Plaza
128	Retail and Car Park within Hung Hom Estate	4	TKO Gateway
91	Retail and Car Park within Ko Chun Court	42	Tsui Ping North Shopping Circuit
137	Retail and Car Park within Ko Yee Estate	3	Tsz Wan Shan Shopping Centre
119	Retail and Car Park within Lok Nga Court	55	Un Chau Shopping Centre
89	Retail and Car Park within Lok Wah (South) Estate	48	Wah Ming Shopping Centre
115	Retail and Car Park within Nam Cheong Estate	75	Wah Sum Shopping Centre
117	Retail and Car Park within Sau Mau Ping (III) Estate	70	Wan Tsui Commercial Complex
126	Retail and Car Park within Tai Ping Estate	78	Wang Tau Hom (Wang Fai Centre)
103	Retail and Car Park within Tin Wah Estate	13	Wo Che Plaza
133	Retail and Car Park within Tin Wang Court	18	Yat Tung Shopping Centre
105	Retail and Car Park within Tin Yat Estate	19	Yau Mei & Ko Cheung (Lei Yue Mun Plaza)
97	Retail and Car Park within Tong Ming Court	82	Yin Lai Court Shopping Centre
102	Retail and Car Park within Tsui Wan Estate	57	Yiu On Shopping Centre
113	Retail and Car Park within Tsz Oi Court	76	Yiu Tung Shopping Centre
79	Retail and Car Park within Tung Tau Estate	34	Yu Chui Shopping Centre
93	Retail and Car Park within Wo Ming Court		
109	Retail and Car Park within Yan Ming Court		
120	Retail and Car Park within Ying Fuk Court		
68	Sam Shing Commercial Centre		
9	Sau Mau Ping Shopping Centre		
29	Sha Kok Commercial Centre		
45	Shan King Commercial Centre		
6	Sheung Tak Plaza		
43	Shun Lee Commercial Centre		
85	Shun On Commercial Centre		
86	Siu Hei Commercial Centre		
22	Siu Sai Wan Plaza		
32	Stanley Plaza		
53	Sun Chui Shopping Centre		
2	T Town		
52	Tai Hing Commercial Centre		
14	Tai Wo Plaza		
37	Tai Yuen Commercial Centre		
31	Tak Tin Plaza		
8	Temple Mall North		
5	Temple Mall South		
17	Tin Chak Shopping Centre		
23	Tin Shing Shopping Centre		

Property under Development

No.	Property
1	The Quayside

Property under Renovation

No.	Property
1	700 Nathan Road, Mong Kok

PRC Properties

No.	Property	No.	Property
1	Link Square, Shanghai	2	EC Mall, Beijing
3	Metropolitan Plaza, Guangzhou		

Valuation Report

Schedule of Values

Hong Kong Completed Properties

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
1	Lok Fu Place	385,682	793	289.5	3.92%	7,569.8	7.50%	6,998.0	7,283.9	3.97%	8.86%
Brief Description:	Lok Fu Place (formerly known as Lok Fu Plaza) comprises a 6-storey with basement level retail building (Commercial Centre I), a 4-storey car park building (Car Park I), a 7-storey with basement level retail building (Commercial Centre II) and a 2-storey car park building (Car Park II), some Integrated Commercial/Car Park Accommodation in Wang Shun House, Wang Tat House and Wang Yat House as well as Associated Areas in Lok Fu Estate. The property was completed between 1983 and 1991. A total of 793 car parking spaces are provided in the property. As the asset enhancement work was in progress as at 31 March 2018, the total IFA available for letting was 390,478 sqft. The estimated IFA after completion of asset enhancement is approximately 385,682 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 107,428/335,530 equal and undivided shares of and in New Kowloon Inland Lot No. 6451 and is held under Government Lease for a term of 50 years from 31 December 2007.										
2	T Town	206,347	1,177	237.0	3.90%	5,996.5	7.50%	5,509.7	5,753.1	4.12%	8.85%
Brief Description:	T Town (formerly known as Chung Fu Plaza) comprises a 9-storey commercial/car park building (Phase 1) and a 3-storey commercial building (Phase 2) linked by a footbridge on the first floor. In addition, the property includes a kindergarten and a day nursery respectively located on the ground and first floors of the Ancillary Facilities Block in Tin Chung Court. Phase 1 and Phase 2 were completed in 1999 and 2000 respectively. A total of 1,177 parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. Phase I comprises all that piece or parcel of ground in Section A of Tin Shui Wai Town Lot No. 18 and 2,021/363,535 equal and undivided shares of and in the Remaining Portion of Tin Shui Wai Town Lot No.18 and is held under Government Lease for a term of 50 years from 8 January 1999. Phase 2 comprises portion of 50,802/297,568 equal and undivided shares of and in Tin Shui Wai Town Lot No. 41 and is held under Government Lease for a term of 50 years from 8 June 2010.										
3	Tsz Wan Shan Shopping Centre	199,149	940	215.2	4.02%	5,300.9	7.50%	4,897.4	5,099.2	4.22%	8.88%
Brief Description:	Tsz Wan Shan Shopping Centre comprises an 8-storey commercial building and an adjoining car parking building (Commercial/Car Park Block), a 3-storey car park building (Multi-storey car park), a 3-storey car park building (Car Park Block A), and another split-level 4-storey car park building (Car Park Block B), a lift tower, some facilities in Integrated Commercial/Car Park Accommodation in Ancillary Facilities Block, various Open Car Parks and Associated Areas in Tsz Lok Estate (Open Car Parks). The property was completed in 1997. A total of 940 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 81,055/481,546 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6442 and is held under a Government Lease for a term of 50 years from 8 October 2007.										
4	TKO Gateway	165,935	623	177.6	3.78%	4,815.2	7.50%	4,377.4	4,596.3	3.86%	8.77%
Brief Description:	TKO Gateway (formerly known as Hau Tak (II) Shopping Centre), completed in 1993, comprises two 5-storey Commercial/Car Park Blocks (East Wing & West Wing), various open car parks and Associated Areas in Hau Tak Estate. A total of 623 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 49,962/324,918 equal and undivided shares of and in Tseung Kwan O Town Lot No. 99 and is held under a Government Lease for a term of 50 years from 14 October 2005.										

Property No.	Property Name	Income Capitalisation				DCF Analysis		Analysis			
		IFA (sqft)	Car Park Spaces	Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2018 (HK\$M)	Initial Yield	Indicated IRR
5	Temple Mall South	146,528	688	178.8	3.81%	4,665.9	7.50%	4,251.0	4,458.5	4.01%	8.78%
	Brief Description:	Temple Mall South (formerly known as Wong Tai Sin Plaza) comprises a 4-storey commercial/car park building (Multi-storey Commercial/Car Park Accommodation), a 5-storey commercial/car park building (Commercial/Car Park Block), a single-storey car park building (Car Park Block) and various cooked food stalls (Commercial Blocks). In addition, it includes Integrated Commercial/Car Park Accommodations located within the residential blocks of Lung Kwong House, Lung Fai House, Lung Lok House and Lung On House, various Open Car Parks and Associated Areas in Lower Wong Tai Sin II Estate. The property was built in phases from 1982 to 1983. A total of 688 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 51,200/323,235 equal and undivided shares of and in New Kowloon Inland Lot No. 6438 and is held under Government Lease for a term of 50 years from 17 May 2007.									
6	Sheung Tak Plaza	131,678	1,280	166.4	4.00%	4,334.7	7.50%	4,019.4	4,177.1	3.98%	8.90%
	Brief Description:	Sheung Tak Plaza comprises a 4-storey commercial/car park building (Commercial/Car Park Block), three 5-storey car park buildings (Car Parks A, B and C), Integrated Commercial/Car Park Accommodation on the ground floor of Sheung Mei House, various open car parks and Associated Areas in Sheung Tak Estate. The property was completed in 1998. A total of 1,280 car parking spaces are provided in the property.									
		Sheung Tak Shopping Centre has been renamed as Sheung Tak Plaza and Car Parks A, B and C of Sheung Tak Estate have also been renamed as Sheung Tak Car Park 1, Sheung Tak Car Park 2 and Sheung Tak Car Park 3 effective from 1 April 2013. As the layout/improvement work was in progress as at 31 March 2018, the total IFA available for letting was 120,088 sqft. The estimated IFA after completion of layout/improvement is approximately 131,678 sqft.									
	Title Details:	The property is held by Link Properties Limited. It comprises 95,092/467,545 equal and undivided shares of and in Tseung Kwan O Town Lot No. 98 and is held under a Government Lease for a term of 50 years from 26 March 2007.									
7	Kai Tin Shopping Centre	185,059	461	166.3	4.01%	4,212.5	7.50%	3,932.8	4,072.7	4.08%	8.95%
	Brief Description:	Kai Tin Shopping Centre comprises a 7-storey Commercial/Car Park Block, a 5-storey Multi-storey Commercial/Car Park Accommodation and various Associated Areas and Car Parks in Kai Tin Estate. The property was completed by two phases in 1999 and 2003. A total of 461 car parking spaces are provided in the property. As at 31 March 2018, the asset enhancement work was in progress and the total IFA available for letting was 185,059 sqft. The estimated IFA after completion of asset enhancement is approximately 185,059 sqft.									
	Title Details:	The property is held by Link Properties Limited. It comprises 65,207/256,946 equal and undivided shares of and in New Kowloon Inland Lot No. 6481 and is held under a Government Lease for a term of 50 years from 29 September 2009.									
8	Temple Mall North	139,637	473	148.6	3.72%	4,156.5	7.50%	3,764.5	3,960.5	3.75%	8.73%
	Brief Description:	Temple Mall North (formerly known as Lung Cheung Plaza) comprises a 5-storey including a basement level Commercial/Car Park Accommodation and Associated Areas in Upper Wong Tai Sin Estate. The property was completed in 2001. A total of 473 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 53,974/311,854 equal and undivided shares of and in New Kowloon Inland Lot No. 6439 and is held under Government Lease for a term of 50 years from 23 February 2007.									

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Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
9	Sau Mau Ping Shopping Centre	155,118	611	163.4	4.00%	4,076.3	7.50%	3,804.0	3,940.2	4.15%	8.95%
Brief Description:	Sau Mau Ping Shopping Centre comprises a 4-storey Commercial/Car Park Block, a 5-storey car park podium of the Ancillary Facilities Building (Multi-storey Car Park A) and some Associated Areas in Sau Mau Ping Estate. The property was completed in 2002. A total of 611 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 57,670/833,450 equal and undivided shares of and portion of 10/833,450 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6453 and is held under a Government Lease for a term of 50 years from 23 February 2007.										
10	Cheung Fat Plaza	156,582	590	133.7	4.03%	3,736.0	7.50%	3,496.4	3,616.2	3.70%	8.95%
Brief Description:	Cheung Fat Plaza comprises a 7-storey (including a basement) Shopping Centre and an Electricity Substation in Cheung Fat Estate completed in 1987. A total of 590 car parking spaces are provided in the property. As the asset enhancement work was in progress as at 31 March 2018, the total IFA available for letting was 128,784 sqft. The estimated IFA after completion of asset enhancement is approximately 156,582 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 49,331/171,904 equal and undivided shares of and in Tsing Yi Town Lot No. 172 and is held under a Government Lease for a term of 50 years from 22 December 2005.										
11	Choi Yuen Plaza	127,802	536	139.8	4.11%	3,651.3	7.50%	3,405.1	3,528.2	3.96%	8.95%
Brief Description:	Choi Yuen Plaza comprises a 6-storey (including a basement level) commercial/car park building (Commercial/Car Park Block). In addition, the property includes Open Car Parks, Associated Areas and various shop units located within the residential blocks of Choi Chu House, Choi Yuk House, Choi Ping House and Choi Wah House (Integrated Commercial/Car Park Accommodation). The property was completed in 1982. A total of 536 car parking spaces are provided in the property. As the layout/improvement work was in progress as at 31 March 2018, the total IFA available for letting was 120,054 sqft. The estimated IFA after completion of layout/improvement is approximately 127,802 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 34,746/286,392 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 230 and is held under Government Lease for a term of 50 years from 17 September 2005.										
12	Leung King Plaza	177,935	616	143.4	3.97%	3,548.2	7.50%	3,277.3	3,412.8	4.20%	8.88%
Brief Description:	Leung King Plaza, completed in 1988, comprises a 4-storey commercial/car park building (Commercial/Car Park Block), HA Open Car Parks and HA Road in Leung King Estate. A total of 616 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 54,922/426,295 equal and undivided shares of and in Tuen Mun Town Lot No. 458 and is held under Government Lease for a term of 50 years from 8 February 2001.										
13	Wo Che Plaza	182,580	828	127.6	3.81%	3,368.6	7.50%	3,090.4	3,229.5	3.95%	8.83%
Brief Description:	Wo Che Plaza, completed in 1977, comprises a 4-storey Commercial/Car Park Block, various retail units on the ground floors of Tai Wo House, Foo Wo House, Hau Wo House, Chi Wo House and King Wo House (Integrated Commercial/Car Park Accommodation), Associated Areas and Open Car Parks in Wo Che Estate. A total of 828 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 55,437/474,742 equal and undivided shares of and in Sha Tin Town Lot No. 549 and is held under a Government Lease for a term of 50 years from 23 February 2007.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
14	Tai Wo Plaza	124,933	454	136.4	4.08%	3,291.5	7.50%	3,063.5	3,177.5	4.29%	8.94%
Brief Description:	Tai Wo Plaza comprises a 3-storey plus a Basement level Commercial/Car Park Block (Phase 1) and a 2-storey plus a Basement level Commercial/Car Park Block (Phase 2) linked by a footbridge across the MTR East Rail Tai Wo Station. In addition, the property includes a single-storey Cooked Food Centre and portions of the Integrated HA Accommodation comprising various shop units, stores, offices and clinics on the ground, second and third floors of Oi Wo House and shops, offices and clinics on the ground, second and third floors of On Wo House and the entrance access on the ground floor of Hei Wo House that leads to the ground floor of Phase 1 Commercial Block in Tai Wo Estate. The property was completed in 1989. A total of 454 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 40,117/414,930 equal and undivided shares of and in Tai Po Town Lot No. 176 and is held under a Government Lease for a term of 50 years commencing from 10 February 2000.										
15	Butterfly Plaza	174,533	313	130.7	4.22%	3,239.5	7.50%	3,079.3	3,159.4	4.14%	9.08%
Brief Description:	Butterfly Plaza comprises a 3-storey retail building with market (Commercial Complex), a 4-storey car park building (Multi-storey Car Park) and various cooked food stalls at the Commercial Area near Block 6. In addition, the property includes various shop units located at the ground and first floors within the residential blocks of Tip Ling House and Tip Sum House (Integrated Commercial/Car Park Accommodation), Open Car Parks, Open Loading and Unloading Spaces and Associated Areas in Butterfly Estate. The property was completed in 1983. A total of 313 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 38,316/248,783 equal and undivided shares of and in Tuen Mun Town Lot No. 473 and is held under Government Lease for a term of 50 years from 14 October 2005.										
16	Choi Ming Shopping Centre	93,804	765	112.5	4.01%	3,211.2	7.50%	3,009.6	3,110.4	3.62%	8.95%
Brief Description:	Choi Ming Shopping Centre comprises a 5-storey (including the basement) commercial/car park building (Commercial/Car Park Block), an 8-storey car park building (Carport Building) and all those Covered Parking Spaces on the ground floor of Choi Ming Court, and the ground floor of a 6-storey commercial/car park building, Kin Ming Estate (known as Extension Block). Choi Ming Shopping Centre was completed in 2001, and the Extension Block was completed in 2003. A total of 765 car parking spaces are provided in the property. As the asset enhancement work was in progress as at 31 March 2018, the total IFA available for letting was 76,490 sqft. The estimated IFA after completion of asset enhancement is approximately 93,804 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 44,614/346,996 equal and undivided shares of Tseung Kwan O Town Lot No. 82 and portion of 39,133/420,644 equal and undivided shares of Tseung Kwan O Town Lot No. 109. It is held under Government Lease for a term of 50 years from 4 May 2001 (Tseung Kwan O Town Lot No. 82) and 15 March 2010 (Tseung Kwan O Town Lot No. 109).										
17	Tin Chak Shopping Centre	130,309	302	120.7	4.00%	3,101.3	7.50%	2,868.3	2,984.8	4.04%	8.89%
Brief Description:	Tin Chak Shopping Centre comprises a 4-storey commercial building (Commercial Block) and a 4-storey car park building. In addition, it includes kiosk at the entrance of the commercial block and Associated Areas in Tin Chak Estate. The property was completed in 2001. A total of 302 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 38,810/272,897 equal and undivided shares of and in Tin Shui Wai Town Lot No. 37 and is held under Government Lease for a term of 50 years from 14 October 2005.										

Valuation Report

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
18	Yat Tung Shopping Centre	192,859	1,900	117.4	4.07%	3,025.7	7.50%	2,846.8	2,936.3	4.00%	9.01%
Brief Description:	Yat Tung Shopping Centre comprises a 3-storey Commercial Centre 1 (Commercial Blocks) and a 4-storey Commercial Centre 2 (Commercial Blocks), two 6-storey car park buildings (Multi-storey Car Park 1 and Car Park 3), a 6-storey commercial/car park block (Commercial/Car Park Block), various open car parks and Associated Areas in Yat Tung Estate. The property was built in phases from 2001 to 2003. A total of 1,900 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 107,811/930,819 equal and undivided shares of and in Tung Chung Town Lot No. 30 and is held under Government Lease for a term of 50 years from 5 February 2009.										
19	Yau Mei & Ko Cheung (Lei Yue Mun Plaza)	100,769	0	125.3	4.00%	2,996.7	7.50%	2,791.7	2,894.2	4.33%	8.94%
Brief Description:	Lei Yue Mun Plaza comprises a 4-storey commercial podium underneath Blocks J, K and L of Yau Mei Court (Commercial Accommodation). The property was completed in 2001.										
Title Details:	The property is held by Link Properties Limited. It comprises 19,357/392,161 equal and undivided shares of and in New Kowloon Inland Lot No. 6459 and is held under a Government Lease for a term of 50 years from 3 June 2005.										
20	Tin Yiu Plaza	93,297	480	113.2	4.02%	2,750.6	7.50%	2,547.3	2,649.0	4.27%	8.90%
Brief Description:	Tin Yiu Plaza comprises a 4-storey commercial/car park building (Commercial/Car Park Block), Open Car Parks and Associated Areas in Tin Yiu Estate. The property was completed in 1992. A total of 480 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 31,581/574,611 equal and undivided shares of and in Tin Shui Wai Town Lot No. 38 and is held under Government Lease for a term of 50 years from 17 September 2005.										
21	Chuk Yuen Plaza	138,546	1,103	112.3	4.20%	2,702.6	7.50%	2,566.6	2,634.6	4.26%	9.07%
Brief Description:	Chuk Yuen Plaza comprises a 5-storey commercial building with basement car park (Commercial/Car Park Block), a 4-storey car park podium of Chui Yuen House (Multi-storey Car Park Accommodation) and various free-standing cooked food stalls (Cooked Food Stalls). In addition, the property includes various shop units on the ground and second floors of Sau Yuen House. Open Car Parking spaces (Open Car Parks) and Associated Areas within Chuk Yuen (South) Estate. The property was completed in 1984. A total of 1,103 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 62,198/354,665 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6452 and is held under a Government Lease for a term of 50 years from 16 August 2007.										
22	Siu Sai Wan Plaza	99,925	558	108.3	3.96%	2,695.3	7.50%	2,500.4	2,597.9	4.17%	8.91%
Brief Description:	Siu Sai Wan Plaza comprises a 5-storey Shopping Centre interconnected with a 12-level car park block, a 2-storey car park block (Siu Sai Wan Estate Phase 3 Car Park), a post office (the Integrated Commercial Accommodation) on the ground floor of Sui Yick House and various car parking spaces in Siu Sai Wan Estate. The property was completed in 1989. A total of 558 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 34,606/418,894 equal and undivided shares of and in Chai Wan Inland Lot No. 176 and is held under a Government Lease for a term of 50 years from 26 March 2007.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
23	Tin Shing Shopping Centre	78,245	1,458	102.4	4.00%	2,552.6	7.50%	2,390.4	2,471.5	4.14%	8.97%
Brief Description:	Tin Shing Shopping Centre comprises an 8-storey commercial/car park building (Tin Shing Commercial Centre), a 3-storey Kindergarten and Play Areas and a Nursery (Ancillary Facilities Block) in Tin Shing Court. The property was completed in 2000. A total of 1,458 car parking spaces are provided with the property.										
Title Details:	The property is held by Link Properties Limited. It comprises whole share of Section A of Tin Shui Wai Town Lot No. 17 and 1,480/357,800 equal and undivided shares of the Remaining Portion of Tin Shui Wai Town Lot No. 17 and is held under Government Lease for a term of 50 years from 28 November 1997.										
24	Fu Tung Plaza	104,879	537	102.2	4.21%	2,426.4	7.50%	2,291.3	2,358.9	4.33%	9.04%
Brief Description:	Fu Tung Plaza comprises a 4-storey commercial/car park building (Commercial/Car Park Block), a 3-storey car park building (Car Park Block), various open car parks (Open Car Parks) and Associated Areas in Fu Tung Estate. The property was completed in 1997. A total of 537 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 44,218/209,377 equal and undivided shares of and in Tung Chung Town Lot No. 40 and is held under Government Lease for a term of 50 years from 30 April 2008.										
25	Tin Shui Shopping Centre	75,119	577	94.8	4.00%	2,289.2	7.50%	2,113.3	2,201.3	4.31%	8.88%
Brief Description:	Tin Shui Shopping Centre comprises a 2-storey commercial building and adjoining 4-storey commercial/car park block (connected internally and together known as Commercial/Car Park Block), various Open Car Parks and Associated Areas in Tin Shui Estate. The property was completed in 1992. A total of 577 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 34,646/599,404 equal and undivided shares of and in Tin Shui Wai Town Lot No. 39 and is held under Government Lease for a term of 50 years from 5 September 2007.										
26	Chung On Shopping Centre	82,099	995	93.2	4.17%	2,205.8	7.50%	2,097.1	2,151.5	4.33%	9.08%
Brief Description:	Chung On Shopping Centre comprises a 5-storey commercial/car park building with roof (Commercial/Car Park Block), Associated Areas, covered car parking spaces on the ground floor of Chung Ping House (Integrated Commercial/Car Park Accommodation) and all the Open Car Parks in Chung On Estate. The property was completed in 1996. A total of 995 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 41,385/223,886 equal and undivided shares of and in Sha Tin Town Lot No. 544 and is held under Government Lease for a term of 50 years from 14 October 2005.										
27	Oi Man Plaza	192,593	808	78.3	4.14%	2,211.0	7.50%	2,078.0	2,144.5	3.65%	9.00%
Brief Description:	Oi Man Plaza comprises a 3-storey commercial building with an adjoining four 3-storey garage buildings namely Garages A to D (Multi-storey Commercial/Car Park Accommodation), a single-storey wet market building (Commercial Block 2) and various cooked food stalls (Commercial Block 1). In addition, the property includes various shop units located on the ground floors within the residential blocks of Chiu Man House, Hong Man House and Chung Man House, various Open Car Parks and the Associated Areas within Oi Man Estate. The property was completed in 1975. There are a total of 808 car parking spaces in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 54,395/204,983 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 9826 and is held under Government Lease for a term of 75 years commencing from 1 April 1968.										

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Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Analysis			
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2018 (HK\$M)	Initial Yield	Indicated IRR
28	Nan Fung Plaza	81,434	0	77.3	3.70%	2,233.1	7.50%	2,011.9	2,122.5	3.64%	8.70%
Brief Description:	Nan Fung Plaza, completed in 1999, comprises various commercial units, a Kindergarten on ground floor and podium level 1 and various External Wall Advertising Spaces of the commercial podium in Nan Fung Plaza.										
Title Details:	The property is held by Link Properties Limited. It comprises 154,634/1,485,995 equal and undivided shares of and in Tseung Kwan O Town Lot No. 23 and is held under New Grant No. 8648 for a term commencing from 21 November 1995 to 30 June 2047.										
29	Sha Kok Commercial Centre	92,999	662	88.9	4.06%	2,153.4	7.50%	2,013.0	2,083.2	4.27%	8.96%
Brief Description:	Sha Kok Commercial Centre comprises a 4-storey commercial/car park building (Commercial Block) and several isolated cooked food stalls. In addition, the property includes various shop units located on the ground floors within the residential blocks of Osprey House and Sand Martin House (Integrated Commercial/Car Park Accommodation) and Open Car Parks in Sha Kok Estate. The property was completed in 1980. A total of 662 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 32,438/340,309 equal and undivided shares of and in Sha Tin Town Lot No. 552 and is held under Government Lease for a term of 50 years from 3 July 2008.										
30	Choi Wan Commercial Complex	161,650	859	80.2	4.18%	2,142.7	7.50%	2,017.5	2,080.1	3.86%	9.01%
Brief Description:	Choi Wan Commercial Complex comprises a 5-storey (with split-levels on lower ground, ground and first floors) commercial/car park building standing beside Block 6 (Commercial/Car Park Block 1), a 7-storey commercial/car park building beside Block 15 (Commercial/Car Park Block 2), a 2-storey building (Commercial Block 1), various shops units on the ground and first floors of Fei Fung House and various cooked food stalls (Commercial Block 2). In addition, it includes various Open Car Parks, Associated Areas and Integrated Accommodation in Choi Wan Estate. The property was completed in 1980. A total of 859 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 61,003/394,552 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6461 and is held under Government Lease for a term of 50 years from 29 December 2008.										
31	Tak Tin Plaza	97,203	754	84.9	4.05%	2,118.6	7.50%	1,971.7	2,045.2	4.15%	8.93%
Brief Description:	Tak Tin Plaza comprises a 4-storey commercial building (Commercial Block), a 7-storey (14 split-levels) car park building (Car Park Block A), a 6-storey (10 split-levels) car park building (Car Park Block B) and a single-storey car park podium (Car Park Block C) located within the residential block of Tak Hong House. In addition, the property includes Portions of the Integrated HA Accommodation on the 2nd floor of Tak King House and Open Car Parks near to Tak Shing House. The property was completed in 1991. There are a total of 754 car parking spaces in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 25,782/308,756 equal and undivided shares of and in New Kowloon Inland Lot No. 6326 and is held under Government Lease for a term of 50 years from 18 March 1999.										

No.	Property Name	Income Capitalisation			DCF Analysis		Analysis				
		IFA (sqft)	Car Park Spaces	Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2018 (HK\$M)	Initial Yield	Indicated IRR
32	Stanley Plaza	98,549	411	75.4	3.79%	2,101.7	7.50%	1,937.2	2,019.5	3.73%	8.86%
	Brief Description:	Stanley Plaza, completed in phases from 1999 to 2000, consists of three portions. Portion 1 comprises a 6-storey commercial/car park building (Commercial/Car Park Block), a 3-storey commercial building (Murray House) and three single-storey shop stalls/kiosks at the Village Square together with the open venue thereof. Portion 2 comprises various Open Car Parks near Lung Tak Court with Ma Hang Estate. Portion 3 comprises two shop units on the ground floor of Leung Ma House and the 2-storey basement car park building (Basement Car Park Block) situated adjacent to Leung Ma House of Ma Hang Estate. A total of 411 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 37,045/116,974 equal and undivided shares of and in Stanley Inland Lot No. 98 and is held under Government Lease for a term of 50 years from 11 June 2009.									
33	Heng On Commercial Centre	116,043	585	72.6	4.07%	1,884.8	7.50%	1,761.8	1,823.3	3.98%	8.96%
	Brief Description:	Heng On Commercial Centre comprises a 5-storey commercial/car park building (Commercial/Car Park Block) completed in 1987. In addition, it includes Associated Areas and Lorry Parking Spaces along the Estate Road in Heng On Estate. A total of 585 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 39,206/40,831 equal and undivided shares of and in Section C of Sha Tin Town Lot No. 500 and 812/247,314 equal and undivided shares of and in the Remaining Portion of Sha Tin Town Lot No. 500, and is held under Government Lease for a term of 50 years from 8 April 1998.									
34	Yu Chui Shopping Centre	105,873	1,175	73.4	4.00%	1,875.0	7.50%	1,737.1	1,806.1	4.06%	8.90%
	Brief Description:	Yu Chui Shopping Centre comprises a 7-storey commercial building including mezzanine floor (Commercial Complex) and a free-standing 4-storey ancillary facilities building (Car Park and Ancillary Facilities Block) and various Open Loading and Unloading Spaces in Yu Chui Court. The property was completed in 2001. A total of 1,175 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 48,967/361,200 equal and undivided shares of and in Sha Tin Town Lot No. 462 and is held under Government Lease for a term of 50 years from 18 May 2001.									
35	Fu Shin Shopping Centre	104,039	525	69.4	4.00%	1,831.8	7.50%	1,698.8	1,765.3	3.93%	8.90%
	Brief Description:	Fu Shin Shopping Centre comprises a 8-storey Commercial/Car Park Building, a single-storey Cooked Food Stalls, various associated areas and open car parking spaces in Fu Shin Estate. It was completed in 1986. A total of 525 car parking spaces are provided in the property. As the asset enhancement work was in progress as at 31 March 2018, the total IFA available for letting was 97,473 sqft. The estimated IFA after completion of asset enhancement is approximately 104,039 sqft.									
	Title Details:	The property is held by Link Properties Limited. It comprises 33,761/330,620 equal and undivided shares of and in Tai Po Town Lot No. 189 and is held under Government Lease for a term of 50 years from 14 October 2005.									
36	Hin Keng Shopping Centre	90,926	636	76.2	4.16%	1,780.1	7.50%	1,667.8	1,724.0	4.42%	8.98%
	Brief Description:	Hin Keng Shopping Centre comprises a 6-storey commercial/car parking building with basement floor (Commercial/Car Park Complex), several isolated Cooked Food Stalls, Open Car Parks and HA roads in Hin Keng Estate. The property was completed in 1987. A total of 636 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 37,320/396,392 equal and undivided shares of and in Sha Tin Town Lot No. 503 and is held under Government Lease for a term of 50 years from 10 February 2000.									

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Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Analysis			
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2018 (HK\$M)	Initial Yield	Indicated IRR
37	Tai Yuen Commercial Centre	132,780	594	65.1	4.06%	1,763.1	7.50%	1,652.0	1,707.6	3.81%	8.97%
Brief Description:	Tai Yuen Commercial Centre comprises a 4-storey commercial building (Commercial Block B), a 3-storey (including a basement) retail building (Commercial Block A) as well as a stand-alone 4-storey car park building (Car Park Block). In addition, it includes various shop units located within the residential blocks of Tai Man House, Tai Tak House and Tai Wing House, various Associated Areas, a pump room and various open car parks in Tai Yuen Estate. The property was completed in 1980. A total of 594 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 38,718/353,530 equal and undivided shares of and in Tai Po Town Lot No. 192 and is held under Government Lease for a term of 50 years from 29 June 2007.										
38	Lek Yuen Plaza	106,284	438	70.0	4.03%	1,757.6	7.50%	1,635.0	1,696.3	4.13%	8.92%
Brief Description:	Lek Yuen Plaza comprises a 3-storey commercial/car park building (Commercial/Car Park Block), various shop units located on the ground to second floor within the residential blocks of Wing Shui House, Wah Fung House, Fu Yu House, Fook Hoi House and Kwai Wo House (Integrated Commercial/Car Park Accommodation) as well as Open Car Parks and Associated Areas in Lek Yuen Estate. The property was completed in 1976. A total of 438 car parking spaces are provided in the property. As the layout/improvement work was in progress as at 31 March 2018, the total IFA available for letting was 104,380 sqft. The estimated IFA after completion of layout/improvement is approximately 106,284 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 28,600/199,774 equal and undivided shares of and in Sha Tin Town Lot No. 550 and is held under Government Lease for a term of 50 years from 7 May 2007.										
39	Po Tat Shopping Centre	83,133	1,083	69.7	3.97%	1,748.4	7.50%	1,635.5	1,692.0	4.12%	8.96%
Brief Description:	Po Tat Shopping Centre comprises a 7-storey commercial and car park building (Commercial Centre) and two 3-storey car park podiums underneath Blocks A to C (Car Park Podium I) and Blocks D to F (Car Park Podium II), Integrated Commercial/Car Park Accommodation in Tat Cheung House and various Associated Areas in Po Tat Estate. The property was completed in 2002. A total of 1,083 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 75,195/546,029 equal and undivided shares of and in New Kowloon Inland Lot No. 6470 and is held under Government Lease for a term of 50 years from 9 April 2009.										
40	Kwong Yuen Shopping Centre	81,542	736	69.3	4.20%	1,663.4	7.50%	1,578.6	1,621.0	4.27%	9.07%
Brief Description:	Kwong Yuen Shopping Centre comprises five 2-storey to 3-storey commercial buildings (Commercial Complex – Commercial Block Nos. 1 to 5) with Associated Area, a 5-storey car park building with a wet market on Floor 5 (Car Park Block No. 1) and a 6-storey car park building (Car Park Block No. 2) and Open Car Park in Kwong Yuen Estate. The property was completed in 1991. A total of 736 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 29,929/279,026 equal and undivided shares of and in Sha Tin Town Lot No. 506 and is held under Government Lease for a term of 50 years from 8 February 2001.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
41	Homantin Plaza	93,205	299	58.6	4.13%	1,583.8	7.50%	1,491.4	1,537.6	3.81%	8.96%
Brief Description:	Homantin Plaza comprises a 4-storey commercial/car park building and an adjoining 3-storey car park building in Ho Man Tin Estate. The property was completed in 2001. A total of 299 car parking spaces are provided in the property. As the asset enhancement work was in progress as at 31 March 2018, the total IFA available for letting was 76,152 sqft. The estimated IFA after completion of asset enhancement is approximately 93,205 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 3,411/57,202 equal and undivided shares of Section A of Kowloon Inland Lot No. 11119 and 20,327/214,270 equal and undivided shares of the Remaining Portion of Kowloon Inland Lot No. 11119 and is held under Government Lease for a term of 50 years from 20 November 1998.										
42	Tsui Ping North Shopping Circuit	113,556	421	66.8	4.11%	1,575.5	7.50%	1,451.2	1,513.4	4.41%	8.88%
Brief Description:	Tsui Ping North Shopping Circuit comprises a 2-storey commercial podium located within various interlinked residential blocks (Commercial Complex), a 4-storey car park building with Associated Areas and external walls (Car Park Block), portions of the Integrated HA Accommodation in Tsui Tsz House, Tsui Lau House, Tsui Pak House, Tsui On House, Tsui Yue House and Tsui To House as well as various Open Car Parks in Tsui Ping (North) Estate. The property was completed in 1990. A total of 421 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 31,542/345,220 equal and undivided shares of and in Kwun Tong Inland Lot No. 754 and is held under Government Lease for a term of 50 years from 24 January 2002.										
43	Shun Lee Commercial Centre	203,919	731	50.6	4.26%	1,494.2	7.50%	1,431.1	1,462.7	3.46%	9.07%
Brief Description:	Shun Lee Commercial Centre comprises a 4-storey commercial building (Commercial Complex I), a 3-storey retail building (Commercial Complex II), two 3-storey car park buildings (Car Park Blocks A and C) and a single-storey car park building (Car Park Block B). In addition, the property includes various shops units located within the residential blocks of Lee Foo House, Lee Hong House, Lee Yat House and Lee Yip House, as well as Open Car Parks in Shun Lee Estate. The property was completed in 1978. A total of 731 car parking spaces are provided in the property. As the asset enhancement work was in progress as at 31 March 2018, the total IFA available for letting was 172,643 sqft. The estimated IFA after completion of asset enhancement is approximately 203,919 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 56,354/295,872 equal and undivided shares of and in New Kowloon Inland Lot No. 6465 and is held under Government Lease for a term of 50 years from 31 March 2010.										
44	Po Lam Shopping Centre	86,752	398	57.9	4.24%	1,435.8	7.50%	1,363.9	1,399.9	4.13%	9.07%
Brief Description:	Po Lam Shopping Centre comprises a 4-storey commercial building (Commercial Complex I), a 3-storey retail building (Commercial Complex II) and a 3-storey car park building (Car Park Block). In addition, the property includes various shop units located within the residential block of Po Ning House and Po Kan House (Integrated HA Accommodation), various Open Car Parks as well as the electricity sub-station in Po Lam Estate. The property was completed in 1989. A total of 398 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 25,495/341,494 equal and undivided shares of and in Tseung Kwan O Town Lot No. 88 and is held under Government Lease for a term of 50 years from 19 October 2004.										

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Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Analysis			
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2018 (HK\$M)	Initial Yield	Indicated IRR
45	Shan King Commercial Centre	121,430	638	49.8	4.10%	1,430.2	7.50%	1,352.5	1,391.4	3.58%	9.04%
Brief Description:	Shan King Commercial Centre comprises 5-storey commercial/car park building (Car Park/Commercial Complex), a 4-storey car park building (Car Park/Community Block), Portions of the Integrated HA Accommodation on the ground floor and second floor of King Wah House, various Cooked Food Stalls on ground floor and Open Car Parks in Shan King Estate. The property was completed in 1983. A total of 638 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 41,369/477,867 equal and undivided shares of and in Tuen Mun Town Lot No. 469 and is held under Government Lease for a term of 50 years from 20 August 2004.										
46	Fung Tak Shopping Centre	71,858	487	50.7	4.00%	1,376.0	7.50%	1,279.7	1,327.9	3.82%	8.93%
Brief Description:	Fung Tak Shopping Centre comprises a 4-storey commercial building (Commercial Centre) and an adjoining 6-storey car park building. It also includes various shop units at Ban Fung House and Ngan Fung House. The property was completed in 1991. A total of 487 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises whole of Sections A and C of New Kowloon Inland Lot No. 6318 and 1,070/202,138 equal and undivided shares of the Remaining Portion of New Kowloon Inland Lot No. 6318 and is held under Government Lease for a term of 50 years from 8 April 1998.										
47	Oi Tung Shopping Centre	81,029	634	56.6	4.14%	1,363.3	7.50%	1,284.8	1,324.1	4.28%	9.02%
Brief Description:	Oi Tung Shopping Centre comprises a 3-storey commercial building (Commercial Centre) and a 6-storey car park podium accommodating various welfare units and car parking spaces located within the residential block of Oi Sin House (Multi-storey Commercial/Car Park Accommodation and the Integrated Commercial/Car Park Accommodation) and various Associated Areas in Oi Tung Estate. The property was completed in 2000. A total of 634 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 34,910/194,191 equal and undivided shares of and in Shau Kei Wan Inland Lot No. 849 and is held under Government Lease for a term of 50 years from 17 September 2005.										
48	Wah Ming Shopping Centre	71,627	295	54.5	4.06%	1,355.9	7.50%	1,287.5	1,321.7	4.12%	9.05%
Brief Description:	Wah Ming Shopping Centre comprises a 3-storey commercial building and an adjoining 3-storey commercial/car park building (Commercial/Car Park Blocks) are linked by a footbridge on second floor. It also includes portions of the Parking Areas within Wah Ming Estate. The property was completed in 1990. A total of 295 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 22,726/324,858 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 204 and is held under Government Lease for a term of 50 years from 18 March 1999.										
49	Long Ping Commercial Centre	89,358	564	53.6	4.02%	1,350.3	7.50%	1,267.0	1,308.7	4.10%	8.99%
Brief Description:	Long Ping Commercial Centre, completed in 1987, comprises a 6-storey (including mezzanine floor) Commercial/Car Park Block and a 2-storey Car Park/Community Centre Block. In addition, it includes various shop units located within the residential blocks of Yuk Ping House, Shek Ping House and Kang Ping House as well as some areas in Blocks 4, 5 & 6 and Open Car Parks in Long Ping Estate. A total of 564 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 32,958/498,969 equal and undivided shares of and in Yuen Long Town Lot No. 521 and is held under Government Lease for a term of 50 years from 15 March 2006.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
50	Mei Lam Shopping Centre	75,862	375	54.6	4.05%	1,356.1	7.50%	1,259.7	1,307.9	4.17%	8.92%
Brief Description:	Mei Lam Shopping Centre (formerly known as Mei Lam Commercial Centre) comprises a 3-storey commercial building (Commercial Complex), an adjoining 4-storey car park building with a wet market on the ground floor (Multi-storey Car Park) and various cooked food stalls (Commercial Block). In addition, the property includes a shop unit located within the residential block of Mei Fung House (Portions of the Integrated HA Accommodation). The property was completed in 1981. A total of 375 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 29,125/ 273,313 equal and undivided shares of and in Sha Tin Town Lot No. 558 and is held under Government Lease for a term of 50 years from 22 March 2010.										
51	Hing Wah Plaza	82,011	268	54.7	4.04%	1,348.6	7.50%	1,250.9	1,299.8	4.21%	8.91%
Brief Description:	Hing Wah Plaza comprises a 2-storey commercial building (Commercial Centre), a 9-storey car park building (Car Park Block), the Integrated Commercial/Car Park Accommodation on the ground floor of May Wah House and Associated Areas in Hing Wah Estate. The property was completed in 2000. A total of 268 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 27,675/160,197 equal and undivided shares of and in Chai Wan Inland Lot No. 177 and is held under Government Lease for a term of 50 years from 28 February 2007.										
52	Tai Hing Commercial Centre	103,529	672	50.1	4.20%	1,321.5	7.50%	1,250.7	1,286.1	3.89%	9.05%
Brief Description:	Tai Hing Commercial Centre comprises two 2-storey retail buildings (Commercial Blocks 1 & 2) were completed in 1977. It also includes various Open Car Parks and Associated Areas in Tai Hing Estate. Commercial Block 1 is intersected by Tai Fong Street into two parts and connected via a footbridge on the first floor. A total of 672 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 27,288/474,882 equal and undivided shares of and in the Remaining Portion of Tuen Mun Town Lot No. 484 and is held under Government Lease for a term of 50 years from 18 March 2009.										
53	Sun Chui Shopping Centre	75,430	620	46.6	4.02%	1,282.2	7.50%	1,189.6	1,235.9	3.77%	8.91%
Brief Description:	Sun Chui Shopping Centre comprises a 2-storey commercial building (Commercial Centre) linked with a single-storey wet market building (Market), a 3-storey car park building (Car Park 1), two single-storey car park buildings (Car Parks 2 & 3) and several isolated cooked food stalls. In addition, the property includes the premises on the ground floor and second floor of Sun Yee House (Portions of Integrated HA Accommodation) and Open Car Parks in Sun Chui Estate. The property was completed in 1983. A total of 620 car parking spaces are provided in the property. As the relay/layout/improvement work was in progress as at 31 March 2018, the total IFA available for letting was 70,413 sqft. The estimated IFA after completion of relay/layout/improvement is approximately 75,430 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 27,934/395,903 equal and undivided shares of and in Sha Tin Town Lot No. 554 and is held under Government Lease for a term of 50 years from 25 May 2009.										
54	Lung Hang Commercial Centre	64,037	440	50.9	4.02%	1,260.8	7.50%	1,187.1	1,224.0	4.16%	9.01%
Brief Description:	Lung Hang Commercial Centre comprises a 3-storey commercial/car park building (Commercial Complex), a single-storey market building (Market), a separate single-storey car park building (Car Park Block), three cooked food stalls and Open Car Parks in Lung Hang Estate. The property was completed in 1983. A total of 440 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 23,047/289,255 equal and undivided shares of and in Sha Tin Town Lot No. 557 and is held under Government Lease for a term of 50 years from 31 March 2010.										

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Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Analysis			
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2018 (HK\$M)	Initial Yield	Indicated IRR
55	Un Chau Shopping Centre	50,180	213	47.5	3.65%	1,288.5	7.50%	1,150.0	1,219.3	3.90%	8.63%
Brief Description:	Un Chau Shopping Centre comprises a 2-storey commercial building (Commercial Podium), a 2-storey car park building, a single-storey car park podium under Un Hong House (Car Park Podium) in Un Chau Estate. The property was completed in 1999. A total of 213 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 17,388/355,830 equal and undivided shares of and in New Kowloon Inland Lot No. 6478 and is held under Government Lease for a term of 50 years from 11 March 2010.										
56	Fu Tai Shopping Centre	58,464	635	47.0	4.12%	1,176.8	7.50%	1,119.7	1,148.3	4.10%	9.03%
Brief Description:	Fu Tai Shopping Centre comprises a 6-storey commercial/car park building (Commercial/Car Park Accommodation), various Open Car Parks and Associated Areas in Fu Tai Estate. The property was completed in 2000. A total of 635 car parking spaces are provided in the property. As the asset enhancement work was in progress as at 31 March 2018, the total IFA available for letting was 50,653 sqft. The estimated IFA after completion of asset enhancement is approximately 58,464 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 38,769/382,833 equal and undivided shares of and in Tuen Mun Town Lot No. 418 and is held under Government Lease for a term of 50 years from 12 March 2001.										
57	Yiu On Shopping Centre	47,820	547	47.5	4.03%	1,186.9	7.50%	1,108.0	1,147.5	4.14%	8.95%
Brief Description:	Yiu On Shopping Centre comprises a 7-storey multi-purpose complex with retail shops, market and parking spaces completed in 1989. It also comprises Open Car Parks within Yiu On Estate. A total of 547 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 12,616/306,501 equal and undivided shares of and in Sha Tin Town Lot No. 505 and is held under Government Lease for a term of 50 years from 18 March 1999.										
58	Lei Tung Commercial Centre	84,058	687	46.5	4.17%	1,170.7	7.50%	1,110.0	1,140.4	4.08%	9.06%
Brief Description:	Lei Tung Commercial Centre comprises a 4-storey commercial building (Commercial Complex 1) and a 7-storey (including 3 basement levels) commercial/car park building (Commercial Complex 2), which are linked by 2 footbridges across the Lei Tung Estate Bus Terminus. In addition, it includes a 4 level car park/market building (Car Park/Market Block), a 3-storey car park/community hall building (Car Park/Community Hall Block), various ancillary units and car parking spaces on ground, second & third floors of Tung Hing House, ground floor of Tung Mau House, basement, ground & second floors of Tung Sing House, second to fourth floors of Tung On House (Portions of the Integrated HA Accommodation) and various Associated Areas within Commercial Complex 1, Car Park/Market Block and Car Park/Community Hall (Associated Areas to the Detached HA Accommodation) within Lei Tung Estate. The property was completed in 1988. A total of 687 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 45,424/451,716 equal and undivided shares of and in Ap Lei Chau Inland Lot No. 133 and is held under Government Lease for a term of 50 years from 20 December 2004.										
59	Maritime Bay	41,017	0	47.1	3.70%	1,189.8	7.50%	1,077.7	1,133.8	4.15%	8.74%
Brief Description:	Maritime Bay, completed in 1998, comprises various commercial units on ground floor and upper ground floor of the commercial accommodation of Maritime Bay.										
Title Details:	The property is held by Great Land (HK) Limited. It comprises 573/5,411 equal and undivided shares of and in Tseung Kwan O Town Lot No. 49 and is held under New Grant No. SK 8530 for a term commencing from 27 March 1995 and expiring on 30 June 2047.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
60	Kwong Fuk Commercial Centre	69,457	461	45.8	4.08%	1,161.9	7.50%	1,083.7	1,122.8	4.08%	8.95%
Brief Description:	Kwong Fuk Commercial Centre comprises a 3-storey commercial complex erected over a 2-storey car park and market complex, various shop units located within the residential block of Kwong Yan House and various Cooked Food Stalls. It also includes Associated Areas and Open Car Parks within Kwong Fuk Estate. The property was completed in 1983. A total of 461 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 23,946/351,384 equal and undivided shares of and in Tai Po Town Lot No. 196 and is held under Government Lease for a term of 50 years from 17 March 2010.										
61	Fu Heng Shopping Centre	55,030	517	48.7	4.23%	1,147.4	7.50%	1,082.1	1,114.8	4.37%	9.03%
Brief Description:	Fu Heng Shopping Centre comprises a 3-storey (including a semi-basement level) Commercial/Car Park Building with a 2-storey Car Park/Indoor Recreational Centre annexed thereto (Multi-purpose Complex), a 3-storey Car Park Block and various Open Car Parks in Fu Heng Estate. The Indoor Recreational Centre does not form part of Fu Heng Shopping Centre. The property was completed in 1990. A total of 517 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 22,900/358,013 equal and undivided shares of and in Tai Po Town Lot No. 178 and is held under Government Lease for a term of 50 years from 10 February 2000.										
62	Fu Cheong Shopping Centre	63,801	547	44.3	4.00%	1,135.2	7.50%	1,060.3	1,097.8	4.04%	8.95%
Brief Description:	Fu Cheong Shopping Centre comprises a 3-storey commercial building (Multi-storey Commercial Accommodation and Integrated Commercial/Car Park Accommodation, Fu Yun House (Ancillary Facilities Block)) and a 4-storey car park building (Multi-storey Car Park Accommodation) beneath Fu Hoi House and Fu Yee House. The property was completed in 2002. A total of 547 car parking spaces are provided in the property. As the relayout/improvement work was in progress as at 31 March 2018, the total IFA available for letting was 61,217 sqft. The estimated IFA after completion of relayout/improvement is approximately 63,801 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 31,469/355,647 equal and undivided shares of and in New Kowloon Inland Lot No. 6437 and is held under Government Lease for a term of 50 years from 17 September 2005.										
63	Hoi Fu Shopping Centre	40,360	225	44.7	3.97%	1,081.1	7.50%	999.1	1,040.1	4.30%	8.88%
Brief Description:	Hoi Fu Shopping Centre comprises portions of a 2-storey commercial building (Block E) and portions of a 6-storey car parking/elderly housing/care attention home building (Block D) in Hoi Fu Court completed in 1999. A total of 225 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 9,413/204,120 equal and undivided shares of and in New Kowloon Inland Lot No. 11141 and is held under Government Lease for a term of 50 years from 16 July 1999.										
64	Hiu Lai Shopping Centre	34,560	637	43.9	4.10%	1,068.5	7.50%	1,003.7	1,036.1	4.23%	9.00%
Brief Description:	Hiu Lai Shopping Centre comprises a 9-storey (split-levels from Levels 2 to 8) Commercial/Car Park Block together with two Kindergarten units on the ground floor of Hiu Tin House and Hiu On House respectively completed in 1996. A total of 637 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises whole of Section A of New Kowloon Inland Lot No. 6205 and 1,000/249,375 equal and undivided shares of the Remaining Portion of New Kowloon Inland Lot No. 6205 and is held under Government Lease for a term commencing from 11 November 1994 to 30 June 2047.										

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Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation			DCF Analysis		Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2018 (HK\$M)	Initial Yield	Indicated IRR
65	Lok Wah Commercial Centre	100,152	650	40.3	4.10%	1,062.7	7.50%	987.0	1,024.9	3.93%	8.92%
Brief Description:	Lok Wah Commercial Centre comprises a 4-storey Commercial/Car Park Complex. In addition, the property includes various Integrated Commercial/Car Park Accommodations located within the residential block of Po Wah House, Kan Wah House, Lap Wah House, Tat Wah House, Ning Wah House and Shun Wah House, Open Car Parks and Associated Areas within Lok Wah (North) Estate. The property was completed in 1985. A total of 650 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 38,134/513,788 and portion of 667/513,788 equal and undivided shares of and in New Kowloon Inland Lot No. 6460 and is held under Government Lease for a term of 50 years from 9 September 2008.										
66	Cheung Wah Shopping Centre	71,085	353	37.5	3.98%	1,006.0	7.50%	930.5	968.3	3.88%	8.89%
Brief Description:	Cheung Wah Shopping Centre comprises a 4-storey commercial building (Commercial Centre), a 4-storey car park building (Car Park 1), a 2-storey car park building (Car Park 2) with cooked food stalls on the roof, an adjoining 3-storey market building (Market). In addition, it includes various shop units located within the residential blocks of Cheung Lai House and Cheung Chung House and Open Car Parks in Cheung Wah Estate. The property was completed in 1984. A total of 353 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 26,310/299,811 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 226 and is held under Government Lease for a term of 50 years from 16 June 2004.										
67	Tin Tsz Shopping Centre	36,865	289	36.3	3.98%	871.5	7.50%	820.6	846.1	4.29%	9.00%
Brief Description:	Tin Tsz Shopping Centre comprises 2-storey commercial building (Commercial/Car Park Block), an adjoining 4-storey car park building (Car Park Block) and various shop units located within the residential blocks of Tsz Ping House completed in 1997. In addition, it includes Associated Areas and Open Car Park in Tin Tsz Estate. A total of 289 parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 17,511/202,482 equal and undivided shares of and in Tin Shui Wai Town Lot No. 40 and is held under Government Lease for a term of 50 years from 29 June 2007.										
68	Sam Shing Commercial Centre	70,921	176	36.5	4.02%	855.7	7.50%	788.1	821.9	4.44%	8.86%
Brief Description:	Sam Shing Commercial Centre comprises a 3-storey commercial/car park building (Commercial Complex) an property includes integrated commercial/car park accommodation located within the residential blocks of Chun Yu House (Block 1), Moon Yu House (Block 2) and Fung Yu House (Block 3) in Sam Shing Estate. The property was completed in 1980. A total of 176 car parking spaces are provided in the property. As the asset enhancement work was in progress as at 31 March 2018, the total IFA available for letting was 67,725 sqft. The estimated IFA after completion of asset enhancement is approximately 70,921 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 14,434/115,271 equal and undivided shares of and in Tuen Mun Town Lot No. 481 and is held under Government Lease for a term of 50 years from 22 March 2010.										

Property No.	Property Name	Income Capitalisation			DCF Analysis		Analysis				
		IFA (sqft)	Car Park Spaces	Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2018 (HK\$M)	Initial Yield	Indicated IRR
69	Retail and Car Park within Ap Lei Chau Estate	46,779	325	32.7	4.35%	808.9	7.50%	770.7	789.8	4.15%	9.10%
Brief Description:	Retail and Car Park within Ap Lei Chau Estate comprises a 2-storey market/office building (Market/Office Block) and a 6-storey commercial/car park building (Commercial/Car Park Block). The property also includes various shop units located on the ground floor within the residential blocks of Lei Chak House, Lei Fook House, Lei Moon House, Lei Ning House, Lei Tim House and Lei Yee House as well as Associated Areas and Open Car Parks scattered within Ap Lei Chau Estate. The property was completed in 1980. A total of 325 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 18,111/246,593 equal and undivided shares of and in Ap Lei Chau Inland Lot No. 134 and is held under Government Lease for a term of 50 years from 4 May 2010.										
70	Wan Tsui Commercial Complex	75,806	359	10.8	4.18%	802.2	7.50%	771.8	787.0	1.38%	9.03%
Brief Description:	Wan Tsui Commercial Complex comprises a 5-storey commercial building (Commercial Block), another 2-storey (including a basement) commercial building (Market/Car Park Block), a single-storey car park building adjacent to Hei Tsui House (Car Park Block) and a 2-storey car park podium located within the residential blocks of Chak Tsui House (Car Park Podium). The property includes various shop units located within the residential blocks of Yee Tsui House and Shing Tsui House, a Government clinic on the ground floor of Lee Tsui House, Associated Area and various Open Car Parks along the estate roads (Open Car Parks) in Wan Tsui Estate. The property was completed in 1979. A total of 359 car parking spaces are provided in the property. As the asset enhancement work was in progress as at 31 March 2018, the total IFA available for letting was 38,846 sqft. The estimated IFA after completion of asset enhancement is approximately 75,806 sqft.										
Title Details:	The property is held by Link Properties Limited. It comprises 26,208/222,534 equal and undivided shares of and in the Remaining Portion of Chai Wan Inland Lot No. 180 and is held under Government Lease for a term of 50 years from 31 March 2010.										
71	Chun Shek Shopping Centre	61,273	583	30.9	4.04%	803.0	7.50%	751.7	777.4	3.98%	8.97%
Brief Description:	Chun Shek Shopping Centre comprises a 4-storey commercial building (Commercial Complex), an adjoining 4-storey car park building (Car Park Block 1), a separate 2-storey car park building (Car Park Block 2). In addition, the property includes various shop units located within the Shek Jing House (Portions of the Integrated HA Accommodation) as well as Open Car Parks and Associated Areas in Chun Shek Estate. The property was completed in 1984. A total of 583 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 26,567/155,467 equal and undivided shares of and in Sha Tin Town Lot No. 555 and is held under Government Lease for a term of 50 years from 30 September 2009.										
72	King Lam Shopping Centre	51,919	418	31.5	4.27%	759.4	7.50%	721.2	740.3	4.26%	9.08%
Brief Description:	King Lam Shopping Centre comprises a 4-storey commercial/car park building, various shop units on the ground floors located within the residential block of King Chung House and King Lui House and various Open Car Parks in King Lam Estate. The property was completed in 1990. A total of 418 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 18,412/278,433 equal and undivided shares of and in Tseung Kwan O Town Lot No. 83 and is held under Government Lease for a term of 50 years from 8 February 2001.										

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Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Analysis			
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2018 (HK\$M)	Initial Yield	Indicated IRR
73	Ming Tak Shopping Centre	39,029	383	31.8	4.30%	726.2	7.50%	692.2	709.2	4.48%	9.11%
Brief Description:	Ming Tak Shopping Centre, completed in 1999, comprises a 4-storey commercial/car park building (Commercial/Car Park Block) as well as Associated Areas, Open Car Parks and Guard Kiosks in Ming Tak Estate. A total of 383 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 20,354/108,489 equal and undivided shares of and in Tseung Kwan O Town Lot No. 108 and is held under Government Lease for a term of 50 years from 28 July 2008.										
74	Hing Tung Shopping Centre	53,034	420	25.2	4.00%	644.2	7.50%	599.7	622.0	4.06%	8.93%
Brief Description:	Hing Tung Shopping Centre comprises a 7-storey commercial/car park building (Commercial/Car Park Block) as well as Associated Areas and a shop unit at the 2-storey stand-alone lift tower (i.e. Lift Tower No. 1 that is linked to the Commercial/Car Park Block by a footbridge across Yiu Hing Road) in Hing Tung Estate. The property was completed in 1995. A total of 420 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 23,786/155,258 equal and undivided shares of and in Shau Kei Wan Inland Lot No. 851 and is held under Government Lease for a term of 50 years from 8 February 2010.										
75	Wah Sum Shopping Centre	24,934	356	24.2	4.22%	594.3	7.50%	564.2	579.3	4.18%	9.07%
Brief Description:	Wah Sum Shopping Centre comprises a 2-storey commercial building (Commercial Centre) and an adjoining 4-storey car park building (Car Park Block) interconnected with the Commercial Centre on the first floor as well as Associated Areas and Open Car Parks in Wah Sum Estate completed in 1995. A total of 356 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 16,753/109,515 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 236 and is held under Government Lease for a term of 50 years from 16 January 2009.										
76	Yiu Tung Shopping Centre	67,768	685	21.1	4.20%	580.5	7.50%	553.2	566.9	3.73%	9.10%
Brief Description:	Yiu Tung Shopping Centre, completed in 1994, comprises a 3-storey commercial building (Commercial Centre), a 2-storey car park building (Car Park Block No. 1) and an 8-storey car park building (Car Park Block No. 2) and a ground floor unit in Yiu Tung Estate. Escalators and footbridges in Yiu Tung Estate provide direct access to the bottom of Yiu Hing Road and Nam Hong Street. A total of 685 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 35,548/381,831 equal and undivided shares of and in Shau Kei Wan Inland Lot No. 852 and is held under Government Lease for a term of 50 years from 29 March 2010.										
77	Kin Sang Shopping Centre	36,623	273	21.9	3.97%	564.1	7.50%	523.9	544.0	4.02%	8.91%
Brief Description:	Kin Sang Shopping Centre, completed in 1990, comprises a 3-storey commercial building (Commercial Block) and a 4-storey car park building (Car Park Block) as well as Associated Areas in Kin Sang Estate. A total of 273 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 14,100/28,621 equal and undivided shares of and in Section A of Tuen Mun Town Lot No. 441 and is held under Government Lease for a term of 50 years from 8 April 1998.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
78	Wang Tau Hom (Wang Fai Centre)	26,595	290	22.4	4.26%	519.9	7.50%	492.6	506.3	4.42%	9.06%
Brief Description:	Wang Tau Hom (Wang Fai Centre), completed in 1982, comprises a 3-storey commercial building (Wang Fai Centre), a single-storey wet market (Fu Mou Street Market) and a 5-storey split-level car park building (Car Park Block). In addition, it includes Associated Areas and Open Car Parks in Wang Tau Hom Estate. A total of 290 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 12,507/373,309 equal and undivided shares of and in New Kowloon Inland Lot No. 6462 and is held under Government Lease for a term of 50 years from 16 July 2008.										
79	Retail and Car Park within Tung Tau Estate	37,909	493	19.2	4.14%	514.0	7.50%	488.2	501.1	3.83%	9.07%
Brief Description:	Retail and Car Park within Tung Tau Estate comprises a split-level single-storey commercial building with car park at basement level (Commercial Complex) and a 3-storey car park building (Car Park Block). In addition, it includes shop units on the ground floor in front of the Commercial Complex, various shop units within the residential blocks on the ground floor of Cheung Tung House, Hong Tung House, On Tung House, Yue Tung House and Wong Tung House as well as Open Car Parks in Tung Tau (II) Estate. The property was completed in 1982. A total of 493 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 16,942/349,186 equal and undivided shares of and in New Kowloon Inland Lot No. 6413 and is held under Government Lease for a term of 50 years from 24 January 2002.										
80	Ping Tin Shopping Centre	24,400	406	20.2	4.29%	492.7	7.50%	471.1	481.9	4.19%	9.12%
Brief Description:	Ping Tin Shopping Centre comprises a 3-storey commercial building (Commercial Centre), a split-level 4-storey annexed car park building (Car Park Block) and the ground floor and first floor of a 4-storey ancillary facilities building (Ancillary Facilities Block) as well as Open Car Parks near to the ingress of the car park building in Ping Tin Estate. The property was completed in 1997. A total of 406 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 16,966/362,174 equal and undivided shares of and in New Kowloon Inland Lot No. 6446 and is held under Government Lease for a term of 50 years from 30 March 2009.										
81	Car Park within Kin Ming Estate	0	763	20.7	4.60%	456.9	7.50%	451.6	454.3	4.56%	9.37%
Brief Description:	Car Park within Kin Ming Estate comprises a 6-storey commercial/car park building. In addition, it includes various car parking spaces within Kin Ming Estate. The property was completed in 2003. A total of 763 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises portion of 39,133/420,644 equal and undivided shares of and in Tseung Kwan O Town Lot No. 109 and is held under Government Lease for a term of 50 years from 15 March 2010.										
82	Yin Lai Court Shopping Centre	10,584	150	18.0	3.98%	448.5	7.50%	414.4	431.5	4.18%	8.89%
Brief Description:	Yin Lai Court Shopping Centre comprises a 4-storey commercial/car park building completed in 1991. There is direct access to Lai King station at LG2. A total of 150 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Kwai Chung Town Lot No. 389 and is held under Government Lease for a term commencing from 21 September 1990 to 30 June 2047.										

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Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Analysis			
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2018 (HK\$M)	Initial Yield	Indicated IRR
83	Retail and Car Park within Cheung On Estate	3,915	484	18.0	4.18%	427.7	7.50%	408.2	418.0	4.30%	9.11%
Brief Description:	Retail and Car Park within Cheung On Estate comprises a 4-storey car park building (Car Park 1), a 2-storey split-level car park building (Car Park 2) and various shop units and medical centre on the ground floor of On Tao House in Cheung On Estate. The property was completed in 1988. A total of 484 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section D & Section F of Tsing Yi Town Lot No. 160 and 403/293,522 equal and undivided shares of and in the Remaining Portion of Tsing Yi Town Lot No. 160, and is held under Government Lease for a term of 50 years from 8 April 1998.										
84	Retail and Car Park within Hong Pak Court	17,956	549	16.0	3.91%	412.8	7.50%	386.9	399.9	4.00%	8.98%
Brief Description:	Retail and Car Park within Hong Pak Court, completed in 1993, comprises a 7-storey car park building with two kindergarten units located on the Level 7. A total of 549 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6095 and is held under Government Lease for a term commencing from 25 September 1991 to 30 June 2047.										
85	Shun On Commercial Centre	81,963	459	13.1	4.10%	384.2	7.50%	364.1	374.2	3.51%	9.05%
Brief Description:	Shun On Commercial Centre comprises portions of the two Commercial Blocks 1 & 2, a 2-storey retail building with an adjoined 4-storey car park building (Commercial/Car Park Block), the Integrated Commercial/Car Park Accommodations in On Kwan House, On Chung House and On Yat House, various Commercial Facilities, Associated Areas and Open Car Parks in Shun On Estate. The property was completed in 1978. A total of 459 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 20,130/179,429 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6472 and is held under Government Lease for a term of 50 years from 28 July 2008.										
86	Siu Hei Commercial Centre	23,439	560	13.9	3.84%	387.3	7.50%	361.0	374.2	3.71%	8.93%
Brief Description:	Siu Hei Commercial Centre, completed in 1986, comprises a 3-storey commercial centre (including mezzanine floor) with retail, market, and welfare facilities therein and a 4-storey split level car park building. A total of 560 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tuen Mun Town Lot No. 255 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										
87	Retail and Car Park within Cheung Wang Estate	11,532	333	16.8	4.37%	381.9	7.50%	363.4	372.7	4.51%	9.09%
Brief Description:	Retail and Car Park within Cheung Wang Estate comprises a 2-storey Multi-storey Car Park Accommodation and a single-storey commercial/car park block (Commercial/Car Park Block). In addition, it includes Associated Areas and Open Car Parks in Cheung Wang Estate. The property is completed in 2001. A total of 333 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 13,010/259,640 equal and undivided shares of and in Tsing Yi Town Lot No. 178 and is held under Government Lease for a term of 50 years from 25 March 2009.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
88	Fortune Shopping Centre	24,298	153	13.2	4.02%	368.3	7.50%	343.5	355.9	3.71%	8.94%
	Brief Description:	Fortune Shopping Centre comprises a 2-storey commercial/car park building (Multi-storey Commercial/Car Park Accommodation) and a 5-storey car park building (Car Park Block). In addition, it includes Associated Areas, Covered Areas, Guard Kiosk and portion of Multi-purpose HA Accommodation (the Integrated Commercial/Car Park Accommodation on 2/F of Fook Ming House). The property was completed in 2000. A total of 153 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 11,807/115,133 equal and undivided shares of and in New Kowloon Inland Lot No. 6484 and is held under Government Lease for a term of 50 years from 27 April 2009.									
89	Retail and Car Park within Lok Wah (South) Estate	16,109	226	10.4	4.34%	299.6	7.50%	287.2	293.4	3.53%	9.14%
	Brief Description:	Retail and Car Park within Lok Wah (South) Estate comprises market stalls at Chin Wah House, a 4-storey car park building (Car Park Block), three free-standing cooked food stalls near On Wah House and various shop units located on the ground floor of the residential block of On Wah House as well as Associated Areas and Open Car Parks in Lok Wah (South) Estate. The property was completed in 1982. A total of 226 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 13,231/513,788 and portion of 667/513,788 equal and undivided shares of and in New Kowloon Inland Lot No. 6460 and is held under Government Lease for a term of 50 years from 9 September 2008.									
90	Po Hei Court Commercial Centre	13,686	0	10.2	3.00%	303.4	7.50%	259.8	281.6	3.62%	8.34%
	Brief Description:	Po Hei Court Commercial Centre comprises retail units on the ground floor of Block A and Block B in Po Hei Court completed in 1993.									
	Title Details:	The property is held by Link Properties Limited. It comprises 1,354/20,256 equal and undivided shares of and in New Kowloon Inland Lot No. 6117 and is held under Government Lease for a term of commencing from 17 July 1992 to 30 June 2047.									
91	Retail and Car Park within Ko Chun Court	7,332	323	10.9	4.11%	270.1	7.50%	257.1	263.6	4.13%	9.09%
	Brief Description:	Retail and Car Park within Ko Chun Court, completed in 1993, comprises a 6-storey with 12 split-levels commercial/car park building and a kindergarten unit on the ground floor located within Chun Moon House (Block C) of Ko Chun Court. A total of 323 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6189 and 530/81,791 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6189, and is held under Government Lease for a term commencing from 3 June 1993 and expiring on 30 June 2047.									
92	Car Park within Wah Lai Estate	0	411	11.0	4.20%	258.4	7.50%	248.0	253.2	4.35%	9.15%
	Brief Description:	Car Park within Wah Lai Estate comprises a 5-storey car park building completed in 2001. A total of 411 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 21,700/102,614 equal and undivided shares of and in the Remaining Portion of Section A of Kwai Chung Town Lot No. 445 and is held under Government Lease for a term of 50 years from 25 May 2001.									

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Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
93	Retail and Car Park within Wo Ming Court	7,342	379	9.9	3.92%	257.8	7.50%	241.7	249.8	3.96%	8.98%
Brief Description:	Retail and Car Park within Wo Ming Court, completed in 1999, comprises a 6-storey car park building and a Kindergarten unit located on the ground floor within the residential block of Wo Yat House (Block A). A total of 379 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tseung Kwan O Town Lot No. 52 and 728/82,796 equal and undivided shares of and in the Remaining Portion of Tseung Kwan O Town Lot No. 52, and is held under Government Lease for a term of 50 years from 28 November 1997.										
94	Retail and Car Park within Ching Wah Court	9,118	348	9.6	4.03%	250.7	7.50%	236.8	243.8	3.95%	9.03%
Brief Description:	Retail and Car Park within Ching Wah Court comprises a 3-storey commercial/car park building. The property was completed in 1984. A total of 348 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tsing Yi Town Lot No. 100 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										
95	Retail and Car Park within Hong Yat Court	7,040	355	9.9	4.01%	249.3	7.50%	235.8	242.6	4.10%	9.04%
Brief Description:	Retail and Car Park within Hong Yat Court, completed in 1993, comprises a 7-storey car park building with a Kindergarten on the Level 13 (6th floor) in Hong Yat Court. A total of 355 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 4,582/99,200 equal and undivided shares of and in New Kowloon Inland Lot No. 6329 and is held under Government Lease for a term of 50 years from 5 February 2001.										
96	Car Park within Tin Yuet Estate	0	560	9.7	4.00%	248.9	7.50%	235.2	242.1	4.00%	9.03%
Brief Description:	Car Park within Tin Yuet Estate comprises a 4-storey (including a mezzanine floor) car park building completed in 2000. A total of 560 parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises portion of 50,802/297,568 equal and undivided shares of and in Tin Shui Wai Town Lot No. 41 and is held under Government Lease for a term of 50 years from 8 June 2010.										
97	Retail and Car Park within Tong Ming Court	21,283	291	8.3	3.96%	232.8	7.50%	219.5	226.2	3.65%	9.02%
Brief Description:	Retail and Car Park within Tong Ming Court comprises a 5-storey car park building with various retail shop units and a children & youth centre on the ground floor, and a Day Nursery on the ground floor of Tong Wong House and a Kindergarten on the ground floor of Tong Fu House completed in 1999. A total of 291 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tseung Kwan O Town Lot No. 54 and 1,153/98,512 equal and undivided shares of and in the Remaining Portion of Tseung Kwan O Town Lot No. 54, and is held under Government Lease for a term commencing from 26 June 1997 to 30 June 2047.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
98	Car Park within Tsz Man Estate	0	364	10.1	4.50%	221.2	7.50%	217.1	219.2	4.62%	9.31%
	Brief Description:	Car Park within Tsz Man Estate comprises a 4-storey car park building as well as Associated Areas in Tsz Man Estate completed in 1994. A total of 364 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 9,121/139,291 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6441 and is held under Government Lease for a term of 50 years from 28 February 2008.									
99	Car Park within Ka Tin Court	0	348	9.0	4.00%	223.8	7.50%	211.5	217.7	4.16%	9.04%
	Brief Description:	Car Park within Ka Tin Court comprises a 3-storey car park building in Ka Tin Court completed in 1988. A total of 348 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Sha Tin Town Lot No. 290 and is held under Government Lease for a term of 99 years less 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.									
100	Car Park within Wang Fuk Court	0	408	7.7	3.60%	214.1	7.50%	196.1	205.1	3.77%	8.81%
	Brief Description:	Car Park within Wang Fuk Court comprises a 5-storey with basement level car park completed in 1983. A total of 408 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tai Po Town Lot No. 27 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.									
101	Car Park within Tin King Estate	0	380	8.2	3.90%	206.9	7.50%	194.0	200.5	4.07%	8.98%
	Brief Description:	Car Park within Tin King Estate comprises the ground floor, second floor, third floor, portions of fourth floor and fifth floor, roof and upper roof of a 5-storey Car Park Block as well as Open Car Parks in Tin King Estate completed in 1989. A total of 380 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 4,036/197,161 equal and undivided shares of and in Tuen Mun Town Lot No. 444 and is held under Government Lease for a term of 50 years from 18 March 1999.									
102	Retail and Car Park within Tsui Wan Estate	8,561	182	7.6	3.91%	205.7	7.50%	191.6	198.7	3.82%	8.93%
	Brief Description:	Retail and Car Park within Tsui Wan Estate, completed in 1993, comprises various self-standing single-storey retail units and a 3-storey retail/office building (Commercial Accommodation) and a single-storey car park building (Car Park Block) as well as Open Car Parks in Tsui Wan Estate. A total of 182 car parking spaces are provided in the property.									
	Title Details:	The property is held by Link Properties Limited. It comprises 3,254/123,068 equal and undivided shares of and in Chai Wan Inland Lot No. 166 and is held under Government Lease for a term of 50 years from 18 March 1999.									

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Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Analysis			
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2018 (HK\$M)	Initial Yield	Indicated IRR
103	Retail and Car Park within Tin Wah Estate	1,476	287	8.0	3.95%	201.1	7.50%	188.2	194.7	4.12%	8.97%
Brief Description:	Retail and Car Park within Tin Wah Estate, completed in 1999, comprises two retail shops on the ground floor and the car parking spaces on the ground to second floors of a 7-storey Ancillary Facilities Block in Tin Wah Estate. A total of 287 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 11,225/236,423 equal and undivided shares of and in Tin Shui Wai Town Lot No. 43 and is held under Government Lease for a term of 50 years from 12 May 2010.										
104	Car Park within Ning Fung Court	0	299	7.4	3.70%	199.5	7.50%	184.2	191.9	3.87%	8.86%
Brief Description:	Car Park within Ning Fung Court comprises a 3-storey car park building completed in 2001. A total of 299 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 3,072/78,707 equal and undivided shares of and in Kwai Chung Town Lot No. 477 and is held under a Government Lease for a term of 50 years from 15 October 1999.										
105	Retail and Car Park within Tin Yat Estate	8,784	446	7.8	4.20%	191.7	7.50%	183.9	187.8	4.13%	9.15%
Brief Description:	Retail and Car Park within Tin Yat Estate, completed in 2001, comprises a 7-storey car park building with a kindergarten on the ground floor as well as Open Car Parks in Tin Yat Estate. A total of 446 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 15,485/226,221 equal and undivided shares of and in Tin Shui Wai Town Lot No. 42 and is held under Government Lease for a term of 50 years from 28 October 2008.										
106	Car Park within Po Pui Court	0	277	7.5	3.90%	190.8	7.50%	178.9	184.9	4.07%	8.98%
Brief Description:	Car Park within Po Pui Court comprises a 3-storey car park building completed in 1995. A total of 277 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Kwun Tong Inland Lot No. 728 and is held under Government Lease for a term commencing from 8 February 1994 to 30 June 2047.										
107	Car Park within Tsui Ping South Estate	5,275	229	8.0	4.65%	177.9	7.50%	175.9	176.9	4.51%	9.37%
Brief Description:	Car Park within Tsui Ping South Estate comprises a 3-storey car park building (Car Park Block) with estate management office on second floor as well as Open Car Park within Tsui Ping (South) Estate completed in 1990. A total of 229 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 6,785/291,576 equal and undivided shares of and in the Remaining Portion of Kwun Tong Inland Lot No. 755 and is held under Government Lease for a term of 50 years from 27 November 2009.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis	
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield
108 Car Park within Ying Ming Court										
		0	274	7.0	3.90%	182.1	7.50%	170.8	176.5	3.96% 8.98%
Brief Description:	Car Park within Ying Ming Court comprises a 2-storey carport building completed in 1989. A total of 274 car parking spaces are provided in the property.									
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Junk Bay Town Lot No. 4 and is held under Government Lease for a term of 99 years commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.									
109 Retail and Car Park within Yan Ming Court										
		7,019	262	6.8	3.94%	181.2	7.50%	170.2	175.7	3.88% 8.99%
Brief Description:	Retail and Car Park within Yan Ming Court comprises a 3-storey commercial/car park centre completed in 1990. A total of 262 car parking spaces are provided in the property.									
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Junk Bay Town Lot No. 9 and is held under Government Lease for a term commencing from 22 January 1987 to 30 June 2047.									
110 Car Park within Lai On Estate										
		0	181	7.2	4.40%	169.0	7.50%	164.6	166.8	4.33% 9.26%
Brief Description:	Car Park within Lai On Estate comprises a 3-storey car park building and Open Car Parks in Lai On Estate completed in 1993. A total of 181 car parking spaces are provided in the property.									
Title Details:	The property is held by Link Properties Limited. It comprises 5,099/90,111 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6482 and is held under Government Lease for a term of 50 years from 6 March 2009.									
111 Car Park within Ming Nga Court										
		0	345	6.0	3.50%	169.2	7.50%	153.6	161.4	3.73% 8.75%
Brief Description:	Car Park within Ming Nga Court comprises a 3-storey (including basement level) car park building completed in 1985. A total of 345 car parking spaces are provided in the property.									
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tai Po Town Lot No. 36 that is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended until 30 June 2047.									
112 Car Park within Yue On Court										
		0	296	5.8	3.90%	153.9	7.50%	144.0	149.0	3.87% 8.96%
Brief Description:	Car Park within Yue On Court comprises a 5-storey car park building with an office on the ground floor completed in 1988. A total of 296 car parking spaces are provided in the property.									
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Ap Lei Chau Inland Lot No. 117 and is held under Government Lease for a term of 75 years commencing from 1 February 1982 and renewable for further 75 years.									

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Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Analysis			
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate	Value (HK\$M)	Value as at 31 March 2018 (HK\$M)	Initial Yield	Indicated IRR
113 Retail and Car Park within Tsz Oi Court											
		13,306	199	6.0	4.38%	150.6	7.50%	146.2	148.4	4.04%	9.24%
Brief Description:	Retail and Car Park within Tsz Oi Court comprises a 6-storey car park building with a kindergarten on the sixth floor and another free standing Kindergarten in Phase III of Tsz Oi Court. The property was built in phases from 1997 to 2000. A total of 199 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6211 that is held under a Government lease for a term from 9 June 1995 to 30 June 2047. It also comprises 699/113,761 equal and undivided shares of and in New Kowloon Inland Lot No. 6265, and is held under Government Lease for a term of 50 years from 7 May 1999.										
114 Car Park within Yee Kok Court											
		0	240	5.5	3.70%	149.9	7.50%	138.4	144.2	3.79%	8.87%
Brief Description:	Car Park within Yee Kok Court comprises a 5-storey with basement level car park building completed in 1981. A total of 240 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 5911 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended to 30 June 2047.										
115 Retail and Car Park within Nam Cheong Estate											
		8,112	156	5.2	3.93%	148.7	7.50%	139.5	144.1	3.61%	8.98%
Brief Description:	Retail and Car Park within Nam Cheong Estate comprises a single-storey car park building (Car Park Block). In addition, the property includes various shop units located on the ground floor within the residential blocks of Cheong Shun House, Cheong Yat House, Cheong On House and Cheong Yin House and various Open Car Parks in Nam Cheong Estate. The property was completed in 1989. A total of 156 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 3,670/109,764 equal and undivided shares of and in New Kowloon Inland Lot No. 6427 and is held under Government Lease for a term of 50 years from 17 August 2005.										
116 Car Park within Sau Mau Ping (I) Estate											
		0	395	4.9	3.50%	145.1	7.50%	131.8	138.5	3.54%	8.75%
Brief Description:	Car Park within Sau Mau Ping (I) Estate comprises a 3-storey car park (Multi-storey Car Park B) within the residential block of Sau Ming House as well as the Integrated Commercial/Car Park Accommodation on the ground floor and the roof of Sau Ming House and Associated Areas in Sau Mau Ping (I) Estate completed in 2002. A total of 395 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 14,364/833,450 and portion of 10/833,450 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6453 and is held under Government Lease for a term of 50 years from 23 February 2007.										
117 Retail and Car Park within Sau Mau Ping (III) Estate											
		1,507	205	5.7	4.14%	132.8	7.50%	125.8	129.3	4.37%	9.06%
Brief Description:	Retail and Car Park within Sau Mau Ping (III) Estate, completed in 1996, comprises a 4-storey car park (Car Park Block) with a retail unit located on the ground floor of Sau Mau Ping (III) Estate. A total of 205 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 7,222/833,450 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 6453 and is held under Government Lease for a term of 50 years from 23 February 2007.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
118 Car Park within Ching Wang Court											
		0	179	4.8	3.90%	127.1	7.50%	119.2	123.2	3.90%	8.97%
Brief Description:	Car Park with Ching Wang Court comprises a 2-storey car park building in Ching Wang Court completed in 2001. A total of 179 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 2,516/36,665 equal and undivided shares of and in Tsing Yi Town Lot No. 137 and is held under Government Lease for a term of 50 years from 20 April 1999.										
119 Retail and Car Park within Lok Nga Court											
		12,616	265	4.3	3.68%	127.2	7.50%	117.5	122.4	3.53%	8.86%
Brief Description:	Retail and Car Park within Lok Nga Court comprises a 5-storey Car Park Block with an indoor sports hall on Level 6 as well as Open Car Parks located at the centre of Lok Nga Court completed in 1984. A total of 265 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 5969 and 1/28,952 equal and undivided shares of and in the Remaining Portion of New Kowloon Inland Lot No. 5969, and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended until 30 June 2047.										
120 Retail and Car Park within Ying Fuk Court											
		786	163	4.7	4.06%	124.3	7.50%	117.7	121.0	3.87%	9.05%
Brief Description:	Retail and Car Park within Ying Fuk Court comprises a 4-storey split-level car park building with a shop unit located on the ground floor (Car Park Block) completed in 2001. A total of 163 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in the Remaining Portion of New Kowloon Inland Lot No. 6266 and is held under Government Lease for a term of 50 years from 7 May 1999.										
121 Car Park within Kam On Court											
		0	238	4.7	3.90%	121.4	7.50%	113.9	117.7	4.01%	8.98%
Brief Description:	Car Park within Kam On Court comprises a 3-storey car park building completed in 1987. A total of 238 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Sha Tin Town Lot No. 283 and is held under Government Lease for a term of 99 years less the last 3 days commencing from 1 July 1898 and has been statutorily extended until 30 June 2047.										
122 Car Park within Upper Ngau Tau Kok Estate											
		0	228	5.1	4.40%	118.4	7.50%	115.4	116.9	4.36%	9.26%
Brief Description:	Car Park within Upper Ngau Tau Kok Estate comprises a 3-storey car park building as well as Associated Areas in Upper Ngau Tau Kok Estate completed in 2002. A total of 228 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 9,334/126,664 equal and undivided shares of and in New Kowloon Inland Lot No. 6471 and is held under Government Lease for a term of 50 years from 6 May 2008.										
123 Car Park within San Wai Court											
		0	185	4.0	3.90%	100.4	7.50%	94.2	97.3	4.12%	8.98%
Brief Description:	Car Park within San Wai Court comprises a 3-storey car park building (Multi-storey Car Park) completed in 1990. A total of 185 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tuen Mun Town Lot No. 326 and is held under Government Lease for a term commencing from 3 January 1989 to 30 June 2047.										

Valuation Report

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
124 Car Park within King Lai Court											
		0	158	3.6	3.70%	100.9	7.50%	93.1	97.0	3.67%	8.87%
Brief Description:	Car Park within King Lai Court comprises a 3-storey car park block and open car parks in King Lai Court completed in 1989. A total of 158 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 5943 and is held under Government Lease for a term commencing from 4 March 1985 to 30 June 2047.										
125 Car Park within Yee Nga Court											
		0	159	3.5	3.70%	100.4	7.50%	92.7	96.6	3.65%	8.86%
Brief Description:	Car Park within Yee Nga Court comprises a total of 159 car parking spaces on the ground floor of Yee Nga Court completed in 1993.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tai Po Town Lot No. 120 and is held under Government Lease for a term commencing from 22 May 1991 and expiring on 30 June 2047.										
126 Retail and Car Park within Tai Ping Estate											
		3,339	101	3.5	3.92%	96.3	7.50%	89.6	93.0	3.77%	8.91%
Brief Description:	Retail and Car Park within Tai Ping Estate, completed in 1989, comprises a 2-storey car park building (Car Park Block) with retail shops on the ground floor of Ping Hay House (Portions of the Integrated HA Accommodation). In addition, it includes Open Car Parks in Tai Ping Estate. A total of 101 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 2,787/86,121 equal and undivided shares of and in Fanling Sheung Shui Town Lot No. 223 and is held under Government Lease for a term of 50 years from 24 January 2002.										
127 Car Park within Tin Yau Court											
		0	192	3.4	3.90%	91.7	7.50%	86.0	88.9	3.78%	8.97%
Brief Description:	Car Park within Tin Yau Court comprises a 3-storey car park building (Carport) completed in 1992. A total of 192 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of Tin Shui Wai Town Lot No. 10 and is held under Government Lease for a term commencing from 23 January 1992 to 30 June 2047.										
128 Retail and Car Park within Hung Hom Estate											
		3,994	45	2.7	3.77%	85.5	7.50%	78.9	82.2	3.29%	8.86%
Brief Description:	Retail and Car Park within Hung Hom Estate comprises a single-storey car park building (Car Park Block). In addition, the property includes various shop units on the lower ground floor of Hung Fai House as well as Open Car Parks in Hung Hom Estate. The property was completed in 1999. A total of 45 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 1,573/51,548 equal and undivided shares of and in Hung Hom Inland Lot No. 554 and is held under Government Lease for a term of 50 years from 29 August 2008.										
129 Car Park within Fung Lai Court											
		0	134	2.8	3.70%	82.1	7.50%	75.7	78.9	3.55%	8.87%
Brief Description:	Car Park within Fung Lai Court comprises a 3-storey car park building and various open car parks in Fung Lai Court completed in 1997. A total of 134 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 1,512/33,911 equal and undivided shares of and in New Kowloon Inland Lot No. 6240 and is held under Government Lease for a term of commencing from 7 June 1996 to 30 June 2047.										

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis	
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield
130 Car Park within Hong Keung Court										
		0	93	3.1	4.20%	79.3	7.50%	76.0	77.7	4.01% 9.14%
Brief Description:	Car Park within Hong Keung Court comprises a 2-storey Car Park Block and a self-use office in Hong Keung Court completed in 1999. A total of 93 car parking spaces are provided in the property.									
Title Details:	The property is held by Link Properties Limited. It comprises the Remaining Portion of New Kowloon Inland Lot No. 6239 and is held under Government Lease for a term of 50 years from 8 January 1999.									
131 Retail and Car Park within Hong Shui Court										
		345	102	2.7	3.90%	67.5	7.50%	63.3	65.4	4.17% 8.98%
Brief Description:	Retail and Car Park within Hong Shui Court comprises a 2-storey Car Park Block with a commercial unit located on the Level 2 completed in 1999. A total of 102 car parking spaces are provided in the property.									
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6227 and is held under Government Lease for a term of 50 years from 14 May 1998.									
132 Car Park within Kwai Hong Court										
		0	88	2.2	4.00%	62.2	7.50%	58.8	60.5	3.65% 9.04%
Brief Description:	Car Park within Kwai Hong Court comprises a 3-storey car park building completed in 1993. A total of 88 car parking spaces are provided in the property.									
Title Details:	The property is held by Link Properties Limited. It comprises 1,100/35,351 equal and undivided shares of and in Kwai Chung Town Lot No. 420 and is held under Government Lease for a term of commencing from 1 March 1990 to 30 June 2047.									
133 Retail and Car Park within Tin Wang Court										
		9,946	79	2.1	4.04%	59.5	7.50%	56.7	58.1	3.61% 9.08%
Brief Description:	Retail and Car Park within Tin Wang Court comprises a 3-storey Car Park Block with a kindergarten located on the second floor completed in 1992. A total of 79 car parking spaces are provided in the property.									
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in the Remaining Portion of New Kowloon Inland Lot No. 6131 and is held under Government Lease for a term commencing from 21 May 1991 to 30 June 2047.									
134 Car Park within Pang Ching Court										
		0	67	1.7	4.30%	42.4	7.50%	41.0	41.7	4.05% 9.20%
Brief Description:	Car Park within Pang Ching Court comprises various open car parks in Pang Ching Court completed in 1991. A total of 67 car parking spaces are provided in the property.									
Title Details:	The property is held by Link Properties Limited. It comprises all that piece or parcel of ground in Section A of New Kowloon Inland Lot No. 6121 and is held under Government Lease for a term commencing from 21 September 1990 to 30 June 2047.									
135 Car Park within Lower Wong Tai Sin (I) Estate										
		0	70	1.4	3.70%	36.8	7.50%	34.0	35.4	3.91% 8.88%
Brief Description:	Car Park within Lower Wong Tai Sin (I) Estate comprises two open car parking areas (Open Car Parks) next to Lung Wah House and Lung Chak House were completed in 1982. A total of 70 car parking spaces are provided in the property.									
Title Details:	The property is held by Link Properties Limited. It comprises 674/240,107 equal and undivided shares of and in New Kowloon Inland Lot No. 6373 and is held under Government Lease for a term of 50 years from 8 February 2001.									

Valuation Report

Property No.	Property Name	IFA (sqft)	Car Park Spaces	Income Capitalisation		DCF Analysis		Value as at 31 March 2018 (HK\$M)	Analysis		
				Net Passing Income HK\$pa (M)	Cap. Rate	Value (HK\$M)	Discount Rate		Value (HK\$M)	Initial Yield	Indicated IRR
136	Car Park within Chuk Yuen (North) Estate	0	61	0.9	4.70%	22.4	7.50%	22.3	22.4	3.97%	9.38%
Brief Description:	Car Park within Chuk Yuen (North) Estate comprises two open car parking areas in Chuk Yuen (North) Estate completed in 1987. A total of 61 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 687/364,071 equal and undivided shares of and in New Kowloon Inland Lot No. 6327 and is held under Government Lease for a term of 50 years from 18 March 1999.										
137	Retail and Car Park within Ko Yee Estate	0	38	0.5	3.64%	13.8	7.50%	11.3	12.6	3.69%	8.02%
Brief Description:	Retail and Car Park within Ko Yee Estate comprises a single-storey car park building (Car Park Block) and a single-storey commercial building (Commercial Block) as well as Open Car Parks in Ko Yee Estate completed in 1994. A total of 38 car parking spaces are provided in the property.										
Title Details:	The property is held by Link Properties Limited. It comprises 1,518/80,343 equal and undivided shares of and in New Kowloon Inland Lot No. 6480 and is held under Government Lease for a term of 50 years from 8 January 2010.										

The above Schedule of Values is a summary of the Full Valuation Report, a comprehensive version (in English) of which is available for inspection at the registered office of the Manager.

Property under Development

No.	Property Name	Site Area (sqft)	Maximum Gross Floor Area (sqft)	Value as at 31 March 2018 (HK\$M)
1	The Quayside	73,658	883,705	8,733.0
Brief Description:	The Quayside, 77 Hoi Bun Road is located at the junction of Hung Yip Street, Wai Yip Street, Shun Yip Street and Hoi Bun Road in Kwun Tong, Kowloon. The property is currently under construction.			
Title Details:	The property is held by Century Land Investment Limited. It comprises the whole of New Kowloon Inland Lot No. 6512 and is held under Conditions of Sale No. 20240 for a term of 50 years commencing from 23 February 2015.			

The above Schedule of Values is a summary of the Full Valuation Report, a comprehensive version (in English) of which is available for inspection at the registered office of the Manager.

Property under Renovation

No.	Property Name	Gross Floor Area (sqft)	Value as at 31 March 2018 (HK\$M)
1	700 Nathan Road, Mong Kok	284,767	5,231.4
	Brief Description:	700 Nathan Road, previously known as Trade and Industry Department Tower is a 23-storey commercial building comprising 2 basement levels (Commercial Accommodation). The property is currently undergoing asset enhancement works.	
	Title Details:	The property is held by Link Monte (HK) Limited. It comprises 24,750/25,000 equal and undivided shares of and in Kowloon Inland Lot No. 10470 and is held under Conditions of Grant No. 11419 for a term of 75 years commencing from 30 May 1980.	

The above Schedule of Values is a summary of the Full Valuation Report, a comprehensive version (in English) of which is available for inspection at the registered office of the Manager.

PRC Properties

No.	Property Name	Income Capitalisation			DCF Analysis		Analysis					
		Retail GFA (sqm)	Office GFA (sqm)	Car Park Spaces	Net Passing Income pa (RMB M)	Cap. Rate	Value (RMB M)	Discount Rate	Value (RMB M)	Value as at 31 March 2018 (RMB M)	Initial Yield	Indicated IRR
1	Link Square, Shanghai	7,375	75,780	226	309.6	4.29%	7,511.0	7.25%	7,063.0	7,290.0	4.25%	6.84%
	Brief Description:	The Property comprises two office towers, a connecting retail podium and pavilion, and basement car parking area with a GFA of 98,080 square metres. The GFA, excluding the car parking area, is 83,155 square metres. The Property was completed in late 2003.										
	Title Details:	The property is held by 上海興邦房地產有限公司 (Shanghai Xing Bang Properties Co., Ltd.).										
2	EC Mall, Beijing	55,423	0	251	129.4	4.50%	2,848.0	7.50%	2,930.0	2,890.0	4.48%	7.67%
	Brief Description:	The Property comprises a retail mall and 251 basement parking spaces with a GFA of 70,946 square metres. The GFA, excluding the car parking area, is 55,423 square metres. The Property was completed in 2009.										
	Title Details:	The property is held by 益颯美置業(天津)有限公司 (ECM Property Holding (Tianjin) Co., Ltd.).										
3	Metropolitan Plaza, Guangzhou	88,726	0	1,177	191.8	4.75%	4,551.0	7.75%	4,347.0	4,449.0	4.31%	7.50%
	Brief Description:	The Property is the shopping mall portion of The Riverside (逸翠灣) (the Whole Development), a comprehensive development comprising 8 towers of residential and a shopping mall. The Property comprises a 5-storey (B1, B2, L1-L3) shopping mall completed in 2011, providing a total GFA of 88,726.34 square metres excluding the car parking area.										
	Title Details:	The Property are registered under strata-title ownership of 271 Realty Title Certificates under the name of Guangzhou Qian Qing Hui Real Estate Company Ltd. (廣州牽晴匯房地產有限公司).										

The above Schedule of Values is a summary of the Full Valuation Report, a comprehensive version (in English) of which is available for inspection at the registered office of the Manager.

HKQAA Assurance Statement



香港品質保證局

VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency (HKQAA) has been commissioned by Link Real Estate Investment Trust (“Link”) to conduct an independent verification of its 2017/2018 Strategic Report and Sustainability Website (www.linkreit.com/sustainability) (herein referred to as “the Report” and “Website” respectively) as those non-sustainability performance data covered are not included. The Report and Website stated Link’s sustainability performance and efforts towards sustainable development for the period from 1 April 2017 to 31 March 2018. It involved the sustainability data from properties across Hong Kong and the energy data from properties across Mainland China (except Metropolitan Plaza in Guangzhou).

The aim of this verification was to provide assurance on the completeness and accuracy of the information stated in the Report and Website and the conformity of the Report and Website to the International <IR> Framework. It was to confirm the Report and Website has been prepared in accordance with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines – Comprehensive Option and the Environmental, Social and Governance (ESG) Reporting Guide of The Stock Exchange of Hong Kong Limited (SEHK).

Independence

HKQAA was not involved in collecting and calculating data, or in the development of the Report and Website. HKQAA’s verification exercises are independent from Link. There is no relationship between Link and HKQAA beyond the contractual agreement for providing the verification service.

Methodology

The process used in this verification was based on current best practices. The Report and Website was reviewed against the following criteria:

- International Standard on Assurance Engagements 3000 (Revised) – “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board;
- The Global Reporting Initiative (GRI) G4 Guidelines and the Construction and Real Estate Sector Disclosures;
- SEHK’s ESG Reporting Guide; and
- The International <IR> Framework issued by the International Integrated Reporting Council

The verification procedure included reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the Report and Website and verifying the selected representative sample of data and information consolidated in the Report and Website. Raw data and supporting evidence of the selected samples were thoroughly examined.

Conclusion

Based on the outcome of the verification process, it is opined that the Report and Website has been prepared in accordance with the Comprehensive Option of the GRI G4 Sustainability Reporting Guidelines and the SEHK’s ESG Reporting Guide. The Report and Website also follows the International <IR> Framework.

The information presented in the Report and Website provided a structured, balanced and consistent representation of Link’s sustainability performance in the context of sustainable development. We are satisfied that the Report and Website includes factual statements and the data contained within the Report and Website are accurate and reliable. It is a fair and honest representation of Link’s initiatives, targets, progress and performance on its sustainable development achievements.

Signed on behalf of Hong Kong Quality Assurance Agency

Jorine Tam

Director, Corporate Business

June 2018

GRI G4 Content Index – Comprehensive

General Standard Disclosures

Section	General Standard Disclosures	Description	Reference
Strategy and Analysis	G4-1	Statement from the most senior decision-maker	Annual Report 2017/2018, Chief Executive Officer's Report
	G4-2	Description of key impacts, risks, and opportunities	Annual Report 2017/2018, Chief Executive Officer's Report, Risk Management
Organizational Profile	G4-3	Name of the organization	Annual Report 2017/2018, inside front cover page
	G4-4	Primary brands, products, and services	Annual Report 2017/2018, inside front cover page
	G4-5	Location of the organization's headquarters	Annual Report 2017/2018, inside back cover page
	G4-6	Number of countries where the organization operates	Annual Report 2017/2018, inside front cover page
	G4-7	Nature of ownership and legal form	Annual Report 2017/2018, Regulatory & Compliance
	G4-8	Markets served	Annual Report 2017/2018, inside front cover page
	G4-9	Scale of the organization	Annual Report 2017/2018, Our Portfolio
	G4-10	Workforce	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Data Tables
	G4-11	Percentage of total employees covered by collective bargaining agreements	Staff are not covered by collective bargaining agreements
	G4-12	Supply chain	Sustainability Website 2017/2018, Engaging Other Stakeholders
	G4-13	Significant changes during the reporting period	No significant changes from previous reporting period
	G4-14	Precautionary approach	Annual Report 2017/2018, Chairman's Statement; Sustainability Website 2017/2018, Environment, Community
	G4-15	External charters, principles, or other initiatives	Sustainability Website 2017/2018, Memberships, Awards & Recognition and Pledges
	G4-16	Memberships of associations	Sustainability Website 2017/2018, Memberships, Awards & Recognition and Pledges
Identified Material Aspects and Boundaries	G4-17	Entities included in the organization's consolidated performance	Annual Report 2017/2018, Consolidated Financial Statements note 32; Sustainability Website 2017/2018, About this Report
	G4-18	Process for defining the report content and the Aspect Boundaries	Annual Report 2017/2018, inside front cover page; Sustainability Website 2017/2018, Performance and Certification
	G4-19	Material aspects	Annual Report 2017/2018, inside front cover page; Sustainability Website 2017/2018, Performance and Certification
	G4-20	Aspect Boundary within the organization	Annual Report 2017/2018, inside front cover page; Sustainability Website 2017/2018, Performance and Certification
	G4-21	Aspect Boundary outside the organization	Annual Report 2017/2018, inside front cover page; Sustainability Website 2017/2018, Performance and Certification
	G4-22	Effect of any restatements	No restatements
	G4-23	Significant changes from previous reporting periods	No significant changes from previous reporting period
Stakeholder Engagement	G4-24	Stakeholder groups engaged by the organization	Annual Report 2017/2018, Engaging with Our Stakeholders; Sustainability Website 2017/2018, Stakeholder Engagement and Materiality Assessment

GRI G4 Content Index – Comprehensive

Section	General Standard Disclosures	Description	Reference
	G4-25	Basis for identification and selection of stakeholders with whom to engage	Sustainability Website 2017/2018, Stakeholder Engagement and Materiality Assessment
	G4-26	Approach to stakeholder engagement	Annual Report 2017/2018, Engaging with Our Stakeholders;
	G4-27	Key topics and concerns raised by stakeholders	Annual Report 2017/2018, Engaging with Our Stakeholders;
Report Profile	G4-28	Reporting period	Annual Report 2017/2018, inside front cover page; Sustainability Website 2017/2018, Reporting Scope
	G4-29	Date of most recent previous report	June 2017
	G4-30	Reporting cycle	Annual Report 2017/2018, inside front cover page; Sustainability Website 2017/2018, Reporting Scope
	G4-31	Contact point for questions regarding the report	Annual Report 2017/2018, inside back cover page
	G4-32	'In accordance' option chosen	Comprehensive; This table; Sustainability Website 2017/2018, About This Report
	G4-33	Assurance	Annual Report 2017/2018, HKQAA Assurance Statement
Governance	G4-34	Governance structure of the organization	Annual Report 2017/2018, Corporate Governance Report
	G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Sustainability Website 2017/2018, Sustainability Management
	G4-36	Executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Sustainability Website 2017/2018, Sustainability Management
	G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	Sustainability Website 2017/2018, Sustainability Management
	G4-38	Composition of the highest governance body and its committees	Sustainability Website 2017/2018, Sustainability Management
	G4-39	The Chair of the highest governance body is also an executive officer	The Chairman of the Board is an independent, non-executive director; Annual Report 2017/2018, Corporate Governance Report
	G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	Annual Report 2017/2018, Corporate Governance Report
	G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	Annual Report 2017/2018, Corporate Governance Report
	G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	Annual Report 2017/2018, Corporate Governance Report
	G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	Sustainability updates are given to the Board; Sustainability Website 2017/2018, Sustainability Management
	G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice	Sustainability updates are given to the Board; Sustainability Website 2017/2018, Sustainability Management

Section	General Standard Disclosures	Description	Reference
	G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes	Sustainability updates are given to the Board; Sustainability Website 2017/2018, Sustainability Management
	G4-46	Highest governance body's roles in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	Sustainability updates are given to the Board; Sustainability Website 2017/2018, Sustainability Management
	G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	Sustainability updates are given to the Board; Sustainability Website 2017/2018, Sustainability Management
	G4-48	Highest committee or position that formally reviews and approves the organization's sustainability website and ensures that all material Aspects are covered	Link's Sustainability Committee meets quarterly to review performance of material aspects
	G4-49	Process for communicating critical concerns to the highest governance body	Sustainability updates are given to the Board; Sustainability Website 2017/2018, Sustainability Management
	G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	No critical concerns identified
	G4-51	Remuneration policies for the highest governance body and senior executives, how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives	Annual Report 2017/2018, Corporate Governance Report
	G4-52	Process for determining remuneration	Annual Report 2017/2018, Corporate Governance Report
	G4-53	Stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals	Link references market pay level on remuneration and regularly seeks external independent consultants advice on remuneration matters; Annual Report 2017/2018, Corporate Governance Report
	G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	Data to calculate mean compensation and compensation ratios are available in Link's Annual Report 2017/2018, Corporate Governance Report and Consolidated Financial Statements
	G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	Data to calculate mean compensation and compensation ratios are available in Link's Annual Report 2017/2018, Corporate Governance Report and Consolidated Financial Statements
Ethics and Integrity	G4-56	Organization's values, principles, standards and norms of behavior	Annual Report 2017/2018, inside front cover page
	G4-57	Internal and external mechanisms for reporting on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	Annual Report 2017/2018, Corporate Governance Report
	G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Annual Report 2017/2018, Corporate Governance Report

GRI G4 Content Index – Comprehensive

Specific Standard Disclosures for Construction and Real Estate Sector

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
Economic		G4-DMA	Disclosure of management approach	Annual Report 2017/2018, Operating Landscape
	Economic Performance	G4-EC1	Direct economic value generated and distributed	Annual Report 2017/2018, Performance Review: Financial Review
		G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Annual Report 2017/2018, Performance Review: Financial Review; Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
		G4-EC3	Coverage of the organization's defined benefit plan obligations	Annual Report 2017/2018, Corporate Governance Report
		G4-EC4	Financial assistance received from government	Not applicable, no material financial assistance received from government
		G4-EC5	Ratios of standard entry wage by gender compared to local minimum wage at significant locations of operation	We comply with the minimum wage ordinance and exceed regulatory requirements of minimum wage legislation by offering out-sourced workers paid lunch break and rest days
	Market Presence	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	The majority of our senior management are drawn from the local community
		G4-EC7	Development and impact of infrastructure investments and services supported	Annual Report 2017/2018, Performance Review: Strategic Priorities
		G4-EC8	Significant indirect economic impacts, including the extent of impacts	Annual Report 2017/2018, Performance Review: Financial Review; Sustainability Website 2017/2018, Performance and Certification
	Procurement Practices	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Annual Report 2017/2018, Regulatory & Compliance
Environmental		G4-DMA	Disclosure of management approach	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
	Materials	G4-EN1	Materials used by weight or volume	We procured HK\$267,309.90 of paper products, other materials used were included in concerned contracts
		G4-EN2	Percentage of materials used that are recycled input materials	N/A
	Energy	G4-EN3	Energy consumption within the organization	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
		G4-EN5	Energy intensity	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
		G4-EN6	Reduction of energy consumption	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
		G4-EN7	Reductions in energy requirements of products and services	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
		CRE1	Building energy intensity	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
	Water	G4-EN8	Total water withdrawal by source	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
		G4-EN10	Percentage and total volume of water recycled and reused	Treated recycled water from cooling towers is for non-potable purposes. Currently no water meters are installed to record the total volume of water recycled and reused
		CRE2	Building water intensity	Building water intensity is 0.13m ³ /sqf (water consumption/sqf)
	Emissions	G4-EN15	Direct Greenhouse Gas (GHG) emissions (Scope 1)	Sustainability Website 2017/2018, Data Tables
		G4-EN16	Energy indirect Greenhouse Gas (GHG) emissions (Scope 2)	Sustainability Website 2017/2018, Data Tables
		G4-EN17	Other indirect Greenhouse Gas (GHG) emissions (Scope 3)	Sustainability Website 2017/2018, Data Tables
		G4-EN18	Greenhouse gas (GHG) emissions intensity	Sustainability Website 2017/2018, Data Tables
		G4-EN19	Reduction of Greenhouse Gas (GHG) emissions	Sustainability Website 2017/2018, Data Tables
		CRE3	Greenhouse Gas emissions intensity from buildings	Greenhouse gas emissions intensity of buildings is 12.84kg CO ₂ e/sqf (greenhouse gas emissions/sqf)* * including 17 properties that are divested in February 2018
		CRE4	Greenhouse Gas emissions intensity from new construction and redevelopment activity	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
		G4-EN22	Total water discharge by quality and destination	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
		G4-EN23	Total weight of waste by type and disposal method	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
		G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
		G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

GRI G4 Content Index – Comprehensive

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
	Overall	G4-EN31	Total environmental protection expenditures and investments by type	We have recorded the below environmental protection expenditures and investment in FY2017/2018: Greening: HK\$8,689,915.2 Link Energy Management Programme: HK\$28,043,240 Environmental Certification: HK\$272,058 Total expenditure: HK\$37,005,213.2 For cost of products and services procured by our service providers, it has been taken account into their contract sum
	Supplier Environmental Assessment	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	All new service providers were screened using relevant environmental criteria; Sustainability Website 2017/2018, Sustainability Management
		G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	No significant actual and potential negative environmental impacts in the supply chain
	Environmental Grievance Mechanisms	CRE5	Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations.	There was no land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designation
Social		G4-DMA	Disclosure of management approach	Sustainability Website 2017/2018, Nurturing a High Quality Team of Staff
Labour Practices and Decent Work	Employment	GA-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Sustainability Website 2017/2018, Data Tables
		G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Sustainability Website 2017/2018, Nurturing a High Quality Team of Staff
		G4-LA3	Return to work and retention rates after parental leave, by gender	Sustainability Website 2017/2018, Data Tables
	Labor/ Management Relations	G4-LA4	Minimum notice period(s) regarding significant operational changes	We notify our employees regarding any significant managerial or operational changes as soon as possible
	Occupational Health and Safety	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Sustainability Website 2017/2018, Data Tables
		G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Sustainability Website 2017/2018, Data Tables
		CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system	There is health and safety management system in place but yet to be verified with internationally recognised standard
	Training and Education	G4-LA9	Average hours of training per year per employee by gender, and by employee category	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Nurturing a High Quality Team of Staff

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
		G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Nurturing a High Quality Team of Staff
		G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	All employees have regular performance and career development plans and reviews
	Diversity and Equal Opportunity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Data Tables
	Equal Remuneration for Women and Men	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	We provide equal opportunities and fair treatment for all employees when it comes to remuneration, benefits, promotion and compensation. We consider this ratio not relevant
	Supplier Assessment for Labor Practices	G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	All new suppliers were screened using labour practices criteria; Sustainability Website 2017/2018, Sustainability Management
		G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	No significant actual and potential negative impacts for labour practices in the supply chain has been identified
	Labor Practices Grievance Mechanisms	G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	No incident of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms reported
Human Rights		G4-DMA	Disclosure of management approach	Sustainability Website 2017/2018, Performance and Certification
	Investment	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Human rights policies and procedures training are incorporated in staff orientation training which are organised periodically
	Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	No incidents of discrimination and corrective actions taken
	Freedom of Association and Collective Bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	No operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk
	Child Labour	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	No incidents of child labour identified

GRI G4 Content Index – Comprehensive

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
	Forced or Compulsory Labour	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	No operations and suppliers identified as having significant risk for incidents of forced or compulsory labour
	Security Practices	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	100% of our security personnel was trained in the organisation's human rights policies and procedures relevant to our operations
	Supplier Human Rights Assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	100% of new suppliers were screened using human rights criteria; Sustainability Website 2017/2018, Sustainability Management
		G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	No actual and potential negative environmental impacts in the supply chain
	Human Rights Grievance Mechanisms	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	No incident of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms
Society		G4-DMA	Disclosure of management approach	Sustainability Website 2017/2018, Creating Value for Community
	Local Communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Annual Report 2017/2018, Help our communities flourish; Sustainability Website 2017/2018, Creating Value for Community
		CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	No incidents of voluntarily and involuntarily displacement or resettlement by development
	Anti-corruption	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	No significant risk has been identified
		G4-SO4	Communication and training on anti-corruption policies and procedures	Communication and training on Link REIT's Code of Conduct is provided on a rolling basis to all employees and governance body members; Sustainability Website 2017/2018, Nurturing a High Quality Team of Staff
		G4-SO5	Confirmed incidents of corruption and actions taken	No incidents of material corruption have been identified
	Public Policy	G4-SO6	Total value of political contributions by country and recipient/beneficiary	No political contributions by country and recipient/beneficiary
	Anti-competitive Behaviour	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	No incident of legal actions for anti-competitive behaviour have been identified
	Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No material non-compliances were identified
	Supplier Assessment for Impacts on Society	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	All new suppliers were screened using criteria for impacts on society

Category	Aspect	Specific Standard Disclosures – Material Aspects	Description	Reference
		G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	No significant actual and potential negative impacts on society in the supply chain
	Grievance Mechanisms for Impacts on Society	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	No incidents of grievances identified
Product Responsibility		G4-DMA	Disclosure of management approach	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
	Customer Health and Safety	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
		G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	No incidents of non-compliance identified
	Product and Service Labeling	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
		G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	No incidents of non-compliance identified
		G4-PR5	Results of surveys measuring customer satisfaction	Annual Report 2017/2018, Help our communities flourish
		G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	No incident of non-compliance
	Customer Privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No incident of substantiated complaints identified in relation to customer privacy
	Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No significant fines received concerning the provision and use of products and services
		CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	Annual Report 2017/2018, Build a productive portfolio, High Quality Investment — Mainland China Footprint; Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship

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Appendix 27 Compliance List

A. Environmental		"Comply or explain" Provisions	
Aspect A1: Emissions			
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydro-fluorocarbons, per fluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	✓	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship, Nurturing a High Quality Team of Staff
KPI A1.1	The types of emissions and respective emissions data.	✓	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship, Data Tables
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	✓	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship, Data Tables
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	N/A	Our business operation does not produce hazardous waste; Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	✓	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
KPI A1.5	Description of measures to mitigate emissions and results achieved.	✓	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	✓	Annual Report 2017/2018, Performance Review: Strategic Priorities; Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship

A. Environmental		“Comply or explain” Provisions	
Aspect A2: Use of Resources			
General Disclosure	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	✓	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship, Nurturing a High Quality Team of Staff
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	✓	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship, Data Tables
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	✓	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship, Data Tables
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	✓	Annual Report 2017/2018, Build a productive portfolio; Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	N/A	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A	We do not manufacture any products
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	✓	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	✓	Sustainability Website 2017/2018, Maintaining Good Environmental Stewardship
B. Social		Recommended Disclosures	
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	✓	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Nurturing a High Quality Team of Staff
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	✓	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Data Tables
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	✓	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Data Tables

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B. Social		Recommended Disclosures	
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	✓	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Nurturing a High Quality Team of Staff
KPI B2.1	Number and rate of work-related fatalities.	✓	We had zero work related fatalities
KPI B2.2	Lost days due to work injury.	✓	Sustainability Website 2017/2018, Data Tables
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	✓	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Nurturing a High Quality Team of Staff
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	✓	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Nurturing a High Quality Team of Staff
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	✓	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Nurturing a High Quality Team of Staff
KPI B3.2	The average training hours completed per employee by gender and employee category.	✓	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Nurturing a High Quality Team of Staff
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	✓	Annual Report 2017/2018, Develop a strong team; Sustainability Website 2017/2018, Nurturing a High Quality Team of Staff, Performance and Certification
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	✓	Link is a signatory of the United Nations Global Compact and as such, has strict policies against employing child and forced labour, which includes our supply chain; Sustainability Website 2017/2018, Performance and Certification
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	✓	Link is a signatory of the United Nations Global Compact and as such, has strict policies against employing child and forced labour, which includes our supply chain; Sustainability Website 2017/2018, Performance and Certification
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	✓	Sustainability Website 2017/2018, Engaging Other Stakeholders, Nurturing a High Quality Team of Staff
KPI B5.1	Number of suppliers by geographical region.	✓	Sustainability Website 2017/2018, Engaging Other Stakeholders, Data Tables
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	✓	Sustainability Website 2017/2018, Engaging Other Stakeholders, Nurturing a High Quality Team of Staff

B. Social		Recommended Disclosures	
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	N/A	This is not applicable to Link, we do not manufacture products
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A	This is not applicable to Link, we do not manufacture products
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	N/A	This is not applicable to Link, we do not manufacture products
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	N/A	This is not applicable to Link, we do not manufacture products
KPI B6.4	Description of quality assurance process and recall procedures.	N/A	This is not applicable to Link, we do not manufacture products
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	N/A	This is not applicable to Link, we do not manufacture products
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	✓	Link has strict policy against bribery, extortion, fraud and money-laundering; Annual Report 2017/2018, Corporate Governance Report; Sustainability Website 2017/2018, Nurturing a High Quality Team of Staff
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	✓	In 2017/2018, we had no legal cases regarding corrupt practice
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	✓	Annual Report 2017/2018, Corporate Governance Report; Sustainability Website 2017/2018, Nurturing a High Quality Team of Staff
Community			
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	✓	Annual Report 2017/2018, Engaging with Our Stakeholders, Help our communities flourish; Sustainability Website 2017/2018, Stakeholder Engagement, Link Together Initiatives
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	✓	Annual Report 2017/2018, Help our communities flourish; Sustainability Website 2017/2018, Link Together Initiatives
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	✓	Annual Report 2017/2018, Help our communities flourish; Sustainability Website 2017/2018, Link Together Initiatives

United Nations Global Compact Index

The United Nations Global Compact (UNGC) is an international initiative outlining ten principles for responsible business in the areas of human rights, labour, the environment and anti-corruption. The principles are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

In September 2012, we signed up to the UNGC to reaffirm our commitment to respect labour standards and human rights, to operate in an environmentally responsible manner and to maintain zero tolerance towards corruption. Here we provide an index to our performance demonstrating the Global Compact's ten principles in our work. We are not in violation of any of the ten principles.

Human Rights	
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2	make sure they are not complicit in human rights abuses.
Labour	
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4	the elimination of all forms of forced and compulsory labour;
Principle 5	the effective abolition of child labour; and
Principle 6	the eliminate of discrimination in respect of employment and occupation.
Environment	
Principle 7	Businesses should support a precautionary approach to environmental challenges;
Principle 8	undertake initiatives to promote greater environmental responsibility; and
Principle 9	encourage the development and diffusion of environmentally friendly technologies.
Human Rights	
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

Five Year Performance Summary

Financial Data

	Year ended 31 March 2018 HK\$'M	Year ended 31 March 2017 HK\$'M	Year ended 31 March 2016 HK\$'M	Year ended 31 March 2015 HK\$'M	Year ended 31 March 2014 HK\$'M
Consolidated income statement					
Revenue	10,023	9,255	8,740	7,723	7,155
Property operating expenses	(2,360)	(2,261)	(2,227)	(2,054)	(1,953)
Net property income	7,663	6,994	6,513	5,669	5,202
General and administrative expenses	(417)	(342)	(368)	(437)	(222)
Change in fair values of investment properties	35,493	11,494	11,263	22,699	13,445
Gains on disposals of investment properties	7,306	1,387	396	445	–
Interest income	19	4	6	32	28
Finance costs	(665)	(567)	(508)	(359)	(393)
Profit before taxation and transactions with Unitholders	49,399	18,970	17,302	28,049	18,060
Taxation	(1,420)	(1,057)	(953)	(819)	(755)
Profit for the year, before transactions with Unitholders	47,979	17,913	16,349	27,230	17,305
Distributions paid to Unitholders	(5,254)	(4,898)	(4,368)	(4,030)	(3,579)
	42,725	13,015	11,981	23,200	13,726
Represented by:					
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back	44,609	12,461	11,404	23,217	13,851
Amount arising from exchange reserve and cash flow hedging reserve movements	(2,102)	352	523	(17)	(125)
Non-controlling interest	218	202	54	–	–
	42,725	13,015	11,981	23,200	13,726
Consolidated statement of distributions					
Profit for the year, before transactions with Unitholders attributable to Unitholders	47,761	17,711	16,295	27,230	17,305
Adjustments:					
– Change in fair values of investment properties attributable to Unitholders	(35,270)	(11,290)	(11,209)	(22,699)	(13,445)
– Deferred taxation on change in fair values of investment properties attributable to Unitholders	368	73	24	–	–
– Other non-cash income	(122)	(107)	(101)	(46)	(30)
– Depreciation charge on investment properties under China Accounting Standards	(150)	(83)	(67)	–	–
– Gains on disposals of investment properties, net of transaction costs	(7,306)	(1,312)	(375)	(421)	–
Total distributable income	5,281	4,992	4,567	4,064	3,830
Discretionary distribution	150	83	67	128	–
Total distributable amount	5,431	5,075	4,634	4,192	3,830
Distribution per unit (HK cents)					
Interim DPU	121.50	111.75	98.99	89.56	80.22
Final DPU	128.28	116.66	107.19	93.28	85.59
Total DPU	249.78	228.41	206.18	182.84	165.81

Five Year Performance Summary

Financial Data (Continued)

		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Assets and liabilities						
Investment properties	HK\$'M	203,091	174,006	160,672	138,383	109,899
Other non-current assets	HK\$'M	811	669	1,816	934	470
Current assets, excluding investment properties held for sale	HK\$'M	12,502	1,265	964	3,827	3,097
Total assets	HK\$'M	216,404	175,940	163,452	143,144	113,466
Current liabilities	HK\$'M	7,225	4,046	4,387	4,880	5,532
Non-current liabilities	HK\$'M	30,111	33,397	31,624	20,158	11,583
Total liabilities, excluding net assets attributable to Unitholders	HK\$'M	37,336	37,443	36,011	25,038	17,115
Non-controlling interest	HK\$'M	474	256	54	–	–
Net assets attributable to Unitholders	HK\$'M	178,594	138,241	127,387	118,106	96,351
Interest bearing liabilities to total assets	%	11.9	15.6	16.5	11.9	11.0
Total liabilities to total assets	%	17.3	21.3	22.0	17.5	15.1
Valuation of investment properties	HK\$'M	203,091	174,006	160,672	138,383	109,899
Valuation capitalisation rate						
– Hong Kong (weighted average)	%	4.01	4.57	4.59	4.61	5.27
– Mainland China						
– Retail	%	4.50 – 4.75	4.50	4.50 – 5.00	N/A	N/A
– Office	%	4.25	4.25	4.00	N/A	N/A
Net assets per unit attributable to Unitholders	HK\$	83.06	62.47	56.79	51.53	41.69
Closing price per unit	HK\$	67.00	54.45	46.00	47.80	38.15
Market capitalisation	HK\$'M	144,054	120,498	103,185	109,547	88,160
Discount of unit price to net assets per unit attributable to Unitholders	%	19.3	12.8	19.0	7.2	8.5
Units in issue		2,150,058,972	2,213,002,276	2,243,148,136	2,291,770,269	2,310,889,561

Portfolio Data

		Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Hong Kong Portfolio						
Average monthly unit rent at year end	HK\$ psf	62.4	55.3	50.0	45.4	42.1
Average monthly unit rent excluding self use office, Education/Welfare and Ancillary at year end	HK\$ psf	66.7	58.9	53.7	48.7	45.3
Reversion rate						
– Shops	%	31.2	23.4	29.0	23.3	25.8
– Overall	%	29.1	23.8	25.9	22.0	25.7
Occupancy rate at year end	%	97.0	96.1	96.0	94.8	94.4
Net property income margin	%	76.4	75.3	74.6	73.4	72.7
Number of turnover rent leases (excluding ancillary) at year end		4,463	4,927	5,250	5,124	5,193
Car park income per space per month	HK\$	2,492	2,239	2,022	1,767	1,566
Mainland China Portfolio						
Reversion rate						
– Retail	%	38.9	32.6	39.1	N/A	N/A
– Office	%	13.3	10.8	12.8	N/A	N/A
Occupancy rate at year end						
– Retail	%	99.5	99.6	99.5	N/A	N/A
– Office	%	99.3	100.0	100.0	N/A	N/A
Performance Data						
The highest premium of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	N/A	N/A	N/A	2.12	4.71
The highest discount of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	(28.86)	(17.37)	(16.29)	(14.13)	(8.39)
Net yield per unit (Note (ii))	%	3.7	4.2	4.5	3.8	4.3
Net yield per unit on listing price of HK\$10.30 per unit	%	24.3	22.2	20.0	17.8	16.1

Notes:

- (i) The highest premium and discount are calculated based on the highest and lowest traded prices of HK\$75.00 (2017: HK\$58.30) and HK\$54.20 (2017: HK\$45.10) respectively on The Stock Exchange of Hong Kong Limited during the year. During the year, the highest traded price was lower than the net assets per unit attributable to Unitholders as at year end date. Accordingly, no premium of the traded price to net assets per unit attributable to Unitholders was presented at 31 March 2018.
- (ii) Net yield per unit is calculated based on distribution per unit for the year ended 31 March 2018 of HK\$249.78 cents (2017: HK\$228.41 cents) over the closing price as at 31 March 2018 of HK\$67.00 (2017: HK\$54.45).

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 2,150,058,972 units in issue as at 31 March 2018. Further details of units in issue are set out in Note 25 to the consolidated financial statements.

Financial Calendar

Final results announcement for the financial year ended 31 March 2018	6 June 2018
Ex-final distribution date	20 June 2018
Closure of register of Unitholders (for final cash distribution) ⁽¹⁾	22 June to 26 June 2018 (both days inclusive)
Record date for final cash distribution	26 June 2018
Final cash distribution payment date	5 July 2018
Closure of register of Unitholders (for the 2018 AGM) ⁽²⁾	20 July to 25 July 2018 (both days inclusive)
2018 AGM	25 July 2018
Interim results announcement for the six months ending 30 September 2018	November 2018

Notes:

- (1) In order to qualify for the final cash distribution of HK128.28 cents per unit for the year ended 31 March 2018, 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 21 June 2018.
- (2) In order for Unitholders to be eligible to attend and vote at the 2018 AGM, all transfer documents accompanied by the relevant unit certificates must be lodged with Link's unit registrar, Computershare Hong Kong Investor Services Limited (at the address above), for registration not later than 4:30 p.m. on 19 July 2018.

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)

Mobile App



Linkhk.com
 Park & Dine Mobile App

Index Inclusion

Link is a component of the following selected indices:

Dow Jones Sustainability Asia Pacific Index

FTSE4Good Index
 FTSE All-World Index Series
 FTSE EPRA⁽¹⁾/NAREIT⁽²⁾ Global Real Estate Index Series
 FTSE EPRA⁽¹⁾/NAREIT⁽²⁾ Developed Index
 FTSE EPRA⁽¹⁾/NAREIT⁽²⁾ Developed Asia Index
 FTSE RAFI All World 3000
 Russell RAFI 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
 GPR⁽³⁾ General Quoted (World) Index
 GPR⁽³⁾ General Quoted Asia Index
 GPR⁽³⁾ General Quoted Hong Kong Index
 GPR⁽³⁾ Global 100 Index
 GPR⁽³⁾ IPCM⁽⁴⁾ LFFS⁽⁵⁾ Sustainable GRES⁽⁶⁾ Index

Hang Seng Index
 Hang Seng REIT Index
 Hang Seng Corporate Sustainability Index

GPR⁽³⁾/APREA⁽⁷⁾ Composite Index
 GPR⁽³⁾/APREA⁽⁷⁾ Composite Hong Kong Index
 GPR⁽³⁾/APREA⁽⁷⁾ Composite REIT Index
 GPR⁽³⁾/APREA⁽⁷⁾ Composite REIT Hong Kong Index
 GPR⁽³⁾/APREA⁽⁷⁾ Investable 100 Index
 GPR⁽³⁾/APREA⁽⁷⁾ Investable 100 Hong Kong Index
 GPR⁽³⁾/APREA⁽⁷⁾ Investable REIT 100 Index

Notes:

- (1) European Public Real Estate Association
- (2) National Association of Real Estate Investment Trusts
- (3) Global Property Research
- (4) Inflection Point Capital Management
- (5) La Française Forum Securities
- (6) Global Real Estate Securities
- (7) Asia Pacific Real Estate Association

Definitions and Glossary

2007 LTI Plan	the long-term incentive plan of Link adopted by Unitholders on 23 July 2007 and expired on 22 July 2017
2017 LTI Scheme	the long-term incentive scheme of Link adopted by the Board on 10 July 2017
2017 AGM	the annual general meeting of Unitholders held on 26 July 2017
2018 AGM	the annual general meeting of Unitholders scheduled to be held on 25 July 2018
Articles of Association	articles of association of the Manager
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
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	the 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
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 (among others) the key processes, systems and measures in respect of Link’s operations and the corporate governance policy of Link
COO	Chief Operating Officer of the Manager
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(s)	Executive Director(s) of the Manager (unless the context requires otherwise)
ESG	environmental, social and governance
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, 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) as a cap to property development activities of Link under the REIT Code

Group	Link and its subsidiaries (unless the context requires otherwise)
HK CCI	Hong Kong Consumer Confidence Index, which is developed by The Nielsen Company (Hong Kong) Limited. Target respondents are Hong Kong general consumers who aged 15 and above. Interviews are conducted via online for around 500 samples in each quarter
Hong Kong or HKSAR	Hong Kong Special Administrative Region of The People's Republic of China
Hong Kong Stock Exchange or Stock Exchange or SEHK	The Stock Exchange of Hong Kong Limited
INED(s)	Independent Non-Executive Director(s) of the Manager (unless the context requires otherwise)
KPI(s)	Key Performance Indicator(s)
KRI	Key Risk Indicators
lease	a lease or a tenancy agreement (both of which grant a possessionary interest) or a licence (which merely constitutes an authority to do something) in respect of premises at the retail properties granted to a tenant
LEED-EBOM	LEED for Existing Buildings: Operations & Maintenance
Link or Link REIT	Link Real Estate Investment Trust
Link Corporate Governance Policy	the corporate governance policy set out in the Compliance Manual
Link CSI	Link Community Sentiment Index, which is developed based on the methodology of HK CCI. The target respondents are shoppers aged 15 and above of Link's shopping centres, across 16 districts in Hong Kong. Face to face interviews are conducted per quarter in 20 selected shopping centres for 720 samples. Interview period of Link CSI may be different from HK CCI within the quarter
Link Securities Dealing Code	the code governing dealings in securities of Link by Directors, senior management and other employees of certain senior grades of the Manager
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Listing Rules Corporate Governance Code	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules
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	note(s) issued or to be issued from time to time pursuant to the Guaranteed Euro Medium Term Note Programme established by The Link Finance (Cayman) 2009 Limited (a wholly-owned subsidiary of Link) in May 2009
NED	Non-Executive Director of the Manager (unless the context requires otherwise)

Definitions and Glossary

NGO(s)	Non-governmental organisation(s)
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 currently Jones Lang LaSalle Limited
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 The People's Republic of China
SFC	Securities and Futures Commission of Hong Kong
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
significant holder or significant Unitholder	has the meaning of "significant holder" under 8.1(d) of Chapter 8 of the REIT Code (i.e. holder of an interest of 10% or more in the units of Link)
SPVs	special purpose vehicles (within the meaning of the REIT Code and the Trust Deed)
sqm	square metre
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 Operating Officer)

Non-Executive Director

Ian Keith GRIFFITHS

Independent Non-Executive Directors

Christopher John BROOKE⁽¹⁾
William CHAN Chak Cheung⁽²⁾
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

Chief Financial Officer of the Manager

NG Kok Siong

Company Secretary of the Manager

Ricky CHAN Ming Tak

Responsible Officers of the Manager⁽³⁾

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

Authorised Representatives⁽⁴⁾

Andy CHEUNG Lee Ming
Ricky CHAN Ming Tak

Trustee

HSBC Institutional Trust Services (Asia) Limited

Auditor

PricewaterhouseCoopers

Principal Valuer

Jones Lang LaSalle 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) Appointed on 1 May 2018

(2) Retired on 9 November 2017

(3) Required by the SFO

(4) Required by the Listing Rules

Link Real Estate Investment Trust
[Linkreit.com](https://www.linkreit.com)

