



Link Real Estate Investment Trust
Stock code: 823



TOGETHER WE GROW



Interim Report 2018/2019



WE LINK PEOPLE TO A BRIGHTER FUTURE

Link Real Estate Investment Trust is the first REIT listed on the Hong Kong Stock Exchange and is a constituent of the Hang Seng Index. We are the largest REIT and the only internally managed REIT in Asia. We are also one of the world's largest retail-focused REITs in terms of market capitalisation. With a diversified portfolio that consists of retail 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.

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

Why an Integrated Interim Report

This is Link's Integrated Interim Report for the period ended 30 September 2018 and covers our operations in Hong Kong and Mainland China. Since 2013/2014, Link has adopted the International Integrated Reporting Council's Integrated Reporting <IR> Framework as a way of communicating the total impact of our business in a more compelling manner. We take specific care to highlight the interactions among the financial, environmental, social and governance factors of our business and to underline their influence on our long-term sustainable development. This approach allows us to present a comprehensive, but concise, overview of how we create value for different stakeholders.

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

Our Approach to Reporting

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



Access our corporate website
for further information



CONTENTS

Overview

Introduction	Inside front
Portfolio in Brief	2
Interim Highlights	4
Value Creation Model	6

Strategy and Performance

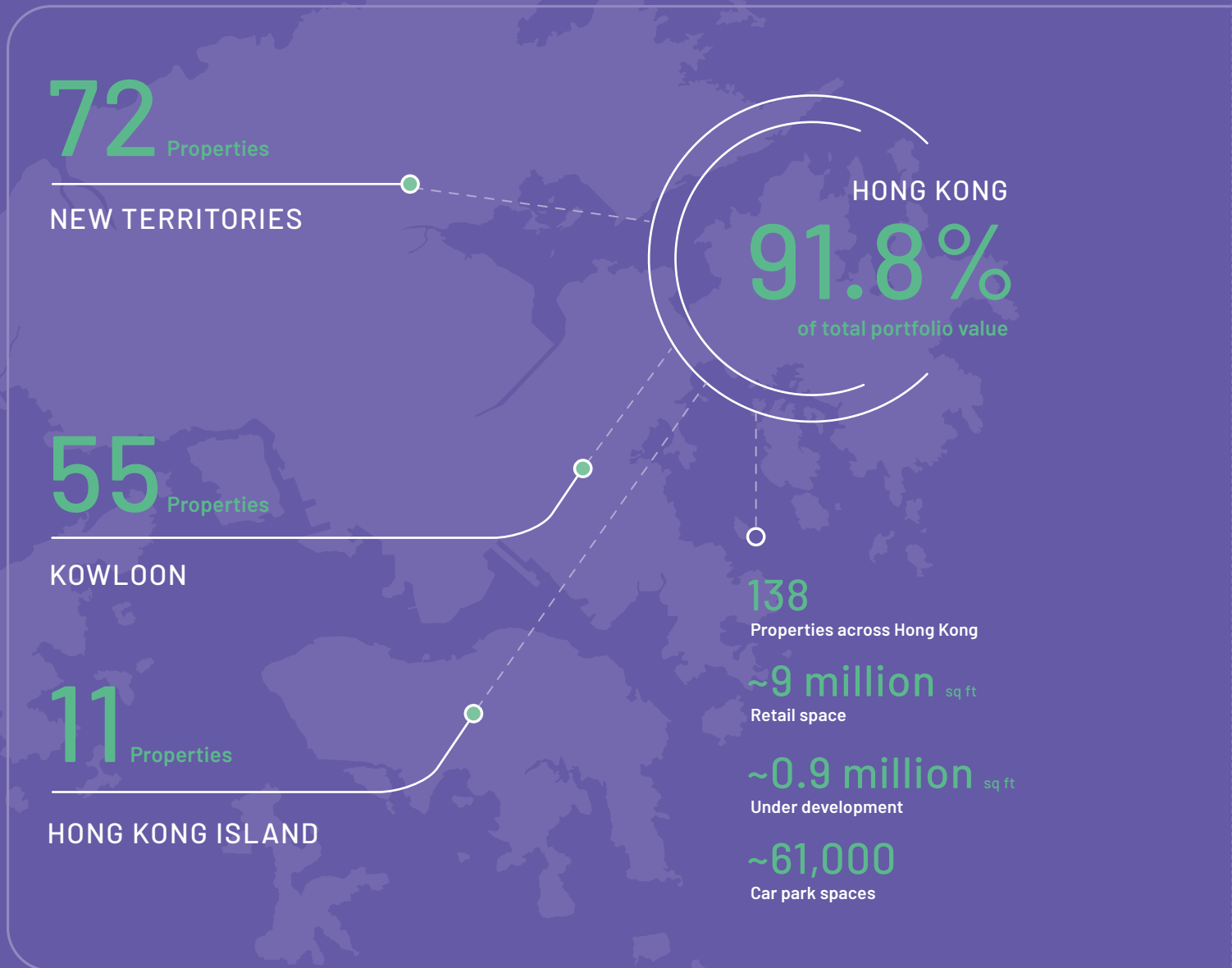
Chairman's Statement	8
Chief Executive Officer's Report	10
Operating Landscape	12
Strategic Priorities	14

Governance and Financials

Corporate Governance	26
Disclosures	31
Auditor's Review Report	43
Condensed Consolidated Interim Financial Information	
- Condensed Consolidated Income Statement	44
- Condensed Consolidated Statement of Comprehensive Income	45
- Consolidated Statement of Distributions	46
- Condensed Consolidated Statement of Financial Position	47
- Condensed Consolidated Statement of Changes in Equity and Net Assets Attributable to Unitholders	48
- Condensed Consolidated Statement of Cash Flows	49
- Notes to the Condensed Consolidated Interim Financial Information	50
Five Year Performance Summary	69
Investor Information	72
Definitions and Glossary	74
Corporate Information	Inside back

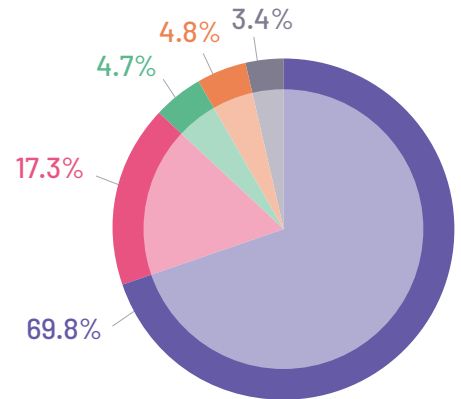
PORTFOLIO IN BRIEF

Our portfolio includes retail facilities, car parks and office properties across Hong Kong, Beijing, Shanghai and Guangzhou. These multiple segments form a solid, diversified platform to create more value.



PORTFOLIO MIX BY VALUE

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



MAINLAND CHINA

8.2%

of total portfolio value

3

Properties in Mainland China

~3 million sq ft

Retail and office space



INTERIM HIGHLIGHTS

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

REVENUE (HK\$'M)

4,930

↑ 7.4% yoy like-for-like
↓ 0.4% yoy



NET PROPERTY INCOME (HK\$'M)

3,759

↑ 6.9% yoy like-for-like
↓ 0.2% yoy

DISTRIBUTION PER UNIT (HK CENTS)

130.62

↑ 7.5% yoy

VALUATION (HK\$'M)

209,790

↑ 3.3% vs 31/3/2018



OCCUPANCY IN HONG KONG

95.5%



OCCUPANCY IN MAINLAND CHINA

98.9%



ENHANCEMENT PROJECTS COMPLETED TO DATE

71



TENANT SALES GROWTH IN HONG KONG

7.2% yoy



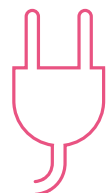
RENT-TO-SALES RATIO IN HONG KONG

13.3%



ENERGY CONSUMPTION REDUCTION IN HONG KONG SINCE 2010

28.7%⁽¹⁾



Note:
(1) Full year projection figure on like-for-like basis.

VALUE CREATION MODEL

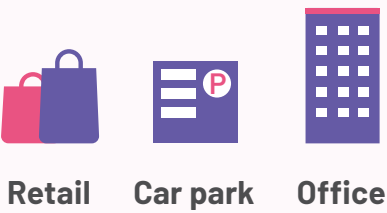
VISION

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



How we manage

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

1 Build a productive portfolio

2 Maintain a balanced capital structure

3 Develop a strong team

4 Help our communities flourish

Which creates value

Measured by



Placemaking

A productive portfolio of high quality, sustainable properties

- Tenant sales growth
- Mystery Shopper Programme score



Financial

Continuous improvement of financial returns

- Distribution per unit
- Total return for the year



Talent

A talented, engaged and high performing workforce

- Staff attrition rate
- Staff/Board diversity



Relationship

Positive relationships with our tenants, shoppers and communities

- Perception audit result
- Impact of Link Together Initiatives



Innovation

A sector leading body of sustainable community development knowledge

- Link Community Sentiment Index
- Number of asset enhancement projects



Environmental

A stable and viable natural environment

- Energy consumption reduction
- Waste diverted from landfill

**We
Link
People
to a
Brighter
Future**

CHAIRMAN'S STATEMENT



Nicholas Charles ALLEN

Chairman

“Link’s culture of embracing innovation will enable the REIT to capitalise on opportunities supporting our long-term growth.”

During the past six months, we saw several notable events taking place within our operating landscape. Locally, the launch of the Hong Kong section of the Express Rail Link and the opening of the Hong Kong-Zhuhai-Macao Bridge create increased connectivity between the city and the Greater Bay Area, bringing with it more vehicles and visitors. This is tempered somewhat by two issues, the first being the escalating trade war rhetoric between China and the United States which threatens regional economic stability and secondly, the impact of anticipated interest rate hikes, which may influence consumer spending and asset values.

It is increasingly likely that uncertainty in the market will remain for a prolonged period. This will present challenges, not only to our business, but also to our business partners and the communities around us. I am confident that we are well-prepared. Starting with our early vision of unlocking value through our continuous property enhancement programme, to introducing more recently the asset management model, our established culture of embracing innovation positions us well to anticipate and react effectively to these and other upcoming challenges.

Nothing stands still at Link. We are constantly finding ways to improve our existing capabilities, develop new skills and reinforce the resilience of our portfolio. This approach has served us well. In early 2018, we announced several changes to the structure of our top management to facilitate Link's long-term growth. I am pleased to say that the transition into this new structure is proceeding well, retaining the critical elements of our proven long-standing approach to how we manage our portfolio, while instilling a prudent entrepreneurial mindset that tests our abilities.

T.O.P – This is Our Place, located in Hong Kong's trendy Mong Kok shopping district, best exemplifies the value of our innovation-focused approach. Despite already extensive experience in asset enhancement, we challenged ourselves to review and streamline the entire process and managed to complete the refurbishment of the property in record time. With healthy competition from established shopping centres nearby, we looked beyond Hong Kong to find new retail and food and beverage tenants. The outcome is a destination shopping centre that offers one of the highest concentrations of entirely new-to-Hong Kong retail and food and beverage options, presenting a truly unique experience to our shoppers.

Similarly, The Quayside, our joint venture development project with Nan Fung Development Limited, has tested our capabilities in project management and leasing. I am very pleased to say that the development project remains on schedule and within budget. More importantly, The Quayside demonstrates our ability to attract and meet the demands of world-class tenants.

Of course, in the process of challenging ourselves and pushing the boundaries of our capabilities, we must expect that setbacks will naturally occur. The key is that we are able to respond effectively to these setbacks, learn from them and ensure that they are not repeated. This ensures that our organisation continues to learn and improve.

Staying up to date on local, regional and global best practices means that we can anticipate and effectively respond to challenges. We have made commitments to contribute to the UN Sustainable Development Goals (SDGs), as we believe that issues such as resilient infrastructure (SDG 9), sustainable cities (SDG 11) and partnerships (SDG 17) provide us with many opportunities to make our portfolio and the cities where we operate in resilient and future-proof.

As Chairman of the Board, I am pleased to report that Link has once again demonstrated the productivity and quality of a world-class portfolio. Our financial discipline and strategic portfolio management has delivered strong returns for the first half of 2018/2019 with continuous growth in distribution per unit and, on a like-for-like basis, increases in revenue and net property income.

I would like to acknowledge and thank Mr David Watt for his contributions and valuable service as an Independent Non-Executive Director of the Manager. David retired from the Board effective from 13 August 2018 after nine years of service.

Summary

During the first half of the year we continued to make great progress strategically, operationally and financially. Our priorities for the second half remain focused on our tenants and shoppers and to support their needs through innovation. We can only do this successfully with the input and efforts from all our employees, partners and the community.

Nicholas Charles ALLEN Chairman

Link Asset Management Limited
As Manager of Link Real Estate Investment Trust
14 November 2018

CHIEF EXECUTIVE OFFICER'S REPORT



George Kwok Lung HONGCHOY
Chief Executive Officer

“Our organic portfolio continued to deliver sustainable growth during the year. Together with the inorganic growth drivers, Link is well-positioned to sustain its long-term growth trajectory while keeping the foundation of our business fundamentally sound and resilient.”

It has been an exciting first half of the financial year. Our property portfolio remains productive, bolstered by the completion of enhancement works at four properties – Fu Shin Shopping Centre, Homantin Plaza, Sam Shing Commercial Centre and Wan Tsui Commercial Complex. We currently have 10 enhancements underway and another 24 enhancements preparing to commence and undergoing review.

Our asset management model approaches its one-year anniversary since rolling out to the entire portfolio. We have made good progress to develop a comprehensive management framework that allows us to better track progress on the deliverables of our assets. This includes the ability to do monthly reforecasting which takes into account changes in operating environment and allows for automatic and real-time updates of financial performance. Asset managers will be able to make use of the information as the basis for budgeting with a bottom-up approach and prepare medium-term asset plans effectively. In a short amount of time, our transition to the asset management model has yielded promising results and I am confident it will strengthen the efficiency of our operations well into the future.

Our organic portfolio continued to deliver sustainable growth during the year. On a like-for-like basis, total revenue and net property income increased by 7.4% and 6.9% year-on-year respectively. Together with the inorganic growth drivers, Link is well-positioned to sustain its long-term growth trajectory while keeping the foundation of our business fundamentally sound and resilient.

Financial performance only provides a partial account of our business resilience. We continue to build strong relationships with key business partners, including single letting market operators who manage half of Link's fresh markets. We currently have a total of 33 upgraded fresh markets across our portfolio. Our award-winning revitalised fresh markets remain the standard bearer in Hong Kong, becoming in-demand locations drawing millions of shoppers each year to our cleaner, brighter and healthier shopping environment.

In mid-September, Hong Kong was hit by the territory's strongest typhoon on record, putting to test the effectiveness of our property management protocols and the extensiveness of our risk management process. I am proud to say that we passed with flying colors. None of our 138 properties in Hong Kong experienced significant damage and we had minor reportable injuries. This proves the value of having in place a strong risk management culture, one which continually builds on previous experiences to ensure we are adaptable and always well prepared. Moving forward, we must remain diligent in our preparedness, particularly as extreme weather conditions become increasingly prevalent.

As our business continues to grow, we stay anchored by a clearly-defined strategy guiding our decision making. We continually enhance this approach for the long-term, updating it with emerging topics including climate change, evolving shopper preferences and the dynamic expectations of our many business partners. To complement this approach, we established several cross-functional committees that are tasked with staying at the forefront of issues including staff wellbeing, talent management, technology and our portfolio management approach. The feedback and input from these committees will be instrumental in ensuring that our business strategy has the appropriate balance of continuity and innovation.

Maintaining a social license to operate is important for our business. In the past six months we have continued to make progress on minimising our environmental footprint. We are on track to reduce year-on-year absolute energy consumption by an estimated 8.04%. 13 of our 31 direct-managed fresh markets have implemented organic waste collection and recycling. We have also begun exploring our role in minimising single-use plastics throughout

our business. On the community front, we earmarked a record HK\$14.4 million towards the 2018/2019 Link Together Initiatives, continuing support for well-performing existing projects such as Food Angel – Love & Food Sharing and Education, and introducing two new initiatives that focus specifically on empowerment of youth and the elderly. I am very pleased with the success of Link Together Initiatives, and we have made amendments to the programme allowing qualified organisations to apply for multiple years of funding. We believe this will help the supported organisations by providing financial certainty so that they can focus on delivering longer term initiatives that support better resources management and the well-being of youth and elderly.

Outlook

Link remains well-placed to sustain the growth of our total return. Hong Kong's economy continues to be stable and Mainland China's focus on driving domestic consumption should continue to fuel shopping at our non-discretionary retail focused properties. Adding to this, our increasing proficiency in property development and ongoing prudent exploration of acquisition opportunities should maintain our upward progress.

However, we will not allow ourselves to become complacent, especially as the market enters the proverbial "calm before the storm". The next few months will test the foundation of the relationships, understanding and expertise we have meticulously built up over the years, we are confident that the team will remain agile and that our capital management has the flexibility to absorb upcoming risks, as well as capitalise on opportunities that will potentially emerge.

It is once again a great pleasure to thank the proud people we have at Link for all their contributions and hard work during an eventful first half of the year. Their passion and commitment to "*Link People to a Brighter Future*" continues to drive our ability to create value for those around us.

We have a strong organisation in place, a compelling strategy and a world class property portfolio. This gives us the utmost confidence that Link will continue to deliver.

George Kwok Lung HONGCHOY Chief Executive Officer

Link Asset Management Limited
As Manager of Link Real Estate Investment Trust
14 November 2018

OPERATING LANDSCAPE

With closer contacts with Mainland China, Hong Kong could see more stimulus from the new cross border infrastructure projects, particularly for the tourism and retail sectors. Despite the geopolitical uncertainties in the near term, solid domestic demand and better connectivity across the border could cushion some impacts from the rising trade tensions between the US and Mainland China.

US-Mainland China Trade War Impact will be Mild this Year

Trade tensions between the US and Mainland China have been escalating since both countries imposed several rounds of tariffs on imports from each other this year. The tariff war covers various major categories, ranging from consumer goods to equipment. The impact on Chinese economy should be quite limited for the rest of the year, but it will likely materialise next year with further increases in tariff rates.

Chinese government has responded to counter the risk by stimulating domestic demand. Mainland China raised the threshold for paying personal income tax in October to reduce tax burden on households. Policymakers are expected to roll out more expansionary policies to bolster domestic spending and investments which will underpin economic growth.

External Demand Looks Uncertain in Hong Kong

As a major trading partner of Mainland China, Hong Kong's economy may see more apparent impact next year, particularly the city's trade sector. Amid the heightened trade tensions and stronger USD, RMB has weakened which could deter Chinese tourists from spending, particularly on valuable goods.

Under the linked exchange rate system, Hong Kong's interest rates have risen, catching up with the US counterparts. Higher interest rates will weigh on consumer spending and sentiment, particularly of private housing owners.

Moreover, a confluence of factors, including trade tensions and worries about an acceleration in rate hikes may continue to worsen investor sentiment and add volatility to the Hong Kong's stock and property markets.

That said, economic fundamentals should remain favourable. Although the trade dispute adds uncertainties to the economic prospects, private consumption will likely continue to be the growth engine, on the back of a tight labour market and favourable income conditions. Hong Kong's economy will likely sustain stable expansion.

New Cross-border Connection could be a Key Catalyst

Apart from resilient local spending, Hong Kong is seeing new catalysts for its tourism sector. The Hong Kong section of the Express Rail Link opened in September, connecting Hong Kong with Mainland China's vast railway network. Since the link reduces travelling time to Hong Kong from Mainland cities, including those further afield, the accessibility for Mainland tourists has improved.

Combined with the opening of the Hong Kong-Zhuhai-Macao Bridge, these new cross-border infrastructure projects are expected to enhance the flow of Mainland tourists to Hong Kong. This may offset some of the negative impact on tourists' spending from the trade war and weaker RMB. The additional tourism demand will indeed benefit the city's economy, particularly for the retail-related sectors. Looking ahead, the transport links will be the major pieces of infrastructure to bolster the development of the Greater Bay Area.

KEY MARKET TRENDS IN HONG KONG

Economic development and consumer spending in Hong Kong sustained strong growth momentum on the back of tight labour market and resilient income growth. On property markets, rising retail sales contributed to the growth of retail rents and decentralisation supported stable office rental growth.

GDP Growth Remained Solid

+2.9%yoy

Source: Hong Kong Census and Statistics Department

Unemployment Rate Stayed Low

2.8%

Note: Seasonally adjusted figure

Source: Hong Kong Census and Statistics Department

Retail Rents Rebounded and Office Rents Rose Higher

+1.2%yoy Shopping centre
+7.2%yoy Grade-A office

Source: Jones Lang LaSalle

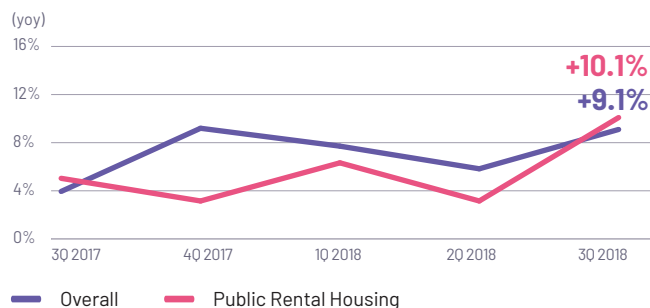
Demand for Parking Spaces Grew at Faster Pace

+2.0%yoy Licensed private cars
+0.8%yoy Private car parking spaces

Source: Hong Kong Transport Department

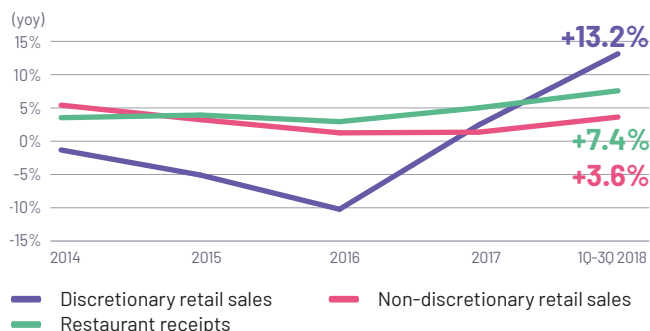
Note: Figures as at 3Q 2018

Median Household Income Rose Notably



Source: Hong Kong Census and Statistics Department

Consumer Spending Growth Sustained



Note: Non-discretionary retail sales include supermarkets and foodstuff, and discretionary retail sales include the remaining retail trades

Source: Hong Kong Census and Statistics Department

KEY MARKET TRENDS IN MAINLAND CHINA

Momentum of economic growth in Mainland China remained steady along with consumption becoming the fundamental driver on the back of growing disposable income. In Shanghai, office rent was supported by strong leasing demand from domestic companies.

Per Capita Disposable Income of Urban Households was Growing

+8.9%yoy Beijing
+8.3%yoy Guangzhou

Note: Figures as at 1Q-3Q 2018

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

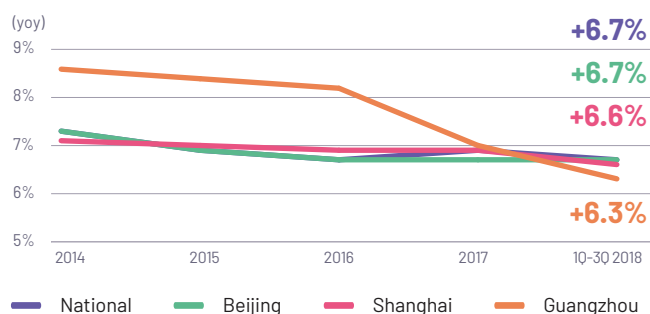
Shanghai Core CBD Grade-A Office Rents Remained Steady

+0.5%yoy

Note: Figure as at 3Q 2018

Source: Jones Lang LaSalle

Economic Growth Remained Stable



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

1 BUILD A PRODUCTIVE PORTFOLIO

Overall Financial Results

During the six months under review, revenue and net property income increased by 7.4% and 6.9% year-on-year on a like-for-like basis. As reported, revenue and net property income decreased by 0.4% and 0.2% year-on-year to HK\$4,930 million (six months ended 30 September 2017: HK\$4,949 million) and HK\$3,759 million (six months ended 30 September 2017: HK\$3,767 million), respectively. Interim distribution per unit for the period increased by 7.5% to

HK130.62 cents (six months ended 30 September 2017: HK121.50 cents).

Valuation of the investment properties portfolio reached HK\$209,790 million, representing an increase of 3.3% compared to 31 March 2018. Net asset value per unit grew by 2.8% to HK\$85.41 (31 March 2018: HK\$83.06).

Revenue
Like-for-like
+7.4% yoy

Net Property Income
Like-for-like
+6.9% yoy



Build a Productive Portfolio

Management

We have been utilising our strong pool of talent and developing our own asset management model to set ourselves for further growth and development. Our asset management team adopts a holistic approach in managing our upgraded portfolio and is responsible for capitalising growth potential through leasing, marketing, property management and operations.

Hong Kong Portfolio

Revenue Analysis

At a time of geopolitical and economic uncertainties, our portfolio continued to demonstrate its resilience and provide a productive platform for our tenants to thrive. On a like-for-like basis, total revenue increased by 7.0%, retail rentals increased by 6.6% and car parks rentals increased by 10.0%.

Revenue Breakdown

	Six months ended 30 September 2018 HK\$'M	Six months ended 30 September 2017 HK\$'M	Year-on-year change %	Like-for-like basis year-on-year change %
Retail rentals:				
Shops ⁽¹⁾	2,659	2,704	(1.7)	6.5
Markets/Cooked Food Stalls	452	451	0.2	9.3
Education/Welfare and Ancillary	67	73	(8.2)	2.0
Mall Merchandising	90	96	(6.3)	0.7
Car parks rentals:				
Monthly	745	769	(3.1)	10.8
Hourly	243	253	(4.0)	7.5
Expenses recovery and other miscellaneous revenue:				
Property related revenue ⁽²⁾	184	204	(9.8)	(2.1)
Total revenue	4,440	4,550	(2.4)	7.0

Notes:

(1) Rental from shops included base rent of HK\$2,615 million (six months ended 30 September 2017: HK\$2,647 million) and turnover rent of HK\$44 million (six months ended 30 September 2017: HK\$57 million).

(2) Property related revenue included other revenue from retail properties of HK\$182 million (six months ended 30 September 2017: HK\$201 million) and car parks of HK\$2 million (six months ended 30 September 2017: HK\$3 million).

Expense Analysis

Total property operating expenses increased by 9.3% on a like-for-like basis. The increase was largely due to the overall enhancement of service level to upgrade the portfolio.

Property Operating Expenses Breakdown

	Six months ended 30 September 2018 HK\$'M	Six months ended 30 September 2017 HK\$'M	Year-on-year change %	Like-for-like basis year-on-year change %
Property managers' fees, security and cleaning	269	280	(3.9)	8.5
Staff costs ⁽¹⁾	235	224	4.9	16.9
Repair and maintenance	99	101	(2.0)	8.3
Utilities	156	172	(9.3)	(0.8)
Government rent and rates	143	144	(0.7)	10.7
Promotion and marketing expenses	53	50	6.0	14.3
Estate common area costs	44	51	(13.7)	4.0
Other property operating expenses	72	71	1.4	11.3
Total property operating expenses	1,071	1,093	(2.0)	9.3

Note:

(1) The increase in staff cost was mainly due to the expanded management team to broaden management bandwidth.

Retail

Our efforts invested in asset management have yielded positive results for our retail portfolio. As at 30 September 2018, occupancy rate for the portfolio remained stable at

95.5% and the overall portfolio reversion rate stood at 22.5%. Average monthly unit rent improved to HK\$65.7 psf as at 30 September 2018 from HK\$62.4 psf as at 31 March 2018.

Operational Statistics of the Retail Portfolio

	Occupancy rate		Reversion rate		% of total area ⁽¹⁾
	As at 30 September 2018 %	As at 31 March 2018 %	Six months ended 30 September 2018 %	Six months ended 30 September 2017 %	
Shops	95.7	97.4	20.4	28.5	84.0
Markets/Cooked Food Stalls	92.3	92.9	26.7	12.8	8.8
Education/Welfare and Ancillary	97.1	97.1	12.9	14.4	7.2
Total	95.5	97.0	22.5	26.8	100.0

Note:

(1) Total excluding self-use office.

Retail Portfolio Breakdown

Properties	No. of properties	Retail properties valuation	Retail rentals	Average monthly unit rent ⁽¹⁾		Occupancy rate	
		As at 30 September 2018 HK\$'M	Six months ended 30 September 2018 HK\$'M	As at 30 September 2018 HK\$ psf	As at 31 March 2018 HK\$ psf	As at 30 September 2018 %	As at 31 March 2018 %
Destination	6	31,119	635	87.8	83.0	92.3	96.3
Community	33	76,851	1,721	73.7	70.6	97.0	97.7
Neighbourhood	70	38,421	912	47.8	44.9	94.9	96.4
Total	109	146,391	3,268	65.7	62.4	95.5	97.0

Note:

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

Portfolio Lease Expiry Profile

(As at 30 September 2018)

	% of total area %	% of monthly rent %
2018/2019	19.4	14.7
2019/2020	23.3	24.2
2020/2021 and Beyond	49.6	57.5
Short-term Lease and Vacancy	7.7	3.6
Total	100.0	100.0

Car Parks

Our car park portfolio, comprises approximately 61,000 spaces, spans across Hong Kong and the spaces are mostly adjacent to our shopping centres. In light of the prevailing market imbalance in parking spaces as well as the growing demand of new visitors attracted by our successful asset

management strategies, income from car parks recorded a year-on-year increase of 10.0% on a like-for-like basis. For the period ended 30 September 2018, car park income per space per month increased by 9.9% year-on-year to HK\$2,706.

Key Car Park Performance Indicators

Car park income per space per month (HK\$)	Six months ended 30 September 2018 2,706	Six months ended 30 September 2017 2,463
Total valuation (HK\$'M)	As at 30 September 2018 36,234	As at 31 March 2018 34,510
Average valuation per space (HK\$'000)	595	567

Mainland China Portfolio

Our three properties in Mainland China – EC Mall in Beijing, Metropolitan Plaza in Guangzhou, and Link Square 1 & 2 in Shanghai – performed satisfactorily during the six-month period under review. Together, they contributed a total revenue of HK\$490 million and net property income of HK\$390 million during the six months under review, representing a 22.8% and a 25.8% year-on-year increase, respectively.

Performance of our retail portfolio continued to be strong with an occupancy rate of 98.8%. The latest addition to the portfolio, Metropolitan Plaza, continues to be a growth engine with vast potential to be unlocked. EC Mall's reversion rate stayed at a satisfactory level and the new tenants have been warmly welcomed by the local community. Reversion rate of

retail portfolio stood high at 43.2%. We will continue to tailor asset management strategies to enhance our asset qualities and offerings to the neighbourhoods.

Our office property in Shanghai, Link Square 1 & 2, achieved satisfactory results with office occupancy rate standing at 98.9% as at 30 September 2018. During the six-month period under review, only a small fraction of the office leases, less than 2% of total office area, expired and the average reversion rate was only 0.2%. The majority of expiring office leases will fall into the second half of the current financial year, but many of them have been committed. Management is confident that Link Square 1 & 2 is on track to deliver a double-digit reversion for the full year.

Portfolio Lease Expiry Profile

(As at 30 September 2018)

	Retail		Office	
	% of total area %	% of monthly rent %	% of total area %	% of monthly rent %
2018/2019	4.6	7.8	8.8	10.1
2019/2020	24.7	31.9	20.0	21.0
2020/2021 and Beyond	69.5	60.3	70.1	68.9
Vacancy	1.2	–	1.1	–
Total	100.0	100.0	100.0	100.0

Enhancement

Enhancement is an essential asset management tool to upkeep our properties' attractiveness amidst the everchanging retail environment. We execute our enhancement plans carefully to create better places as we believe they bring both financial and non-financial benefits to our Unitholders and shoppers.

During the period, we completed four asset enhancement projects, namely Fu Shin Shopping Centre, Homantin Plaza, Sam Shing Commercial Centre and Wan Tsui Commercial Complex.

Return on Investment of Asset Enhancement Projects Completed in the Six Months Ended 30 September 2018

	Total Project Capex HK\$'M	Estimated return on investment ⁽¹⁾ %
Fu Shin Shopping Centre ⁽²⁾	98	25.9%
Homantin Plaza ⁽²⁾	116	24.2%
Sam Shing Commercial Centre	35	20.9%
Wan Tsui Commercial Complex	154	13.8%
Total	403	

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) Included a fresh market upgrade.

Fu Shin Shopping Centre in Tai Po has both its shopping centre and market revamped. The fresh market is consolidated for the conversion of the vacant market area into new retail space, enabling a well-established playground operator to expand into Tai Po and make good use of the high ceiling. For the shopping centre, significant planning and investment have improved its layout and circulation to draw additional traffic and spending of the shoppers. Upgrades of common areas and barrier-free access have also been included in the work scope to complement these new changes.

The enhancement of Homantin Plaza has reinforced its community centre status in the prime residential district in Ho Man Tin, Kowloon. The integrated enhancement programme involved a combination of retail and market refurbishment. External features of the shopping centre were completely modernised with an improved façade and new entrance portals to increase its visual appeal. New ceilings, lighting and toilet upgrades have been introduced with new layout for better tenant mix. The traditional market has also been upgraded to our latest fresh market standard to better serve local neighbourhood with increasing number of residents.

Situated by the seaside in Tuen Mun, Sam Shing Commercial Centre was completely facelifted to unlock its locational advantage and latent potential. Glass wall, barrier-free access ramp and elevator were introduced to the entrance area to create a warm welcoming ambience. Reconfiguration has also been made to maximise the seaview frontage for the dining area of a new Chinese restaurant.

Wan Tsui Commercial Complex, a neighbourhood centre in Chai Wan, underwent a complete revamp to elevate the whole retail environment with a fresh identity. Its overall ambience was enhanced by a prominent façade upgrade and a full air-conditioning enclosure. Coupled with a number of infrastructure enhancements such as the replacement of escalators, the trade mix has been upgraded with increased retail and food and beverage offerings to fulfill local community needs. The estimated return on investment fell short of our target due to a scope revision that we believe will be more beneficial to the neighbourhood and also to a slight delay in the project because of unforeseen site conditions.

Our asset enhancement pipeline is filled with projects in various stages, including 10 projects currently underway, 5 preparing to commence and 19 projects undergoing review.

Asset Enhancement Pipeline

	Number of projects	Estimated costs HK\$'M
Underway	10	1,029
Pending statutory approval	5	681
Others under planning	19	839
Total	34	2,549

Approved Asset Enhancement Projects Underway

	Estimated costs HK\$'M	Target completion date
Wo Che Plaza ⁽¹⁾	151	End of 2018
Kai Tin Shopping Centre Phase 1	34	End of 2018
Cheung Fat Plaza	98	End of 2018
Choi Yuen Plaza	46	End of 2018
Fu Tai Shopping Centre	59	End of 2018
Shun Lee Commercial Centre	76	Early 2019
Lok Fu Place	151	Early 2019
Choi Ming Shopping Centre	94	Early 2019
Fu Cheong Shopping Centre ⁽¹⁾	170	Mid 2019
Tsz Wan Shan Shopping Centre	150	End of 2019
Total	1,029	

Note:

(1) Enhancement included fresh market.

Acquisition and Divestment

We are currently reviewing our portfolio and seeking opportunities to enhance our portfolio quality and sustain our long-term growth trajectory through active portfolio management. We are considering acquisitions and/or divestments which can drive sustainable return for our Unitholders in the long-run. We target to acquire retail properties and premium grade-A offices in both Hong Kong and tier-one cities and their surrounding river delta areas in Mainland China. Other key considerations include good connectivity, limited competition, sizeable catchment and good growth potential.

This year, 700 Nathan Road was officially opened. The retail podium – “T.O.P – This is Our Place” – aspires to become an iconic shopping destination in Mong Kok. We are pleased that over 90% of the retail space has been committed and many first-in-Hong Kong restaurants are well-received by shoppers. Atop the retail podium, approximately 73% of the tower portion has been committed or under advanced negotiation, which includes lifestyle and professional services providers such as beauty and spa, clinics, and co-working space.

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. Construction and leasing of this pioneer project is progressing swiftly. Topping out ceremony was held at the end of June 2018 and as of today, nearly 60% of office space has been pre-leased, including our anchor tenant, J.P. Morgan. For the remaining space, we will

continue to target multinational corporations that have consolidation and relocation needs. As The Quayside completes next year, it will become a distinctive centrepiece in the vibrant area of Kowloon East.

Valuation Review

As at this financial period end, total value of investment properties (including property under development in Hong Kong and properties in Mainland China) rose by 3.3% to HK\$209,790 million from HK\$203,091 million as at 31 March 2018.

On the back of increase in net property income, value of our Hong Kong retail properties and car parks increased by 3.4% to HK\$146,391 million (31 March 2018: HK\$141,513 million) and 5.0% to HK\$36,234 million (31 March 2018: HK\$34,510 million), respectively. Value of the Hong Kong property under development in Kowloon East – The Quayside – also increased to HK\$9,919 million (31 March 2018: HK\$8,733 million). As at 30 September 2018, properties in Mainland China were valued at HK\$17,246 million (31 March 2018: HK\$18,335 million). The decrease in valuation was due to Renminbi depreciation. In Renminbi terms, the valuation of Mainland China properties increased by 3.6%.

Jones Lang LaSalle Limited, our Principal Valuer, applied various valuation methods to appraise our assets. It used income capitalisation and discounted cash flow approaches, also cross-referencing market comparables via direct comparison approach, for the completed properties in Hong Kong and Mainland China. It also used residual approach for the property under development.

Valuation Approach

	As at 30 September 2018	As at 31 March 2018
Income Capitalisation Approach – Capitalisation Rate		
Hong Kong		
Retail properties: weighted average	3.98%	3.98%
Car parks: weighted average	4.14%	4.14%
Overall weighted average	4.02%	4.01%
Mainland China		
Retail properties	4.50% – 4.75%	4.50% – 4.75%
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% – 7.75%
Office properties	7.25%	7.25%

2

MAINTAIN A BALANCED CAPITAL STRUCTURE

During the period under review, US economic conditions remained strong. On the back of solid GDP growth, the lowest unemployment rate since 1969 and core inflation in excess of 2%, US Federal Reserve raised interest rate twice by a total of 0.5% during this period.

In our 2017/2018 annual report, we described our strategy to increase interest rate hedging in preparation for HKD interest rates rising faster than USD interest rates. During the period under review, Hong Kong banking market liquidity started to reduce with Hong Kong Monetary Authority aggregate balance recording a HK\$83 billion net outflow. 1-month HKD HIBOR rose more than USD LIBOR by about 0.9% during this period. Despite the higher HKD interest rates, we managed to keep the effective interest cost of our debt portfolio relatively stable at 3.19% as at 30 September 2018 (31 March 2018: 2.89%). The percentage of fixed rate debt to total debt was maintained at a relatively high level of 69.7% (31 March 2018: 75.8%). Average life of fixed rate debt, representing the average period of interest rate protection provided by fixed rate debt, was also maintained at a long period of 5.2 years (31 March 2018: 5.3 years).

Earlier this year, we announced our intention to buy back up to 80 million units to neutralise loss in distribution from divestment. For the period ended 30 September 2018, we have completed approximately 39.5 million units of buyback using approximately HK\$3.0 billion. We expect to continue with the unit buyback plan in the coming months where market conditions and regulations permit.

3.19%

Effective Interest Rate

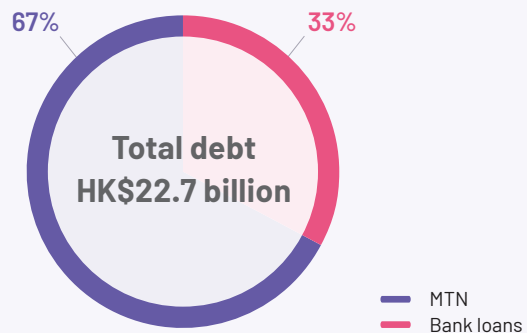
As at 30 September 2018, total debt decreased to HK\$22.7 billion (31 March 2018: HK\$26.3 billion). The average life of committed debt facilities stood at 3.9 years (31 March 2018: 3.9 years). Gearing ratio lowered to 10.3% (31 March 2018: 11.9%). Available liquidity decreased to HK\$14.0 billion (31 March 2018: HK\$22.7 billion), comprising of HK\$3.9 billion cash and deposits (31 March 2018: HK\$11.7 billion) and HK\$10.1 billion undrawn committed facilities (31 March 2018: HK\$11.0 billion).

Further to Standard & Poor's relaxation of Link's key rating trigger in July 2017, Moody's also took a similar action in August 2018. On 24 August 2018, Moody's key rating trigger on Link (debt-to-EBITDA) was relaxed from 5.0-5.5 times to 6.0-6.5 times while affirming Link's credit rating at "A2/Stable" in view of our resilience to economic downturns. On 5 September 2018, Standard and Poor's re-affirmed Link's rating at "A/Stable". The relaxation of these rating triggers provides Link with a larger debt buffer to finance future acquisitions.

Credit ratings

A/Stable | **A2/Stable**
S&P | **Moody's**

Funding base
 (as at 30 September 2018)



Debt Profile ⁽¹⁾

(As at 30 September 2018)

(HK\$ billion)	Fixed rate debt ⁽²⁾	Floating rate debt ⁽²⁾	Total debt
Unsecured bank loans	6.5	1.0	7.5
Medium Term Note (MTN)	9.3	5.9	15.2
Total	15.8	6.9	22.7
Percentage	69.7%	30.3%	100%

Notes:

(1) All amounts are at face value.

(2) After interest rate swaps.

Debt Maturity Profile ⁽¹⁾

(As at 30 September 2018)

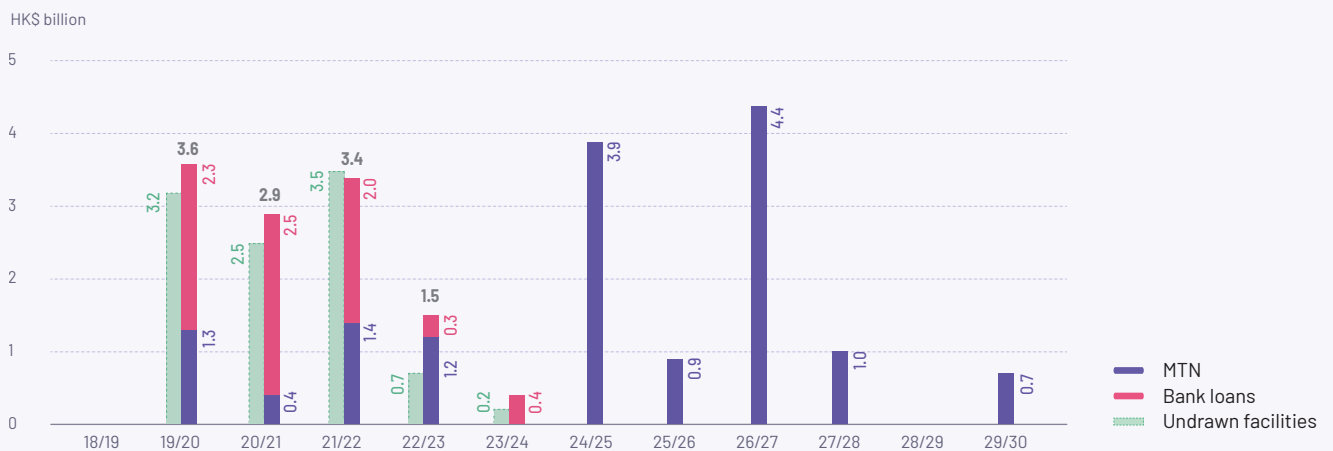
(HK\$ billion)	Unsecured bank loans	MTN	Total debt
Due in 2018/2019	-	-	-
Due in 2019/2020	2.3	1.3	3.6
Due in 2020/2021	2.5	0.4	2.9
Due in 2021/2022	2.0	1.4	3.4
Due in 2022/2023 and beyond	0.7	12.1	12.8
Total	7.5	15.2	22.7

Note:

(1) All amounts are at face value.

Facility Maturity Profile ⁽¹⁾

(as at 30 September 2018)



Note:

(1) All amounts are at face value.

3 DEVELOP A STRONG TEAM

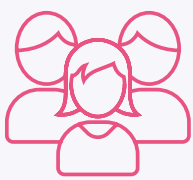
The greatest contributors to our success at Link are our people - who play an integral part in delivering our brand promise that “We **Link** People to a Brighter Future”. The establishment of the culture of Link and our approach to employee training, development and well-being have been an important part of our focus this year.

Our Approach to People and Culture

At Link, we believe cultivating a culture is vital in supporting the delivery of our strategic priorities. Our values - Respect, Excellence, Integrity and Teamwork - continue to guide our day-to-day behaviours and define how we work with each other and external stakeholders. However, our culture is more than just our values. We are committed to developing a truly inclusive environment, where our staff can bring their “whole-self” to work and maximise their contribution.

To attract, retain and develop talented employees, our Human Resources team continually ensures our overall salary, bonus and other benefits remain competitive. We regularly review our workforce composition, compensation packages and our learning and development programmes.

Diversity is essential to ensure that we have a broad array of perspectives to keep Link competitive in today’s economy. This is not limited to gender diversity but includes a wide spectrum of attributes and backgrounds we look for when recruiting new employees. As at 30 September 2018, we had 976 staff.



976

staff (as at 30 September 2018)

As a caring employer, we echoed the 2018 Policy Address that mothers deserve additional time to recuperate, and that fathers need to take care of their wives and the newborns. From this year onwards, fully paid maternity leave has been increased from 10 weeks to 14 weeks and fully paid paternity leave has been increased from 3 days to 5 days.

Leadership and Talent Development

Over the years, we have made progressive strides to identify the management and leadership capabilities we possess today and ensure that improvements are continually made. This year, four taskforces - each with an area of management focus - were established to provide numerous opportunities for collaboration as well as leadership development for committee members.

Portfolio Management Committee

The committee was set up to determine Link’s portfolio strategy and to better position Link for future growth. Investment directions including scope, locations and asset types are discussed. With the participation of senior management, the committee will conduct in a regular basis and constantly review our short-to-medium term portfolio strategy and its corresponding implementation plan to better capture investment opportunities and weather market fluctuations.

Asset Management Committee

Link’s business strategy is to acquire, enhance and to hold quality assets that can add synergies and competitiveness to our portfolio. The committee’s objective is to develop a unique Link model for retail properties, office and fresh markets. By enhancing integration across business units, we aim at improving management practices and achieving long-term growth.

Technology Committee

At Link, we are committed to understanding the changing technology landscape to harness its potential for Link to reap the benefits of deploying the right level of technology and analytics. The Technology Committee explores new ideas and solutions, sets out the vision for our system architecture and landscape, ensures successful implementation and integration across the company with thorough cost benefit reviews and change management.

HR-PR-IR Committee

An integral element of Link's success is to enhance internal and external communication, the HR-PR-IR Committee aims to align and fortify Link's engagement with internal and external stakeholders. One of its first achievements was to formulate volunteering strategies, re-establish the Volunteer Committee to encourage our staff to support local projects

and bring new ideas and skills back into the workplace. To support our staff with career progression, a Training and Development Committee was established to ensure personal development plans also equip our staff with opportunities and skills to grow and excel.



Super Typhoon Mangkhut: A testament to Link's Risk Management

Link conducts annual risk workshops to review and update existing risk management practices.

Climate-related risk and resilience has always been one of Link's key focus subjects. With input from a range of departments, we developed a set of policies and procedures to mitigate the impact of extreme weather conditions including torrential rain and typhoons.

On 16 September 2018, the effectiveness of our climate-related risk management was put to test as Hong Kong was hit by Super Typhoon Mangkhut, the territory's strongest storm since Typhoon Ellen

in 1983. In preparation for the storm, over 200 property management staff meticulously executed a comprehensive typhoon preparedness protocol across the entire portfolio. This included clearing drains, securing signage, removing loose fixture and furniture, setting up flood barriers and restricting access to high-risk areas. In total, around 1,400 man-hours were used to prepare for the storm which lasted for more than 24 hours. Round-the-clock surveillance patrol was implemented, ensuring we could react immediately to various incidents. We are pleased that minimal damage was recorded, leaving us relatively unscathed in the aftermath of the storm. While we passed this test, we will continue to review and improve our approach to climate-related risks.



HELPING OUR COMMUNITIES FLOURISH

Tenant Mix

We continued to offer a vibrant shopping experience to our communities with over 9,300 tenancies across Hong Kong. With a diversified trade mix, tenants and shoppers can thrive in a productive platform. During the past six months under review, our average monthly retail gross sales per square foot of our Hong Kong tenants continued to grow by 7.2% as compared to the last corresponding period. Daily necessity trades such as “Food and Beverage” and “Supermarket and Foodstuff” continued to maintain a healthy level and

outperformed general Hong Kong retail market, with a year-on-year growth in gross sales per square foot of 8.0% and 3.8%, respectively, while “General Retail” recorded a 9.7% increase.

Rent-to-sales ratio of the overall Hong Kong portfolio was 13.3% for the period. On specific trade categories, our tenants’ rent-to-sales ratio for “Food and Beverage”, “Supermarket and Foodstuff” and “General Retail” were 13.6%, 12.0% and 14.5% respectively for the period under review.

Hong Kong Portfolio Retail Trade Mix

(As at 30 September 2018)

Trade	By monthly rent %	By leased area %
Food and Beverage	27.9	28.8
Supermarket and Foodstuff	21.6	17.8
Markets/Cooked Food Stalls	14.3	8.5
Services	10.7	10.1
Personal Care/Medicine	5.8	3.9
Education/Welfare and Ancillary	0.9	7.3
Valuable Goods (Jewellery, watches and clocks)	0.9	0.5
Others ⁽¹⁾	17.9	23.1
Total	100.0	100.0

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

Link Together Initiatives

Link’s flagship Charity and Community Engagement Programme – Link Together Initiatives – continued to live up our brand promise of “We **Link** People to a Brighter Future”. To support charitable organisations in advancing sustainable development in the communities we serve, Link contributes an amount of up to 0.25% of its net property income from the previous financial year to the community projects annually. The result of 2018/2019 funding cycle was announced in August 2018, with a total of HK\$14.4 million earmarked for eight major fund projects and Link First Generation University Student Scholarship. Of the eight major fund projects, six projects are from the previous year and two are new this year. We have also introduced a longer project funding period of two to three years, to ensure we collaborate and create long-term value for both our working partners and the community.

Technology and Innovation – Mobile Apps

Together with our award-winning Park & Dine mobile app, we recently developed and launched a new mobile app – T.O.P – to enhance our shoppers’ experience at our newly opened shopping centre T.O.P – This is Our Place at 700 Nathan Road. The app is developed with interactive social and O2O functions through which shoppers can register as members and enjoy a variety of features in T.O.P. In addition to the basic e-queueing, e-coupon, in-mall navigation and unlimited WiFi services, shoppers can participate in exclusive mall events, look for dining and shopping buddies, watch live streams of in-mall music performances, and share real-time status in social media. Since its launch in the first three months, about 30,000 downloads have been recorded. To facilitate the operations of our tenants, we have also developed a merchant app for better communication, coupon redemption and inventory management for gifts of the loyalty programme. As at September 2018, 70% of our food and beverage tenants have adopted the merchant app. With the ease of innovative technology, we are committed to serving our community with greater convenience and a unique experience.



Growing with our Tenants

Approaching its tenth year, Link’s Tenant Academy continues to focus on helping our tenants grow, adapting to the evolving retail environment and enhancing service excellence.

On 12 September 2018, Link Tenant Academy celebrated its 10th Anniversary with a seminar on the theme “Journey into a Creative Experience” at TKO Gateway in Tseung Kwan O. It was an interactive tour at the TKO Gateway Food Lane where participating tenants had a first-hand experience of the innovative one-stop service model combining shopping mall, fresh market and Link’s first food lane.

Through the Tenant Academy seminars, we share insights on investment, management and customer

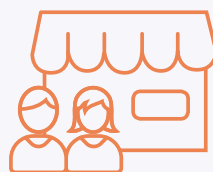
service know-how, paving the way for greater success and further service excellence for our tenants. We have also added two new workshops featuring practical skills conducted by professional instructors in a lively and interactive format. Tenants can learn how to manage customer behaviour and story-telling in the retail industry with a forward-thinking pedagogic approach.

As in past years, the 2018/2019 Tenant Academy programme will include a mystery shopper survey through which ten outstanding tenants will be selected as winners of the “Tenant Excellence Award” to recognise service excellence in terms of attitude, grooming and after-sales care. Winners will have the opportunity to enjoy complimentary one-on-one consultation with experts under the “Link x IFAPC Mentorship Programme”, buttressing their business development plans with professional advice.

Since the establishment of Tenant Academy in 2008 to date



Over 88 Seminars Organised



Benefiting ~19,000 Tenants

CORPORATE GOVERNANCE

Link is a collective investment scheme authorised by the SFC under section 104 of the SFO and a constituent of the Hang Seng Index. It is managed by Link Asset Management Limited. 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. Link's corporate governance framework is supported by checks and balances via risk management and internal controls, internal and external audit, and Trustee's and SFC's oversights.

Our Board and Board Committees

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

As at the date of this report, our Board has 12 members, including 9 INEDs, 1 NED and 2 EDs (being the CEO and the COO).

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

In the course of discharging its duties, the Board is assisted by the Audit and Risk Management Committee, the Nomination Committee, the Remuneration Committee and the Finance and Investment Committee, and their respective composition is set out below:

Name	Board	Audit and Risk Management Committee	Nomination Committee	Remuneration Committee	Finance and Investment Committee
Directors					
Nicholas Charles ALLEN	✓ ^(C)		✓ ^(C)		✓ ^(C)
Christopher John BROOKE	✓				✓
Ed CHAN Yiu Cheong	✓			✓	✓
Blair Chilton PICKERELL	✓		✓	✓ ^(C)	
Poh Lee TAN	✓	✓			
May Siew Boi TAN	✓	✓	✓	✓	
Peter TSE Pak Wing	✓	✓ ^(C)			
Nancy TSE Sau Ling	✓	✓			
Elaine Carole YOUNG	✓			✓	✓
Ian Keith GRIFFITHS	✓				✓
George Kwok Lung HONGCHOY (CEO)	✓		✓		✓
Andy CHEUNG Lee Ming (COO)	✓				
Senior Management					
NG Kok Siong (CFO)					✓

(C) = chairman

✓ = member

To strike for a balance of accountability, certain matters are specifically reserved for the Board while certain duties are delegated to the Board Committees. Matters reserved for the Board as well as the respective terms of reference of the four Board Committees can be found in the "Corporate Governance" homepage on Link's corporate website (Linkreit.com).

Updates on Directors' Information since Annual Report 2017/2018

Retirement of INED and Change of Board Committee Members

- Mr David Charles WATT retired as an INED, the chairman of the Remuneration Committee and a member of the Finance and Investment Committee on 13 August 2018.
- Mr Blair Chilton PICKERELL succeeded Mr David Charles WATT as the new chairman of the Remuneration Committee effective from 14 August 2018.
- Mr Ed CHAN Yiu Cheong joined the Remuneration Committee as a member effective from 14 August 2018.

Updates on Directors' Biographical Information

- Mr George Kwok Lung HONGCHOY ceased to be a member of Asia Executive Board of The Wharton School, University of Pennsylvania in June 2018 and was appointed as a member of the Asia-Pacific Advisory Board of International Council of Shopping Centers in November 2018.
- Ms May Siew Boi TAN has been appointed as an independent non-executive director of CLP Holdings Limited (which is listed on the Main Board of the Stock Exchange) with effect from 7 August 2018.
- Mr Peter TSE Pak Wing ceased to be a director of HSBC Bank (China) Company Limited with effect from 1 August 2018.

Biographies of our Directors can be viewed on Link's corporate website (Linkreit.com).

Corporate Governance Policy and Practices

The corporate governance policy and practices adopted during the six months ended 30 September 2018 remained in line with those in place for the financial year ended 31 March 2018 as disclosed in the corporate governance report in Link's annual report 2017/2018, including the modification to the rigid application of code provision A.4.2 of the Listing Rules Corporate Governance Code such that the two EDs are not subject to retirement by rotation at annual general meetings of Unitholders to preserve business continuity and longevity at top management level.

Amendments to the Constitutional Documents of Link

Trust Deed

On 25 July 2018, with the Unitholders' approval given by way of special resolutions, certain provisions in the Trust Deed were amended. Such amendments included, amongst others, amendments to the definition of "Adjustments" in computing "Total Distributable Income" and expansion of investment scope of Link's investment strategy to include investments in "Relevant Investments". All amendments were detailed in the circular of Link dated 22 June 2018. The Manager and the Trustee entered into the 12th supplemental deed dated 25 July 2018 to make relevant amendments to the Trust Deed.

Compliance Manual

On 14 November 2018, the Compliance Manual has been updated to (i) align with the requirements of the REIT Code, circulars of the SFC and the Trust Deed; and (ii) incorporate the updated terms of reference of the Board Committees.

Regulatory Compliance

Throughout the six months ended 30 September 2018:

- Link and the Manager complied with the REIT Code, the SFO, applicable provisions of the Listing Rules, the Trust Deed and the Compliance Manual;
- Link and the Manager applied the principles and complied with, to the extent appropriate, the code provisions in the Listing Rules Corporate Governance Code;
- all the Directors, after making specific enquiry on each of them, confirmed that they complied with the required standards set out in the Link Securities Dealing Code, and its terms 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; and
- the Manager continued to adopt stringent internal procedures to preserve confidentiality of inside information and complied with the requirements of Part XIVA of the SFO.

Pursuant to the Link Securities Dealing Code, Directors and senior management of the Manager wishing to deal in the securities of Link must first have regard to the provisions of Parts XIII and XIV of the SFO with respect to insider dealing and market misconduct 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. The Manager also imposes and enforces (when required) black-out on Directors and relevant staff members who have participated in the preparation of Link's interim and final results announcements and the related reports or are involved in corporate transaction activities or in possession of inside information in the manner as required by the Listing Rules, the inside information provisions of the SFO and the Compliance Manual. Staff members who are subject to black-out will be suspended from participating in the EUPP until the black-out is lifted.

Other Information Updates

Review by Audit and Risk Management Committee and Auditor

The condensed consolidated interim financial information of Link for the six months ended 30 September 2018 had been reviewed by the Audit and Risk Management Committee and Link's auditor.

Employee Unit Purchase Plan

During the period under review, 451 eligible employees of the Manager participated in the EUPP who together purchased 117,698 units on the Stock Exchange through an independent third party intermediary (currently, Bank of China (Hong Kong) Limited) at a total consideration of approximately HK\$8,752,257, of which an amount of HK\$1,240,821 was subsidised by the Manager. The amount of subsidy for each eligible employee was determined in accordance with the rules of the EUPP with reference to such employee's length of service and appraised performance.

Link Together Initiatives

During the period under review, upon the recommendation of the selection committee, the Board approved charitable donations and sponsorships of approximately HK\$14.4 million under the Link Together Initiatives (i.e. the charity and community engagement programme of Link) for the 2018/2019 funding cycle, to sponsor 8 major fund projects and Link First Generation University Student Scholarship. The themes of these major fund projects and the scholarship are all in line with the focus of the programme to support the well-being of the elderly and the disadvantaged and the education, training and development of children and youth services in the communities around Link's properties.

Issue of New Units

During the period under review, 1,407,782 new units were issued pursuant to the 2007 LTI Plan. Based on 2,111,986,754 units in issue as at 30 September 2018, the number of new units issued during the period under review represents approximately 0.07% of the issued units of Link.

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

During the period under review, the Manager (on behalf of Link) bought back a total of 39,480,000 units on the Stock Exchange at an aggregate consideration (excluding expenses) of approximately HK\$3,007 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\$	
2018				
July	13,611,500	77.80	71.35	1,019.9
August	25,868,500	78.30	75.05	1,987.5

All the units bought back were cancelled prior to the end of the period under review. All unit buy-backs by the Manager during the period under review were carried out pursuant to the general mandate to buy back units granted by the Unitholders that was in force in the relevant time, and were made in the interest of Link and the Unitholders as a whole. The average cost (excluding expenses) of the units bought back was approximately HK\$76.17 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 period under review.

Unitholders Statistics

As at 1 April 2018, there were 2,150,058,972 units of Link in issue. During the period under review, 1,407,782 new units were issued and 39,480,000 units were bought back and cancelled. As at 30 September 2018, there were 2,111,986,754 units of Link in issue, which were held by 22,966 registered Unitholders according to the register of Unitholders of Link. HKSCC Nominees Limited (through which most holders hold their units in Link) remained as the single largest registered Unitholder holding 2,024,464,622 units (approximately 95.86% of the issued units of Link).

Based on the closing price of HK\$77.05 per unit and 2,111,986,754 units then in issue, the market capitalisation of Link as at 30 September 2018 was approximately HK\$162.7 billion. Please see Note 22 to the condensed consolidated interim financial information in this report for further details.

Public Float

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

As at the date of this report, Link does not have any controlling Unitholder nor Significant Unitholder.

Investor Relations

The Manager continually communicates with the investment community to ensure that analysts, retail and institutional investors are sufficiently informed, and to gauge their views on the business objectives, activities and future direction of Link. There are currently 19 equity research analysts covering Link. Since April 2018, the Manager participated in the following events:

Event	Number
Individual meetings and conference calls	209
Investors' conferences/corporate days	8
Post-results/non-deal roadshows to Asia, Australia, Europe and the United States	5
Site visits for interested parties	4

Acquisition and Disposal of Real Estate

Neither Link nor any of its subsidiaries acquired or disposed of any real estate during the period under review.

As at 30 September 2018, Link's portfolio comprised 142 assets (including 138 investment properties and 1 property development project in Hong Kong as well as 3 investment properties in Mainland China). Complete list and relevant details of those properties and the property development project can be found on pages 137 to 169 of the "Governance, Disclosures and Financial Statements" report of Link's annual report 2017/2018.

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 annual 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 30 September 2018 (after adjusting for the interim distribution payable for the six months ended 30 September 2018); and (b) is within the GAV Cap.

Relevant Investments

On 25 July 2018, Unitholders approved the expansion of investment scope of Link's investment strategy to include investments in "Relevant Investments" (as defined in the REIT Code). During the period under review, Link did not invest in "Relevant Investments".

Changes after Financial Period End

This report has taken into account changes occurred since the end of the six-month period on 30 September 2018 up to the date of approval of this report by the Board on 14 November 2018.

Hong Kong, 14 November 2018

DISCLOSURES

Disclosure of Interests

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

According to the disclosure of interests to the Stock Exchange and the Manager pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, the following persons held an interest of 5% or more in the units and underlying units of Link as at 30 September 2018:

Name	Capacity	Number of units/ underlying units in long position (L)/ short position (S)	Approximate percentage of total units in issue ⁽⁴⁾ %
Stichting Pensioenfond ABP ⁽¹⁾	Investment manager	(L) 113,471,409 ⁽¹⁾	5.37
APG Groep N.V. ⁽¹⁾	Investment manager	(L) 113,471,409 ⁽¹⁾	5.37
APG Asset Management N.V. ⁽¹⁾	Investment manager	(L) 113,471,409 ⁽¹⁾	5.37
State Street Corporation	Interests of controlled corporations	(L) 124,191,103	5.88
The Capital Group Companies, Inc. ⁽²⁾	Interests of controlled corporations	(L) 130,993,930 ⁽²⁾	6.20
Capital Research and Management Company ⁽²⁾	Direct interests and interests of controlled corporations	(L) 130,993,930 ⁽²⁾	6.20
BlackRock, Inc. ⁽³⁾	Interests of controlled corporations	(L) 175,950,147 ⁽³⁾ (S) 64,000 ⁽³⁾	8.33 0.00

Notes:

- 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 Pensioenfond ABP. Therefore, APG Asset Management N.V., APG Groep N.V. and Stichting Pensioenfond ABP were interested or deemed to be interested in the same batch of 113,471,409 units as shown in the above table and these interests in units were overlapped.
- Capital Research and Management Company was interested or deemed to be interested in 130,993,930 units including: (i) 116,463,159 units held by it as beneficial owner; and (ii) 14,530,771 units held by four controlled corporations, through its wholly-owned Capital Group International, Inc., 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 Sàrl (1,114,446 units). The Capital Group Companies, Inc. is the controlling corporation of Capital Research and Management Company and therefore was deemed to be interested in all of the interests held by Capital Research and Management Company.
- The long position interests of BlackRock, Inc. in 175,950,147 units and short position interests in 64,000 units were held through its various controlled corporations, two of which had an interest over 5%, being BlackRock Financial Management, Inc. (which had (i) long position interests in 1,707,390 units as beneficial owner; and (ii) long position interests in 171,607,092 units and short position interests in 3,000 units through its controlled corporations) and BlackRock Holdco 2, Inc. (which is the controlling corporation of BlackRock Financial Management, Inc. and therefore was deemed to be interested in all of the interests held by BlackRock Financial Management, Inc.). 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.
- The approximate percentages were calculated based on 2,111,986,754 units in issue as at 30 September 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 30 September 2018.

Interests of Directors in Units

According to the disclosure of interests to the Stock Exchange and the Manager pursuant to the provisions of Part XV of the SFO and the register kept by the Manager, the interests of the Directors in units and underlying units of Link as at 30 September 2018 were as follows:

Name	Number of units				Interest in underlying units ⁽²⁾	Total interest held at 30 Sep 2018	Approximate percentage of total units in issue ⁽³⁾ %	Total interest held at 31 Mar 2018
	Personal interest ⁽¹⁾	Family interest	Corporate interest	Other interest				
Current Directors								
Chairman (also an Independent Non-Executive Director)								
Nicholas Charles ALLEN	63,750 ⁽¹⁾	-	-	-	57,250	121,000	0.0057	100,000
Executive Directors								
George Kwok Lung HONGCHOY	1,362,171	-	-	-	1,806,676	3,168,847	0.1500	3,661,612
Andy CHEUNG Lee Ming	729,781	-	-	-	542,126	1,271,907	0.0602	928,904
Non-Executive Director								
Ian Keith GRIFFITHS	64,720	-	-	-	17,500	82,220	0.0039	75,720
Independent Non-Executive Directors								
Christopher John BROOKE ⁽⁴⁾	-	-	-	-	6,500	6,500	0.0003	-
Ed CHAN Yiu Cheong	4,000	-	-	-	17,500	21,500	0.0010	15,000
Blair Chilton PICKERELL	4,250	-	-	-	17,750	22,000	0.0010	15,500
Poh Lee TAN	4,500	-	12,000	-	19,000	35,500	0.0017	28,500
May Siew Boi TAN	99,500	-	-	-	21,500	121,000	0.0057	113,000
Peter TSE Pak Wing	15,500	-	-	-	21,500	37,000	0.0018	29,500
Nancy TSE Sau Ling	12,500	-	-	-	19,000	31,500	0.0015	24,500
Elaine Carole YOUNG	37,500	-	-	-	19,000	56,500	0.0027	49,500
Former Independent Non-Executive Director								
David Charles WATT ⁽⁵⁾	111,615	-	-	-	4,750	116,365	0.0055	116,365

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 personal interest of Mr Nicholas Charles ALLEN in 50,000 units 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 Long-term Incentive Schemes. Please refer to the "Long-term Incentive Schemes" section on pages 35 to 40 of this report for details.
- (3) The approximate percentages were calculated based on 2,111,986,754 units in issue as at 30 September 2018.
- (4) Mr Christopher John BROOKE was appointed as an Independent Non-Executive Director on 1 May 2018. No restricted unit award was granted to him under the Long-term Incentive Schemes prior to his appointment.
- (5) Mr David Charles WATT retired on 13 August 2018. 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 7 on page 40 of this report for details of his entitlement to the unvested restricted unit awards upon retirement.

Save as disclosed above and so far as the Manager is aware, none of the Directors or any of their respective associates held any interests in units (or, as the case may be, shares) or underlying units (or, as the case may be, underlying shares) or debentures of Link and/or its subsidiaries which were required to be disclosed pursuant to the provisions of Part XV of the SFO as at 30 September 2018.

Interests of Connected Persons in Units and Notes issued pursuant to the MTN Programme

After making reasonable enquiry and according to the information available to the Manager, as at 30 September 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 notes issued pursuant to the MTN programme of Link:

Interests in Units

Name	Number of units held at 30 Sep 2018	Approximate percentage of total units in issue ⁽²⁾ %	Number of units held at 31 Mar 2018
The Hongkong and Shanghai Banking Corporation Limited (" HSBC ") and its subsidiaries ⁽¹⁾	8,260,908	0.39	6,186,635

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 875,258 units as at 30 September 2018.
- (2) The approximate percentage was calculated based on 2,111,986,754 units in issue as at 30 September 2018.
- (3) As at 30 September 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 30 September 2018 are disclosed in the "Interests of Directors in Units" section above. In addition, as at 30 September 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 405,646 units, 93,104 units, 247,912 units and 28,591 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 30 Sep 2018 US\$	Approximate percentage of total nominal amount ⁽²⁾ %	Nominal amount held at 31 Mar 2018 US\$
Dah Sing Bank, Limited (" Dah Sing Bank ") ⁽¹⁾	36,500,000	7.30	34,100,000
HSBC and its subsidiaries	40,035,000	8.01	35,000

Notes:

- (1) Dah Sing Bank is an associate of Mr Blair Chilton PICKERELL.
- (2) The approximate percentage was calculated based on the total nominal amount of US\$500 million of the Green Bond.

Interests in USD-denominated Notes

(US\$500 million USD-denominated notes due 2024 issued on 3 September 2014 at 3.6% coupon rate by The Link Finance (Cayman) 2009 Limited under the MTN programme ("**USD-denominated Notes**"))

Name	Nominal amount held at 30 Sep 2018 US\$	Approximate percentage of total nominal amount ⁽¹⁾ %	Nominal amount held at 31 Mar 2018 US\$
HSBC and its subsidiaries	109,321,000	21.86	110,271,000

Note:

(1) The approximate percentage was calculated based on the total nominal amount of US\$500 million of the USD-denominated Notes.

Interests in HKD-denominated Notes

(A total aggregate nominal amount of HK\$2,979 million of several HKD-denominated notes due within 2021-2030 issued between 2011-2015 at coupon rates ranging from 2.4%-3.55% by The Link Finance (Cayman) 2009 Limited under the MTN programme ("**HKD-denominated Notes**"))

Name	Aggregate nominal amount held at 30 Sep 2018 HK\$	Approximate percentage of total aggregate nominal amount ⁽¹⁾ %	Aggregate nominal amount held at 31 Mar 2018 HK\$
HSBC and its subsidiaries	985,000,000	33.06	1,082,000,000

Note:

(1) The approximate percentage was calculated based on the total aggregate nominal amount of HK\$2,979 million of the HKD-denominated Notes.

Long-term Incentive Schemes

2017 LTI Scheme

The 2017 LTI Scheme was adopted 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.

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).

A summary of the rules of the 2017 LTI Scheme were set out on pages 55 to 56 of the "Governance, Disclosures and Financial Statements" report in Link's annual report 2017/2018.

Movements of Restricted Unit Awards

Movements in restricted unit awards⁽⁵⁾ under the 2017 LTI Scheme during the six months ended 30 September 2018 and the balances at the beginning and the end of the period were as follows:

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2018 ⁽¹⁾	Granted during the period ⁽²⁾	Vested during the period ⁽³⁾	Cancelled during the period ⁽⁴⁾	Lapsed during the period ⁽⁴⁾	Outstanding at 30 Sep 2018 ⁽¹⁾
Current 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
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	-	10,500	-	-	-	10,500
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	-	10,500	-	-	-	10,500
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
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	-	518,763	-	-	-	518,763
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	-	518,763	-	-	-	518,763
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
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	-	175,075	-	-	-	175,075
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	-	175,075	-	-	-	175,075
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
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	-	3,250	-	-	-	3,250
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	-	3,250	-	-	-	3,250

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2018 ⁽¹⁾	Granted during the period ⁽²⁾	Vested during the period ⁽³⁾	Cancelled during the period ⁽⁴⁾	Lapsed during the period ⁽⁴⁾	Outstanding at 30 Sep 2018 ⁽¹⁾
Christopher John BROOKE (Independent Non-Executive Director)	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	-	3,250	-	-	-	3,250
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	-	3,250	-	-	-	3,250
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
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	-	3,250	-	-	-	3,250
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	-	3,250	-	-	-	3,250
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
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	-	3,250	-	-	-	3,250
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	-	3,250	-	-	-	3,250
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
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	-	3,500	-	-	-	3,500
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	-	3,500	-	-	-	3,500
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
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	-	4,000	-	-	-	4,000
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	-	4,000	-	-	-	4,000
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
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	-	3,750	-	-	-	3,750
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	-	3,750	-	-	-	3,750
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
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	-	3,500	-	-	-	3,500
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	-	3,500	-	-	-	3,500

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2018 ⁽¹⁾	Granted during the period ⁽²⁾	Vested during the period ⁽³⁾	Cancelled during the period ⁽⁴⁾	Lapsed during the period ⁽⁴⁾	Outstanding at 30 Sep 2018 ⁽¹⁾
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
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	-	3,500	-	-	-	3,500
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	-	3,500	-	-	-	3,500
Former Director								
David Charles WATT (Former 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)	-	-	-
Other participants								
In aggregate	14 Jul 2017	14 Jul 2017 to 30 Jun 2019	525,243	-	-	-	(41,293)	483,950
	14 Jul 2017	14 Jul 2017 to 30 Jun 2020	525,243	-	-	-	(42,031)	483,212
	4 Jul 2018	4 Jul 2018 to 30 Jun 2020	-	569,894	-	(5,288)	(2,350)	562,256
	4 Jul 2018	4 Jul 2018 to 30 Jun 2021	-	569,894	-	(5,288)	(2,350)	562,256
Total			1,817,612	2,610,964	(8,000)	(10,576)	(88,024)	4,321,976

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 during the period was HK\$72.15 per unit. On the assumption that the restricted unit awards granted during the period were finally vested for the maximum number of units, the estimated fair value of such restricted unit awards would amount to approximately HK\$201.2 million as at 30 September 2018 based on the valuation of an independent valuer.
- (3) The closing price of the units on the business day immediately preceding the date on which the relevant restricted unit awards were vested during the period was HK\$76.70 per unit. An amount of approximately HK\$19,982 was paid for the conditional cash awards vested simultaneously with the restricted unit awards during the period.
- (4) These figures represent the maximum number of units in respect of which the restricted unit awards had lapsed or were cancelled during the period. The conditional cash awards granted in conjunction with such restricted unit awards had lapsed or were cancelled simultaneously.
- (5) The restricted unit awards in the above table were all granted in conjunction with conditional cash awards. The aggregate weighted average value carried by the outstanding conditional cash awards attached to the outstanding restricted unit awards at the end of the period was HK\$0.9976 per unit.

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 18 to the condensed consolidated interim financial information.

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. After its expiry, no further awards has been and none shall be granted under the 2007 LTI Plan. 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.

Outstanding awards under the 2007 LTI Plan comprise (i) restricted unit awards (to be satisfied by the issue of new units 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).

A summary of the rules of the 2007 LTI Plan were set out on pages 59 to 60 of the “Governance, Disclosures and Financial Statements” report in Link’s annual report 2017/2018.

Movements of Restricted Unit Awards

Movements in restricted unit awards⁽⁵⁾ under the 2007 LTI Plan during the six months ended 30 September 2018 and the balances at the beginning and the end of the period were as follows:

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2018 ⁽²⁾	Granted during the period	Vested during the period ⁽³⁾	Cancelled during the period	Lapsed during the period ⁽⁴⁾	Outstanding at 30 Sep 2018 ⁽²⁾
Current Directors⁽¹⁾								
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)	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	-	(200,709)	-	(30,291)	-
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	231,000	-	-	-	-	231,000
Andy CHEUNG Lee Ming (Executive Director)	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	-	(47,353)	-	(7,147)	-
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	54,500	-	-	-	-	54,500
Ian Keith GRIFFITHS (Non-Executive Director)	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

Name (Position)	Date of grant	Vesting period	Outstanding at 1 Apr 2018 ⁽²⁾	Granted during the period	Vested during the period ⁽³⁾	Cancelled during the period	Lapsed during the period ⁽⁴⁾	Outstanding at 30 Sep 2018 ⁽²⁾
May Siew Boi TAN (Independent Non-Executive Director)	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 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 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
Elaine Carole YOUNG (Independent Non-Executive Director)	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								
David Charles WATT (Former Independent Non-Executive Director)	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 ⁽⁶⁾⁽⁷⁾
Other participants								
In aggregate	24 Jul 2015	24 Jul 2015 to 30 Jun 2018	465,828 ⁽⁶⁾⁽⁸⁾	-	(461,079) ⁽⁸⁾	-	(4,749) ⁽⁸⁾	-
	14 Nov 2016	14 Nov 2016 to 30 Jun 2018	445,960 ⁽⁶⁾⁽⁸⁾	-	(386,391) ⁽⁸⁾	-	(59,569) ⁽⁸⁾	-
	14 Nov 2016	14 Nov 2016 to 30 Jun 2019	441,722 ⁽⁶⁾⁽⁸⁾	-	-	-	(38,000) ⁽⁸⁾	403,722 ⁽⁶⁾⁽⁸⁾
Total			2,291,010	-	(1,407,782)	-	(139,756)	743,472

Notes:

- Mr Christopher John BROOKE was not included in this table as he was appointed as an Independent Non-Executive Director after the expiry of the 2007 LTI Plan.
- 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.
- The closing price of the units on the business day immediately preceding the date on which the relevant restricted unit awards were vested during the period was HK\$71.65 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 during the period.
- These figures represent the maximum number of units in respect of which the restricted unit awards had lapsed during the period. The conditional cash awards granted in conjunction with such restricted unit awards had lapsed simultaneously.
- 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 period was HK\$4.7819 per unit.

- (6) According to the prevailing policy, outstanding restricted unit awards held by a retired Director under the 2007 LTI Plan will vest on a pro rata basis to his actual number of days in office before retirement.
- (7) On a pro rata basis (see note 6 above), the maximum number of units that may be issued on vesting of the outstanding restricted unit awards held by Mr David Charles WATT (who retired on 13 August 2018) would be 3,357 units (instead of 4,750 units as stated in the above table). The remaining portion will lapse on the relevant vesting date.
- (8) 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 5,250 units held by Professor Richard WONG Yue Chim at the beginning of the period, of which 1,810 units were vested and issued and the remaining balance had lapsed during the period; and (ii) restricted unit awards in respect of a maximum of 17,500 units held by Mr William CHAN Chak Cheung at the beginning of the period, of which 8,597 units were vested and issued, 3,153 units had lapsed, and a maximum of 5,750 units remained outstanding at the end of the period (which will vest on a pro rata basis as mentioned in note 6 above). Please refer to pages 62 to 63 of the "Governance, Disclosures and Financial Statements" report of annual report 2017/2018 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 18 to the condensed consolidated interim financial information.

Connected Party Transactions

Connected Persons and Connected Party Transactions

The following table sets out the connected party transactions of Link and/or its subsidiaries with connected persons (as defined under Chapter 8 of the REIT Code) named below during the period under review:

Name of connected person	Relationship with Link	Nature of the transactions	Income derived from the connected persons HK\$'M	Expenses paid to the connected persons HK\$'M
Link Asset Management Limited	Manager	Management fee ⁽¹⁾	N/A	(394.0)
HSBC Institutional Trust Services (Asia) Limited	Trustee	Trustee's fee ⁽²⁾	N/A	(9.9)
Jones Lang LaSalle Limited ("JLL")	Principal Valuer	Valuation fees	N/A	(1.1)
		Consultancy fees	N/A	(1.6)
		Agency fees	N/A	(0.5)
HSBC and its subsidiaries (excluding the Trustee and its proprietary subsidiaries) ("HSBC Group")	Associates of Trustee	Tenancy/licence ⁽³⁾	19.3 ⁽⁴⁾	N/A
		Interest income	4.2	N/A
		Interest expenses and financing charges	N/A	(15.6)
		Arrangement fees and bank charges	N/A	(7.5) ⁽⁵⁾
Jones Lang LaSalle Management Services Limited ("JLLMSL")	Associate of Principal Valuer	Fitter services fees	N/A	(7.6) ⁽⁶⁾
Premier Cleaning Services Limited ("PCSL")	Associate of Principal Valuer	Cleaning services fees	N/A	_(7)
Aedas Limited	Associate of Mr Ian Keith GRIFFITHS	Architectural and renovation consultancy services fees	N/A	(3.9)
The Chamber of Hong Kong Listed Companies	Associate of Mr Andy CHEUNG Lee Ming	Sponsorship fee	N/A	(0.1)
The Hong Kong Institute of Directors Limited ("HKIoD")	Associate of Mr George Kwok Lung HONGCHOY	Membership fee	N/A	_(8)
Dah Sing Bank	Associate of Mr Blair Chilton PICKERELL	Tenancy/licence ⁽³⁾	3.8 ⁽⁴⁾	N/A
		Arrangement fees and bank charges	N/A	_(9)

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) For shops, ATMs and showcases at various locations within Link's properties.
- (4) Excluding deposits received.
- (5) Including transaction fees paid by the Manager for buy-back of Link's units.
- (6) Extension of existing contract for provision of fitter services for shopping centres, car parks, markets and cooked-food stalls was awarded to JLLMSL at a contract sum of approximately HK\$35.2 million.
- (7) Extension of existing cleaning services contract was awarded to PCSL at a contract sum of approximately HK\$47,000. Cleaning services fee of approximately HK\$19,000 was paid to PCSL.
- (8) Membership fee of HK\$1,480 was paid to HKIoD.
- (9) Bank charge of approximately HK\$6,000 was paid to Dah Sing Bank.

Lease Transactions with Connected Persons

In addition to the tenancy with Hang Seng Bank, Limited (“**Hang Seng**”) disclosed on page 55 of the “Governance, Disclosures and Financial Statements” report of annual report 2016/2017 and the tenancies disclosed on page 65 of the “Governance, Disclosures and Financial Statements” report of annual report 2017/2018 (all of which still subsisted at the end of the period under review save for the increase in rental mentioned in note 2 below), the following tenancy with an annual rent exceeding HK\$1 million was entered into or renewed by Link and/or its subsidiaries with connected person (as defined under Chapter 8 of the REIT Code) during the period under review:

Name of tenant	Nature of the transaction	Lease term	Annual rent ⁽¹⁾ HK\$'M	Rental deposit received as at 30 September 2018 HK\$'M
Dah Sing Bank	Tenancy for shop no. G3C at Temple Mall South	Term of 3 years ending on 9 June 2021	2.7	0.7

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) The annual rent (calculated in accordance with note 1 above) of tenancy for shop no. 121A at Temple Mall South with Hang Seng for a term of 2 years ending on 2 July 2019 increased to HK\$3.2 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 during the period under review. Further details are set out in Note 25 to the condensed consolidated interim financial information. The HSBC Group also provided services to subsidiaries of Link in relation to Mandatory Provident Fund accounts and payment and receipt arrangements. Bank accounts were also maintained with the HSBC Group and Dah Sing Bank for deposits and/or rent collection purposes during the period under review.

The Link Finance Limited (a wholly-owned subsidiary of Link) also maintained interest rate swap contracts with HSBC during the period under review. As at 30 September 2018, the total notional principal outstanding value in respect of such swap contracts with HSBC was approximately HK\$8.7 billion.

Waivers from Strict Compliance

Throughout the six-month period under review, Link complied with the stipulated terms and conditions of the waivers granted by the SFC for the relevant connected party transactions including, among others, (i) conducting the transactions at arm's length on normal commercial terms in the usual and ordinary course of business and in the interests of the Unitholders; (ii) wherever applicable, within specific caps on transaction amounts or fees paid; and (iii) having the relevant transactions reviewed by Link's auditor and the Audit and Risk Management Committee and approved by the Board.

AUDITOR'S REVIEW REPORT



羅兵咸永道

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

Introduction

We have reviewed the interim financial information set out on pages 44 to 68, which comprises the condensed consolidated statement of financial position of Link Real Estate Investment Trust ("**Link**") and its subsidiaries (together, the "**Group**") as at 30 September 2018 and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, consolidated statement of distributions, condensed consolidated statement of changes in equity and net assets attributable to Unitholders and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Manager are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 14 November 2018

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CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2018

	Note	Six months ended 30 September 2018 (Unaudited) HK\$'M	Six months ended 30 September 2017 (Unaudited) HK\$'M
Revenue	4	4,930	4,949
Property operating expenses	6	(1,171)	(1,182)
Net property income		3,759	3,767
General and administrative expenses		(151)	(185)
Change in fair values of investment properties		6,702	9,432
Interest income		59	2
Finance costs	7	(302)	(288)
Profit before taxation and transactions with Unitholders	8	10,067	12,728
Taxation	10	(732)	(589)
Profit for the period, before transactions with Unitholders		9,335	12,139
Distributions paid to Unitholders		(2,758)	(2,581)
		6,577	9,558
Represented by:			
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back		4,690	10,228
Amount arising from exchange reserve and cash flow hedging reserve movements	23	1,778	(677)
Non-controlling interest		109	7
		6,577	9,558
Profit for the period, before transactions with Unitholders attributable to – Unitholders (Note)	11	9,226	12,132
– Non-controlling interest		109	7
		9,335	12,139

The notes on pages 50 to 68 are an integral part of these condensed consolidated interim financial information.

Note: Earnings per unit, based upon profit for the period and before transactions with Unitholders attributable to Unitholders and the weighted average number of units in issue, is set out in Note 11 to the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2018

	Before transactions with Unitholders (Unaudited) HK\$'M	Transactions with Unitholders (Note (i)) (Unaudited) HK\$'M	After transactions with Unitholders (Note (ii)) (Unaudited) HK\$'M	Non-controlling interest (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
Six months ended 30 September 2018					
Profit for the period	9,226	(7,448)	1,778	109	1,887
Other comprehensive income					
Items that may be reclassified subsequently to the condensed consolidated income statement					
- Cash flow hedging reserve	(24)	-	(24)	-	(24)
- Exchange reserve	(1,754)	-	(1,754)	-	(1,754)
Total comprehensive income for the period	7,448	(7,448)	-	109	109
Six months ended 30 September 2017					
Profit for the period	12,132	(12,809)	(677)	7	(670)
Other comprehensive income					
Items that may be reclassified subsequently to the condensed consolidated income statement					
- Cash flow hedging reserve	24	-	24	-	24
- Exchange reserve	653	-	653	-	653
Total comprehensive income for the period	12,809	(12,809)	-	7	7

The notes on pages 50 to 68 are an integral part of these condensed consolidated interim financial information.

Notes:

- (i) Transactions with Unitholders comprise the distributions to Unitholders of HK\$2,758 million (2017: HK\$2,581 million) and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, of HK\$4,690 million (2017: HK\$10,228 million).
- (ii) In accordance with the Trust Deed, the units of Link Real Estate Investment Trust contain contractual obligations to pay to its Unitholders cash distributions and also upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of the trust less any liabilities, in accordance with their proportionate interests in the trust at the date of the termination. The Unitholders' funds are therefore classified as a financial liability rather than equity in accordance with Hong Kong Accounting Standard 32: Financial Instruments: Presentation. Consistent with Unitholders' funds being classified as a financial liability, the distributions to Unitholders and change in net assets attributable to Unitholders, excluding issues of new units and units bought back, are finance costs. Accordingly, the total comprehensive income, after the transactions with Unitholders, is zero.

CONSOLIDATED STATEMENT OF DISTRIBUTIONS

For the six months ended 30 September 2018

	Note	Six months ended 30 September 2018 (Unaudited) HK\$'M	Six months ended 30 September 2017 (Unaudited) HK\$'M
Profit for the period, before transactions with Unitholders attributable to Unitholders		9,226	12,132
Adjustments:			
- Change in fair values of investment properties attributable to Unitholders		(6,591)	(9,424)
- Deferred taxation on change in fair values of investment properties attributable to Unitholders		145	48
- Change in fair values of financial instruments		35	-
- Other non-cash income		(56)	(83)
- Depreciation charge on investment properties under China Accounting Standards		-	(69)
Total Distributable Income (Note (i))		2,759	2,604
Discretionary distribution (Note (ii))		-	69
Total Distributable Amount		2,759	2,673
Interim distribution for the period, to be paid to the Unitholders (Note (iii))		2,759	2,673
Total Distributable Amount as a percentage of Total Distributable Income		100%	103%
Units in issue at 30 September	22	2,111,986,754	2,199,876,472
Distribution per unit to Unitholders for the period (Note (iii))		HK130.62 cents	HK121.50 cents

The notes on pages 50 to 68 are an integral part of these condensed consolidated interim financial information.

Notes:

- (i) Under the terms of the Trust Deed, the Total Distributable Income is the consolidated profit after taxation attributable to Unitholders adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the condensed consolidated income statement for the relevant period. Link Real Estate Investment Trust is required to ensure that the total amount distributed to Unitholders as distributions for each financial period shall be no less than 90% of Total Distributable Income. The Manager has decided to distribute 100% (2017: 100%) of Total Distributable Income as the distribution for the six months ended 30 September 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 period ended 30 September 2017.
- (iii) The interim distribution per unit of HK130.62 cents (2017: HK121.50 cents) for the six months ended 30 September 2018 is calculated based on the interim distribution of HK\$2,759 million (2017: HK\$2,673 million) for the period and 2,111,986,754 units (2017: 2,199,876,472 units) in issue as at 30 September 2018, without taking into account any change in the number of units in issue subsequent to the approval of the condensed consolidated interim financial information. The interim distribution will be paid to Unitholders on 10 December 2018.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

	Note	30 September 2018 (Unaudited) HK\$'M	31 March 2018 (Audited) HK\$'M
Non-current assets			
Goodwill	12	399	416
Investment properties	13	209,790	203,091
Property, plant and equipment	14	112	115
Derivative financial instruments	20	225	280
		210,526	203,902
Current assets			
Trade and other receivables	15	755	715
Deposits and prepayments		132	97
Derivative financial instruments	20	6	1
Short-term bank deposits	16	2,650	8,525
Cash and cash equivalents	16	1,200	3,164
		4,743	12,502
Total assets		215,269	216,404
Current liabilities			
Trade payables, receipts in advance and accruals	17	2,336	2,462
Security deposits		1,586	1,665
Provision for taxation		629	420
Current portion of long-term incentive schemes provision	18	67	87
Interest bearing liabilities	19	2,998	2,589
Derivative financial instruments	20	-	2
		7,616	7,225
Net current (liabilities)/assets		(2,873)	5,277
Total assets less current liabilities		207,653	209,179
Non-current liabilities, excluding net assets attributable to Unitholders			
Long-term incentive schemes provision	18	36	50
Interest bearing liabilities	19	19,124	23,196
Derivative financial instruments	20	482	375
Deferred tax liabilities		3,081	2,893
Other non-current liabilities	21	3,969	3,597
		26,692	30,111
Total liabilities, excluding net assets attributable to Unitholders		34,308	37,336
Non-controlling interest		583	474
Net assets attributable to Unitholders		180,378	178,594
Units in issue	22	2,111,986,754	2,150,058,972
Net assets per unit attributable to Unitholders		HK\$85.41	HK\$83.06

The notes on pages 50 to 68 are an integral part of these condensed consolidated interim financial information.

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

Nicholas Charles ALLEN
Chairman
14 November 2018

George Kwok Lung HONGCHOY
Chief Executive Officer
14 November 2018

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

For the six months ended 30 September 2018

	Note	Net assets attributable to Unitholders (Unaudited) HK\$'M	Total reserves (Unaudited) HK\$'M	Non-controlling interest (Unaudited) HK\$'M
At 1 April 2018		178,594	580	474
Issuance of units under the 2007 long term incentive plan		101	-	-
Units bought back for cancellation		(3,007)	-	-
Profit for the six months ended 30 September 2018, before transactions with Unitholders		9,226	-	109
Distributions paid to Unitholders - 2018 final distribution		(2,758)	-	-
Change in fair values of cash flow hedges	23	-	58	-
Amount transferred to the condensed consolidated income statement	23	-	(82)	-
Exchange loss on translation of financial statements	23	-	(1,754)	-
Amount arising from exchange reserve and cash flow hedging reserve movements	23	(1,778)	1,778	-
Change in net assets attributable to Unitholders and non-controlling interest for the six months ended 30 September 2018, excluding issues of new units and units bought back		4,690	-	109
At 30 September 2018		180,378	580	583
At 1 April 2017		138,241	580	256
Issuance of units under the 2007 long term incentive plan		93	-	-
Units bought back for cancellation		(928)	-	-
Profit for the six months ended 30 September 2017, before transactions with Unitholders		12,132	-	7
Distributions paid to Unitholders - 2017 final distribution		(2,581)	-	-
Change in fair values of cash flow hedges		-	(25)	-
Amount transferred to the condensed consolidated income statement		-	49	-
Exchange gain on translation of financial statements		-	653	-
Amount arising from exchange reserve and cash flow hedging reserve movements		677	(677)	-
Change in net assets attributable to Unitholders and non-controlling interest for the six months ended 30 September 2017, excluding issues of new units and units bought back		10,228	-	7
At 30 September 2017		147,634	580	263

The notes on pages 50 to 68 are an integral part of these condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2018

	Six months ended 30 September 2018 (Unaudited) HK\$'M	Six months ended 30 September 2017 (Unaudited) HK\$'M
Operating activities		
Net cash generated from operating activities	2,832	3,398
Investing activities		
Acquisition of business	-	(4,496)
Additions to investment properties	(1,297)	(937)
Additions to property, plant and equipment	(16)	(17)
Interest income received	42	2
Decrease in short-term bank deposits with original maturity of more than three months	5,875	50
Net cash generated from/(used in) investing activities	4,604	(5,398)
Financing activities		
Proceeds from interest bearing liabilities, net of transaction costs	4,877	9,865
Repayment of interest bearing liabilities	(8,432)	(4,105)
Increase in amount due to non-controlling interest	237	99
Interest expenses paid on interest bearing liabilities	(260)	(376)
Distributions paid to Unitholders	(2,758)	(2,581)
Units bought back for cancellation	(3,007)	(928)
Net cash (used in)/generated from financing activities	(9,343)	1,974
Net decrease in cash and cash equivalents	(1,907)	(26)
Cash and cash equivalents at 1 April	3,164	535
Effect on exchange rate changes on cash and cash equivalents	(57)	6
Cash and cash equivalents at 30 September	1,200	515

The notes on pages 50 to 68 are an integral part of these condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 Corporate Information

Link Real Estate Investment Trust (“**Link**”) is a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Link is governed by a trust deed entered into on 6 September 2005 (as amended and supplemented by 12 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, 15 January 2015 and 25 July 2018) (together the “**Trust Deed**”).

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

2 Basis of Preparation

The condensed consolidated interim financial information for the six months ended 30 September 2018 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The condensed consolidated interim financial information should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2018.

As at 30 September 2018, the Group’s current liabilities exceeded its current assets. The Group considers that its liquidity and financial position as a whole is healthy and it has a reasonable expectation that the Group has adequate resources to meet its liabilities and commitments as and when they fall due and to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the condensed consolidated interim financial information.

3 Accounting Policies

The accounting policies adopted are consistent with those set out in the audited consolidated financial statements for the year ended 31 March 2018, except for the adoption of the following new standards, amendments and interpretation issued by the HKICPA which became effective for the six months ended 30 September 2018.

HKAS 40 Amendments	Transfers of Investment Property
HKFRS 2 Amendments	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 Amendments	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9 (2014)	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements to HKFRSs 2014–2016 Cycle	

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

3 Accounting Policies (Continued)

The following new standards, amendments and interpretation, which have been published but are not yet effective, have not been early adopted in the condensed consolidated interim financial information. These are effective for the Group's accounting periods beginning on or after 1 April 2019.

HKAS 19 Amendments	Employee Benefits ⁽¹⁾
HKAS 28 Amendments	Long-term Interests in Associates and Joint Ventures ⁽¹⁾
HKAS 28 (2011) and HKFRS 10 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽³⁾
HKFRS 9 Amendments	Prepayment Features with Negative Compensation ⁽¹⁾
HKFRS 16	Leases ⁽¹⁾
HKFRS 17	Insurance Contracts ⁽²⁾
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ⁽¹⁾
Annual Improvements to HKFRSs 2015–2017 Cycle ⁽¹⁾	

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

⁽²⁾ effective for accounting periods beginning on or after 1 January 2021

⁽³⁾ no mandatory effective date is determined yet but early application is permitted

The Group is in the process of making an assessment of the impact of these new and revised Hong Kong Financial Reporting Standards ("HKFRSs") upon initial application. 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.

4 Revenue

Revenue recognised during the period comprises:

	Six months ended 30 September 2018 (Unaudited) HK\$'M	Six months ended 30 September 2017 (Unaudited) HK\$'M
Rentals		
- Retail and commercial properties	3,744	3,714
- Car parks	988	1,022
	4,732	4,736
Other revenue		
- Air conditioning service fees	173	188
- Other property related revenue	25	25
	198	213
Total revenue	4,930	4,949

Leases with tenants provide for monthly base rent and recovery of certain outgoings. Additional rents based on business turnover amounted to HK\$60 million (2017: HK\$69 million) and have been included in the rental income.

5 Segment Information

	Retail properties HK\$'M	Car parks HK\$'M	Others HK\$'M	Total HK\$'M
For the six months ended				
30 September 2018 (Unaudited)				
Revenue	3,762	990	178	4,930
Segment results	2,850	754	4	3,608
Change in fair values of investment properties	4,455	1,699	548	6,702
Interest income				59
Finance costs				(302)
Profit before taxation and transactions with Unitholders				10,067
Taxation				(732)
Profit for the period, before transactions with Unitholders				9,335
Capital expenditure	758	25	923	1,706
Depreciation	-	-	(9)	(9)
As at 30 September 2018 (Unaudited)				
Segment assets	157,115	36,306	17,368	210,789
Goodwill				399
Derivative financial instruments				231
Short-term bank deposits				2,650
Cash and cash equivalents				1,200
Total assets				215,269
Segment liabilities	2,647	145	1,130	3,922
Provision for taxation				629
Long-term incentive schemes provision				103
Interest bearing liabilities				22,122
Derivative financial instruments				482
Deferred tax liabilities				3,081
Other non-current liabilities				3,969
Total liabilities, excluding net assets attributable to Unitholders				34,308
Non-controlling interest				583
Net assets attributable to Unitholders				180,378

For the six months ended 30 September 2018, revenue of HK\$490 million (2017: HK\$399 million) is attributable to external customers from Mainland China and HK\$4,440 million (2017: HK\$4,550 million) is attributable to external customers from Hong Kong.

As at 30 September 2018, non-current assets of HK\$17,363 million (31 March 2018: HK\$18,469 million) is located in Mainland China and HK\$192,938 million (31 March 2018: HK\$185,153 million) is located in Hong Kong.

5 Segment Information (Continued)

	Retail properties HK\$'M	Car parks HK\$'M	Others HK\$'M	Total HK\$'M
For the six months ended 30 September 2017(Unaudited)				
Revenue	3,766	1,025	158	4,949
Segment results	2,844	786	(48)	3,582
Change in fair values of investment properties	7,311	1,956	165	9,432
Interest income				2
Finance costs				(288)
Profit before taxation and transactions with Unitholders				12,728
Taxation				(589)
Profit for the period, before transactions with Unitholders				12,139
Capital expenditure	5,402	22	339	5,763
Depreciation	-	-	(10)	(10)
As at 31 March 2018 (Audited)				
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

6 Property Operating Expenses

	Six months ended 30 September 2018 (Unaudited) HK\$'M	Six months ended 30 September 2017 (Unaudited) HK\$'M
Property managers' fees, security and cleaning	282	291
Staff costs (Note 9)	258	243
Repair and maintenance	104	107
Utilities	168	185
Government rent and rates	143	144
Promotion and marketing expenses	56	55
Estate common area costs	45	51
Real estate tax in Mainland China	36	28
Other property operating expenses	79	78
	1,171	1,182

7 Finance Costs

	Six months ended 30 September 2018 (Unaudited) HK\$'M	Six months ended 30 September 2017 (Unaudited) HK\$'M
Interest expenses on interest bearing liabilities	357	369
Other borrowing costs (Note (i))	(14)	73
	343	442
Less: capitalised under investment properties (Note (ii))	(131)	(176)
	212	266
Fair value loss on non-controlling interest put option obligation (Note 21)	90	22
	302	288

Notes:

- (i) Other borrowing costs include HK\$45 million (2017: HK\$32 million) interest expenses to non-controlling interest, HK\$82 million net gains (2017: HK\$49 million net losses) on interest rate swap contracts designated as cash flow hedges, HK\$13 million (2017: HK\$38 million) net gains on cross currency swap contracts and interest rate swap contracts designated as fair value hedges and various banking and financing charges.
- (ii) Interest expenses have been capitalised under investment properties at an average interest rate of 3.2% (2017: 2.5%) per annum.

8 Profit Before Taxation and Transactions With Unitholders

Profit before taxation and transactions with Unitholders for the period is stated after charging:

	Six months ended 30 September 2018 (Unaudited) HK\$'M	Six months ended 30 September 2017 (Unaudited) HK\$'M
Staff costs (Note 9)	375	348
Depreciation of property, plant and equipment	9	10
Trustee's fee	10	9
Valuation fee	1	1
Auditor's remuneration		
Audit and audit-related assurance services	1	1
Acquisition related professional fees	-	1
Total auditor's remuneration	1	2
Bank charges	3	3
Commission to property agents	3	1
Donations	14	9
Exchange (gain)/loss	(53)	21
Operating lease charges	18	17
Other legal and professional fees	4	3

9 Staff Costs

	Six months ended 30 September 2018 (Unaudited) HK\$'M	Six months ended 30 September 2017 (Unaudited) HK\$'M
Wages and salaries	328	302
Contributions to mandatory provident fund scheme	7	7
Long-term incentive schemes awards (Note 18)	76	73
	411	382
Less: capitalised under investment properties	(36)	(34)
Staff costs (Note 8)	375	348

Staff costs can be further analysed as below:

	Six months ended 30 September 2018 (Unaudited) HK\$'M	Six months ended 30 September 2017 (Unaudited) HK\$'M
Included under property operating expenses (Note 6)	258	243
Included under general and administrative expenses	117	105
	375	348

10 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 period. Corporate income tax in Mainland China has been provided for at the applicable rate on the estimated assessable profit for the period.

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

	Six months ended 30 September 2018 (Unaudited) HK\$'M	Six months ended 30 September 2017 (Unaudited) HK\$'M
Current taxation		
- Hong Kong	400	394
- Mainland China	86	43
Deferred taxation	246	152
Taxation	732	589

11 Earnings Per Unit Based Upon Profit for the Period, Before Transactions With Unitholders Attributable to Unitholders

	Six months ended 30 September 2018 (Unaudited)	Six months ended 30 September 2017 (Unaudited)
Profit for the period, before transactions with Unitholders attributable to Unitholders	HK\$9,226 million	HK\$12,132 million
Weighted average number of units for the period for calculating basic earnings per unit	2,140,748,585	2,211,438,141
Adjustment for dilutive contingently issuable units under long-term incentive schemes	433,450	1,664,197
Weighted average number of units for the period for calculating diluted earnings per unit	2,141,182,035	2,213,102,338
Basic earnings per unit based upon profit for the period, before transactions with Unitholders attributable to Unitholders	HK\$4.31	HK\$5.49
Diluted earnings per unit based upon profit for the period, before transactions with Unitholders attributable to Unitholders	HK\$4.31	HK\$5.48

12 Goodwill

	Carrying value (Unaudited) HK\$'M
At 1 April 2018	416
Exchange adjustments	(17)
At 30 September 2018	399

13 Investment Properties

(a) Details of the Movements of Investment Properties are as Follows:

	Completed properties (Unaudited) HK\$'M	Property under development (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
At 1 April 2018	194,358	8,733	203,091
Exchange adjustments (Note (e))	(1,703)	-	(1,703)
Additions	791	909	1,700
Change in fair values	6,425	277	6,702
At 30 September 2018	199,871	9,919	209,790

(b) Valuation Process

The investment properties were revalued on a market value basis as at 31 March and 30 September 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.

(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 investment properties are included in Level 3 (31 March 2018: Level 3) of the fair value hierarchy.

(d) Restriction of the Code on Real Estate Investment Trusts (the "REIT Code")

Link acquired 77 Hoi Bun Road in Kowloon East for commercial development and Metropolitan Plaza in Guangzhou, the completion of which were on 23 February 2015 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.

13 Investment Properties (Continued)

(e) Exchange Adjustments

The exchange loss is attributable to the Group's investment properties in Mainland China as a result of the depreciation of Renminbi. This translation difference is included in exchange reserve as set out in Note 23.

14 Property, Plant and Equipment

	Leasehold improvements (Unaudited) HK\$'M	Motor vehicles (Unaudited) HK\$'M	Equipment (Unaudited) HK\$'M	Total (Unaudited) HK\$'M
At 1 April 2018	12	2	101	115
Additions	1	1	4	6
Depreciation charge for the period	(1)	-	(8)	(9)
At 30 September 2018	12	3	97	112
At 30 September 2018				
Cost	76	6	221	303
Accumulated depreciation	(64)	(3)	(124)	(191)
Net book value	12	3	97	112

15 Trade and Other Receivables

	30 September 2018 (Unaudited) HK\$'M	31 March 2018 (Audited) HK\$'M
Trade receivables	111	112
Less: provision for impairment of trade receivables	(7)	(6)
Trade receivables – net	104	106
Other receivables	651	609
	755	715

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:

	30 September 2018 (Unaudited) HK\$'M	31 March 2018 (Audited) HK\$'M
0–30 days	99	100
31–90 days	5	6
Over 90 days	7	6
	111	112

Monthly rentals in respect of retail and commercial properties are payable in advance by tenants in accordance with the leases while daily gross receipts from car parks are received from the car park operators in arrears.

16 Cash and Cash Equivalents and Short-term Bank Deposits

	30 September 2018 (Unaudited) HK\$'M	31 March 2018 (Audited) HK\$'M
Cash at bank	962	710
Short-term bank deposits with original maturity of less than three months	238	2,454
Cash and cash equivalents	1,200	3,164
Short-term bank deposits with original maturity of more than three months	2,650	8,525
	3,850	11,689

17 Trade Payables, Receipts in Advance and Accruals

	30 September 2018 (Unaudited) HK\$'M	31 March 2018 (Audited) HK\$'M
Trade payables	165	157
Receipts in advance	284	245
Accruals	1,887	2,060
	2,336	2,462

The carrying amounts of these payables approximate their fair values.

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

	30 September 2018 (Unaudited) HK\$'M	31 March 2018 (Audited) HK\$'M
0-30 days	161	152
31-90 days	4	4
Over 90 days	-	1
	165	157

18 Long-term Incentive Schemes Provision

	30 September 2018 (Unaudited) HK\$'M	31 March 2018 (Audited) HK\$'M
Long-term incentive schemes provision	103	137
Less: current portion of long-term incentive schemes provision	(67)	(87)
Non-current portion of long-term incentive schemes provision	36	50

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 period, the Group issued 1,407,782 units (2017: 1,561,196 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 period, 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.

18 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 condensed 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 period 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 2018	Granted during the period	Vested during the period ⁽ⁱ⁾	Cancelled during the period	Lapsed during the period	Outstanding as at 30 September 2018	Maximum to be issued on vesting date ⁽ⁱⁱ⁾
2007 LTI Plan								
24 July 2015	24 July 2015 to 30 June 2018	381,539	-	(376,790)	-	(4,749)	-	-
14 November 2016	14 November 2016 to 30 June 2018	422,855	-	(421,011)	-	(1,844)	-	-
	14 November 2016 to 30 June 2019	420,736	-	-	-	(19,000)	401,736	743,472
2007 LTI Plan subtotal		1,225,130	-	(797,801)	-	(25,593)	401,736	743,472
2017 LTI Scheme								
14 July 2017	14 July 2017 to 30 June 2019	413,000	-	(4,000)	-	(17,571)	391,429	863,513
	14 July 2017 to 30 June 2020	413,000	-	(4,000)	-	(17,885)	391,115	862,775
4 July 2018	4 July 2018 to 30 June 2020	-	579,500	-	(2,250)	(1,000)	576,250	1,297,844
	4 July 2018 to 30 June 2021	-	579,500	-	(2,250)	(1,000)	576,250	1,297,844
2017 LTI Scheme subtotal		826,000	1,159,000	(8,000)	(4,500)	(37,456)	1,935,044	4,321,976
Subtotal		2,051,130	1,159,000	(805,801)	(4,500)	(63,049)	2,336,780	5,065,448
Additional units vested over 100% of restricted unit award granted		-	-	(609,981) ⁽ⁱⁱⁱ⁾	-	-	-	-
Total		2,051,130	1,159,000	(1,415,782)	(4,500)	(63,049)	2,336,780	5,065,448

Notes:

(i) Restricted unit award vesting percentages during the period 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.

19 Interest Bearing Liabilities

	30 September 2018 (Unaudited) HK\$'M	31 March 2018 (Audited) HK\$'M
Bank borrowings	7,483	9,932
Medium term notes	14,639	15,853
	22,122	25,785
Less: current portion of interest bearing liabilities	(2,998)	(2,589)
Non-current portion of interest bearing liabilities	19,124	23,196

19 Interest Bearing Liabilities (Continued)

Interest bearing liabilities are repayable as follows:

	30 September 2018 (Unaudited) HK\$'M	31 March 2018 (Audited) HK\$'M
Due in the first year		
Bank borrowings	2,294	1,498
Medium term notes	704	1,091
	2,998	2,589
Due in the second year		
Bank borrowings	2,487	2,719
Medium term notes	952	1,316
	3,439	4,035
Due in the third year		
Bank borrowings	1,965	2,484
Medium term notes	202	349
	2,167	2,833
Due in the fourth year		
Bank borrowings	321	2,521
Medium term notes	1,763	1,436
	2,084	3,957
Due in the fifth year		
Bank borrowings	416	295
Medium term notes	697	1,225
	1,113	1,520
Due beyond the fifth year		
Bank borrowings	-	415
Medium term notes	10,321	10,436
	10,321	10,851
	22,122	25,785

Notes:

- (i) Except for medium term notes of HK\$7,242 million (31 March 2018: HK\$7,350 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 3.19% (31 March 2018: 2.89%). The carrying amounts of the interest bearing liabilities approximate their fair values.

20 Derivative Financial Instruments

	30 September 2018 (Unaudited) HK\$'M	31 March 2018 (Audited) HK\$'M
Derivative assets		
Current items		
Designated as cash flow hedge		
– interest rate swap contracts	2	–
Designated as fair value hedge		
– interest rate swap contracts	4	1
	6	1
Non-current items		
Designated as cash flow hedge		
– interest rate swap contracts	222	250
Designated as fair value hedge		
– cross currency swap contracts	–	13
– interest rate swap contracts	3	17
	225	280
	231	281
Derivative liabilities		
Current item		
Designated as cash flow hedge		
– interest rate swap contract	–	2
Non-current items		
Designated as cash flow hedge		
– interest rate swap contracts	4	4
Designated as fair value hedge		
– cross currency swap contracts	450	351
– interest rate swap contracts	28	20
	482	375
	482	377
	251	96

Notes:

- (i) The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2 of the fair value hierarchy.
- (ii) The fair values of cross currency swap contracts and interest rate swap contracts are calculated by reference to the present values of the estimated future cash flows, taking into account market observable yield curves and forward exchange rates at each reporting date. Cross currency swap contracts and interest rate swap contracts are included in Level 2 (31 March 2018: Level 2) of the fair value hierarchy. During the six months ended 30 September 2017 and 2018, there were no transfers between the three levels of the fair value hierarchy.

The Group uses cross currency swap contracts and interest rate swap contracts (swapping from foreign currencies to Hong Kong Dollars) to minimise its exposure to movements in foreign currency exchange rates and interest rates in relation to its interest bearing liabilities. The fair values of these cross currency swap contracts and interest rate swap contracts are classified as non-current items should the remaining maturities of the hedged items extend for more than 12 months. Any change in fair values of the effective portion of the cash flow hedges in relation to interest rate swap contracts is recognised in the hedging reserve. Any change in fair values of the fair value hedges in relation to interest rate swap contracts and any change in fair value of cross currency swap contracts are recognised directly in the condensed consolidated income statement. A net amount of HK\$24 million had been debited (2017: HK\$24 million had been credited) to the hedging reserve during the period as further set out in Note 23.

20 Derivative Financial Instruments (Continued)

As at 30 September 2018, the derivative financial instruments qualifying as cash flow hedges have, in effect, provided the Group with an average fixed interest rate period of 3.8 years on HK\$6,500 million borrowings (31 March 2018: 4.3 years on HK\$10,000 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 30 September 2018 were HK\$6,500 million (31 March 2018: HK\$10,000 million) and 1.81% (31 March 2018: 1.74%) respectively. The notional principal amount of the outstanding floating rates to floating rates interest rate swap contracts as at 30 September 2018 was HK\$6,500 million (31 March 2018: HK\$6,500 million).

As at 30 September 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 30 September 2018 were HK\$7,753 million (31 March 2018: HK\$7,753 million) and HK\$1,400 million (31 March 2018: HK\$1,910 million) respectively.

Gains and losses on interest rate swap contracts recognised in the hedging reserve (Note 23) as at 30 September 2018 will be released to the condensed consolidated income statement.

21 Other Non-current Liabilities

	30 September 2018 (Unaudited) HK\$'M	31 March 2018 (Audited) HK\$'M
Amount due to non-controlling interest	3,179	2,897
Non-controlling interest put option obligation	790	700
	3,969	3,597

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 3.2% (31 March 2018: 2.6%), has no fixed repayment term and is not repayable within one year. Such amount due to non-controlling interest including any accrued interest will be repaid from the Project Company's surplus cash after meeting its payment obligations.
- (ii) Pursuant to the shareholders' agreement, Nan Fung has a right to exercise a put option to require Link to purchase all the issued shares Nan Fung holds in the Project Company at the then fair market value, after the second anniversary of the completion of the commercial property development and certain conditions have been satisfied. The non-controlling interest put option obligation was recognised as a financial liability based on a valuation performed by Crowe Horwath 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 (31 March 2018: Level 3) of the fair value hierarchy.

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

	Fair value (Unaudited) HK\$'M
At 1 April 2018	700
Recognised in the condensed consolidated income statement:	
– Fair value loss (Note 7)	90
At 30 September 2018	790

22 Units in Issue

	Number of units (Unaudited)
At 1 April 2018	2,150,058,972
Units bought back for cancellation	(39,480,000)
Units issued under the 2007 LTI Plan	1,407,782
At 30 September 2018	2,111,986,754

Pursuant to the general mandate granted to the Manager by the Unitholders, the Manager (on behalf of Link) bought back a total of 39,480,000 units (2017: 14,687,000 units) at an aggregate price of HK\$3,007 million (2017: HK\$928 million). All units bought back were cancelled during the period.

Closing price of the units as at 30 September 2018 was HK\$77.05 (31 March 2018: HK\$67.00) per unit. Based on 2,111,986,754 units in issue as at 30 September 2018 (31 March 2018: 2,150,058,972 units), market capitalisation was HK\$162,729 million (31 March 2018: HK\$144,054 million).

23 Reserves

	Other reserve (Unaudited) HK\$'M	Hedging reserve (Unaudited) HK\$'M	Exchange reserve (Unaudited) HK\$'M	Earnings retained for exchange and cash flow hedge adjustments (Unaudited) HK\$'M	Total reserves (Unaudited) HK\$'M
At 1 April 2018	(580)	244	932	(1,176)	(580)
Cash flow hedges:					
- Change in fair values	-	58	-	-	58
- Amount transferred to the condensed consolidated income statement (Note (i))	-	(82)	-	-	(82)
	-	(24)	-	-	(24)
Exchange loss on translation of financial statements (Note (ii))	-	-	(1,754)	-	(1,754)
Net assets attributable to Unitholders:					
- Amount arising from exchange reserve and cash flow hedging reserve movements (Note (iii))	-	-	-	1,778	1,778
At 30 September 2018	(580)	220	(822)	602	(580)

Notes:

- (i) Amount transferred to the condensed consolidated income statement in respect of cash flow hedges was included in "Finance costs" (Note 7).
- (ii) Exchange loss included mainly translation difference of HK\$1,703 million of the Group's investment properties in Mainland China.
- (iii) The amount represented earnings retained for the period to offset the exchange reserve and cash flow hedging reserve movements.

24 Capital Commitments

	30 September 2018 (Unaudited) HK\$'M	31 March 2018 (Audited) HK\$'M
Capital expenditure of investment properties contracted but not provided for at the end of the period	1,415	2,563

25 Connected Party Transactions and Significant Related Party Transactions and Balances

Information required to be disclosed concerning related party transactions is set out in this note unless disclosed elsewhere in these condensed consolidated interim financial information.

(a) Nature of Relationship with Connected/Related Parties

The table set forth below summarises the names of the connected/related parties, as defined in the REIT Code/HKAS 24 (Revised) "Related Party Disclosures", and the nature of their relationship with the Group as at 30 September 2018:

Connected/related party	Relationship with the Group
HSBC Institutional Trust Services (Asia) Limited (the "Trustee")*	The Trustee of Link Associates # of the Trustee
The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries (excluding the Trustee and its proprietary subsidiaries)(the "HSBC Group")*	
Jones Lang LaSalle Limited (the "Principal Valuer")	The Principal Valuer of Link Associate # of the Principal Valuer
Jones Lang LaSalle Management Services Limited	Associate # of the Principal Valuer
Premier Cleaning Services Limited	Associate # of director
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.

25 Connected Party Transactions and Significant Related Party Transactions and Balances (Continued)

(b) Transactions with Connected/Related Parties

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

	Six months ended 30 September 2018 (Unaudited) HK\$'M	Six months ended 30 September 2017 (Unaudited) HK\$'M
Trustee's fee paid and payable to the Trustee (Note (ii))	(10)	(9)
Transactions with the HSBC Group (Note (iii))		
Interest expense and various financing charges to the HSBC Group on interest bearing liabilities, cross currency swap contracts and interest rate swap contracts	(23)	(44)
Rental income from the HSBC Group on leasing of retail units	19	19
Interest income from the HSBC Group on short-term bank deposits	4	1
Transactions with the Principal Valuer (Note (iii))		
Valuation fee	(1)	(1)
Consultancy services fees	(2)	-
Charges for provision of fitter services paid and payable to Jones Lang LaSalle Management Services Limited (Note (iii))	(8)	-
Architectural/renovation consultancy services fees paid and payable to Aedas Limited (Notes (iii) and (iv))	(4)	(7)
Rental income from Dah Sing Bank, Limited on leasing of retail units (Notes (iii) and (v))	4	-

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) Aedas Limited is an associate of Mr Ian Keith GRIFFITHS.
- (v) Dah Sing Bank, Limited is an associate of Mr Blair Chilton PICKERELL.

25 Connected Party Transactions and Significant Related Party Transactions and Balances (Continued)

(c) Balances with Related Parties

Balances with related parties are set out below:

	30 September 2018 (Unaudited) HK\$'M	31 March 2018 (Audited) HK\$'M
Trustee's fee payable to the Trustee	(2)	(3)
Interest bearing liabilities with the HSBC Group	(2,880)	(3,740)
Agency fee payable to the HSBC Group	-	(120)
Net interest payable to the HSBC Group	(3)	(1)
Security deposits from the HSBC Group	(2)	(3)
Cross currency swap contracts and interest rate swap contracts with the HSBC Group	(108)	(84)
Deposits placed with the HSBC Group	910	640
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:

	Six months ended 30 September 2018 (Unaudited) HK\$'M	Six months ended 30 September 2017 (Unaudited) HK\$'M
Fees	4	4
Basic salaries, allowances and other benefits	84	69
Deferred bonus for gains on disposals of investment properties	25	-
Long-term incentive schemes awards	52	46
	165	119

26 Approval of the Condensed Consolidated Interim Financial Information

The condensed consolidated interim financial information was authorised for issue by the Board on 14 November 2018.

FIVE YEAR PERFORMANCE SUMMARY

Financial Data

	Six months ended 30 September 2018 (Unaudited) HK\$'M	Six months ended 30 September 2017 (Unaudited) HK\$'M	Six months ended 30 September 2016 (Unaudited) HK\$'M	Six months ended 30 September 2015 (Unaudited) HK\$'M	Six months ended 30 September 2014 (Unaudited) HK\$'M
Condensed consolidated income statement					
Revenue	4,930	4,949	4,608	4,185	3,830
Property operating expenses	(1,171)	(1,182)	(1,168)	(1,089)	(1,047)
Net property income	3,759	3,767	3,440	3,096	2,783
General and administrative expenses	(151)	(185)	(157)	(163)	(286)
Change in fair values of investment properties	6,702	9,432	2,978	5,785	14,761
Gains on disposals of investment properties	-	-	586	-	340
Interest income	59	2	2	4	14
Finance costs	(302)	(288)	(275)	(216)	(169)
Profit before taxation and transactions with Unitholders	10,067	12,728	6,574	8,506	17,443
Taxation	(732)	(589)	(517)	(466)	(411)
Profit for the period, before transactions with Unitholders	9,335	12,139	6,057	8,040	17,032
Distributions paid to Unitholders	(2,758)	(2,581)	(2,404)	(2,138)	(1,976)
	6,577	9,558	3,653	5,902	15,056
Represented by:					
Change in net assets attributable to Unitholders, excluding issues of new units and units bought back	4,690	10,228	3,138	5,767	15,071
Amount arising from exchange reserve and cash flow hedging reserve movements	1,778	(677)	411	104	(15)
Non-controlling interest	109	7	104	31	-
	6,577	9,558	3,653	5,902	15,056
Consolidated statement of distributions					
Profit for the period, before transactions with Unitholders attributable to Unitholders	9,226	12,132	5,953	8,009	17,032
Adjustments:					
- Change in fair values of investment properties attributable to Unitholders	(6,591)	(9,424)	(2,874)	(5,754)	(14,761)
- Deferred taxation on change in fair values of investment properties attributable to Unitholders	145	48	8	17	-
- Change in fair values of financial instruments	35	-	-	-	-
- Other non-cash income	(56)	(83)	(36)	(42)	(18)
- Depreciation charge on investment properties under China Accounting Standards	-	(69)	(42)	(24)	-
- Gains on disposals of investment properties, net of transaction costs	-	-	(557)	-	(327)
Total distributable income	2,759	2,604	2,452	2,206	1,926
Discretionary distribution	-	69	42	24	128
Total distributable amount	2,759	2,673	2,494	2,230	2,054
Distribution per unit (HK cents)					
Interim DPU	130.62	121.50	111.75	98.99	89.56

Financial Data (Continued)

		As at 30 September 2018 (Unaudited)	As at 31 March 2018 (Audited)	As at 31 March 2017 (Audited)	As at 31 March 2016 (Audited)	As at 31 March 2015 (Audited)
Assets and liabilities						
Investment properties	HK\$'M	209,790	203,091	174,006	160,672	138,383
Other non-current assets	HK\$'M	736	811	669	1,816	934
Current assets, excluding investment properties held for sale	HK\$'M	4,743	12,502	1,265	964	3,827
Total assets	HK\$'M	215,269	216,404	175,940	163,452	143,144
Current liabilities	HK\$'M	7,616	7,225	4,046	4,387	4,880
Non-current liabilities	HK\$'M	26,692	30,111	33,397	31,624	20,158
Total liabilities, excluding net assets attributable to Unitholders	HK\$'M	34,308	37,336	37,443	36,011	25,038
Non-controlling interest	HK\$'M	583	474	256	54	-
Net assets attributable to Unitholders	HK\$'M	180,378	178,594	138,241	127,387	118,106
Interest bearing liabilities to total assets	%	10.3	11.9	15.6	16.5	11.9
Total liabilities to total assets	%	15.9	17.3	21.3	22.0	17.5
Valuation of investment properties	HK\$'M	209,790	203,091	174,006	160,672	138,383
Valuation capitalisation rate						
- Hong Kong (weighted average)	%	4.02	4.01	4.57	4.59	4.61
- Mainland China						
- Retail	%	4.50 - 4.75	4.50 - 4.75	4.50	4.50 - 5.00	N/A
- Office	%	4.25	4.25	4.25	4.00	N/A
Net assets per unit attributable to Unitholders	HKS	85.41	83.06	62.47	56.79	51.53
Closing price per unit	HKS	77.05	67.00	54.45	46.00	47.80
Market capitalisation	HK\$'M	162,729	144,054	120,498	103,185	109,547
Discount of unit price to net assets per unit attributable to Unitholders	%	9.8	19.3	12.8	19.0	7.2
Units in issue		2,111,986,754	2,150,058,972	2,213,002,276	2,243,148,136	2,291,770,269

Portfolio Data

		Six months ended 30 September 2018 (Unaudited)	Six months ended 30 September 2017 (Unaudited)	Six months ended 30 September 2016 (Unaudited)	Six months ended 30 September 2015 (Unaudited)	Six months ended 30 September 2014 (Unaudited)
Hong Kong Portfolio						
Average monthly unit rent at period end	HK\$ psf	65.7	59.0	52.5	47.4	43.6
Average monthly unit rent excluding self use office, Education/Welfare and Ancillary at period end	HK\$ psf	70.2	63.0	56.2	51.1	46.9
Reversion rate						
- Shops	%	20.4	28.5	21.2	29.5	24.1
- Overall	%	22.5	26.8	21.0	23.6	23.6
Occupancy rate at period end	%	95.5	96.3	95.9	95.1	94.4
Net property income margin	%	75.9	76.0	74.3	74.0	72.7
Number of turnover rent leases (excluding ancillary) at period end		4,538	5,039	5,035	5,199	5,187
Car park income per space per month	HKS	2,706	2,463	2,206	1,986	1,738
Mainland China Portfolio						
Reversion rate						
- Retail	%	43.2	40.7	41.9	33.7	N/A
- Office	%	0.2	17.2	8.3	N/A	N/A
Occupancy rate at period end						
- Retail	%	98.8	96.9	98.2	100.0	N/A
- Office	%	98.9	98.1	98.4	98.5	N/A
Performance Data						
Net assets attributable to Unitholders at period end	HK\$M	180,378	147,634	129,871	122,165	110,610
Net assets per unit attributable to Unitholders at period end	HK\$	85.41	67.11	58.20	54.24	48.23
The highest premium of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	N/A	N/A	0.10	N/A	N/A
The highest discount of the traded price to net assets per unit attributable to Unitholders (Note (i))	HK\$	(19.61)	(12.91)	(13.10)	(13.74)	(10.83)
Closing price per unit at period end	HK\$	77.05	63.30	57.00	42.50	44.75
Net yield per unit (Note (ii))	%	1.7	1.9	2.0	2.3	2.0
Net yield (annualised) per unit	%	3.4	3.8	3.9	4.7	4.0
Net yield (annualised) per unit on listing price of HK\$10.30 per unit	%	25.4	23.6	21.7	19.2	17.4

Notes:

- (i) The highest premium and discount are calculated based on the highest and lowest traded prices of HK\$78.65 (2017: HK\$65.40) and HK\$65.80 (2017: HK\$54.20) respectively on The Stock Exchange of Hong Kong Limited during the period. During the period, the highest traded price was lower than the net assets per unit attributable to Unitholders as at period end date. Accordingly, no premium of the traded price to net assets per unit attributable to Unitholders was presented at 30 September 2018.
- (ii) Net yield per unit is calculated based on distribution per unit for the six months ended 30 September 2018 of HK\$130.62 cents (2017: HK\$121.50 cents) over the closing price as at 30 September 2018 of HK\$77.05 (2017: HK\$63.30).

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 2,111,986,754 units in issue as at 30 September 2018. Further details of units in issue are set out in Note 22 to the condensed consolidated interim financial information in this report.

Financial Calendar

Interim results announcement for the six months ended 30 September 2018	14 November 2018
Ex-interim distribution date	27 November 2018
Closure of register of Unitholders	29 November to 3 December 2018 (both days inclusive)
Record date for interim cash distribution	3 December 2018
Interim cash distribution payment date	10 December 2018
Final results announcement for the financial year ending 31 March 2019	June 2019

In order to qualify for the interim cash distribution of HK130.62 cents per unit for the six months ended 30 September 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 Wednesday, 28 November 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

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Customer Service Contact

Hotline: (852) 2122 9000

Websites

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

Index Inclusion

Link is a component of the following selected indices:

Dow Jones Sustainability Asia Pacific Index

FTSE4Good Developed Index

FTSE All-World Index Series

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

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

FTSE RAFI All World 3000

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
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
CEO	Chief Executive Officer of the Manager
CFO	Chief Financial Officer of the Manager
China or Mainland China or PRC	The People’s Republic of China and if the context requires, exclude Hong Kong
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)
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)

Hong Kong	Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange or Stock Exchange	The Stock Exchange of Hong Kong Limited
IFAPC	The Hong Kong Institute of Financial Analysts and Professional Commentators Limited
INED(s)	Independent Non-Executive Director(s) of the Manager (unless the context requires otherwise)
lease	a lease or a tenancy agreement (both of which grant a possessory interest) or a licence (which merely constitutes an authority to do something) in respect of premises at the retail properties granted to a tenant
like-for-like	excluding any properties acquired, divested and/or newly operational (as applicable) during the periods under analysis
Link	Link Real Estate Investment Trust
Link Securities Dealing Code	the code governing dealings in securities of Link by Directors and senior management 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
Long-term Incentive Schemes	2007 LTI Plan and 2017 LTI Scheme
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)
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
Principal Valuer	the Principal Valuer (as defined in the REIT Code) of Link, which is currently Jones Lang LaSalle Limited
psf	per square foot

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 PRC
SFC	Securities and Futures Commission of Hong Kong
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
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)
sq ft	square feet
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 12 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⁾
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⁽²⁾
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
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 13 August 2018

(3) Required by the SFO

(4) Required by the Listing Rules



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